A Case Study-Employee Retention and Turnover in Accenture

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Declaration

I hereby certify that this material which I now submit for assessment of the programme of study leading to the award of MA in Human Resource Management is entirely my own work and has not been taken from the work of other save and to the extent such work has been cited and acknowledged within the text of my work.

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Abstract

Employee retention and turnover in the IT industry is one major issue that needs to be tackled in a manner that satisfies employees with their current employment and allows them to develop a loyalty towards the organisations they work for There are numerous factors that affect employee retention and turnover in such a dynamic industry

One such case is that of Accenture, which has failed to keep, its turnover rates low High turnover comes as an unfruitful cost to the employers and it is important to deal with such a cost in order to remain competitive

Numerous factors have been identified for Accenture, which will define its turnover rates and the reasons behind those Compensation levels, relationship with immediate supervisors, opportunities to training and development and career advancement are few of the factors that were studied in relation to Accenture to determine the reasons behind its high turnover rates

Recommendations based on the research findings have been put forward to Accenture thus allowing for the development of a better corporate environment, which would hamper employee turnover, and help to foster organisational loyalty

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CHAPTER 1 Introduction

11 Introduction

There has been a radical change in the world of labour that has changed the dynamics of the human resource management The new nature of labour depends on and proposes flexibility, boundary less communities and change in work as we know it today (Baruch, 2004) As the world of work shifts from a labour-intensive, manufacturing society to an automated technology based society, the labour force increasingly becomes more educated and sophisticated with a falling organisational loyalty (Baugh & Roberts, 1994, Furnham, 2000) Moreover, companies which rely on information technology operate in unstable markets and face accelerating growth and very high rates of transformation Employees fit for high technological jobs are highly educated, well trained and represent a large share of a company's intellectual capital Employers struggle to retain their valuable high technology employees due to a general shortage of experienced candidates and aggressive recruitment tactics by other in high technology arena (DeYoung, 2000, Evans, Gonzalez, Popiel & Walker, 2000, Storey, 1992) The building of a strong workforce begins when an organisation starts hiring the right mix of people in order to develop a competitive advantage But in these challenging times the real part is retaining these employees hence keeping turnover costs low Turnover costs are usually those hidden costs that businesses Ignore but turn out to be very taxing on the company's resources (Wall Street Journal, 2012)

Ireland is one the largest IT outsourcing country all over the world From FAS Vacancy Overview Report 2011 'The number of vacancies for professionals (including IT professionals) was highest during 2007, when up to 2,600 vacancies a month were advertised on the Irishjobs ie website and up to 600 through the FAS Jobs Ireland vacancy bank Due to the recession period in Ireland, the vacancies for professionals were decline to a lower level at 2009 Indications of a recovery began to emerge from Quarter 4, 2010 and continued throughout most of 2011 despite a decline towards the end of 2011, the number of advertised vacancies in 2011 was higher than in the each of the preceding two years For IT professionals they accounted for by far the highest number of professional vacancies and made up approximately 40% of all vacancies in this occupational group. Three quarters of the vacancies for professional occupations specified at least two years' experience as a requirement with a further 14% requiring six years or more More that half of all the vacancies are difficult to fill mentions in the October 2011, recruitment agency survey report due to the IT skills specific requires' (FAS, EGFSN, 2012) The Recruitment Firm Rescon has published a survey report in IT sector in Ireland, it state that candidates (IT) are changing their approach to job-hunting, with a good benefits package becoming increasingly important. The following features were recorded as the most attractive on top of salary company reputation/nature of activity including

funding and management team (48%), performance-related bonuses (21%), share options (17%) and other benefits – health cover, pensions, training and so on (14%) (Brian, 2003)

The IT industry is in the skill shortage situation in Ireland currently 'While in Ireland other sectors of the economy are down IT industry hiring is up 6% More and more people are working in the IT industry them eve before and to keep this up we need to promote skills at a national level' (John, 2011) Employees fit for the IT jobs are highly educated, well trained and represent a large share of a company's intellectual capital Employers struggle to retain their valuable high technology employees due to a general shortage of experienced candidate (De Young, 2000)

Many studies have been conducted on keeping turnover costs low The techniques developed have ranged from a well coordinated human resources department to competitive packages for employees but each situation has its unique fit. The Information Technology industry has been one that has faced rapid changes over the years. The demand for competitive and newly educated employees keeps rising and these form the major assets of such companies. In such an industry developing organisational loyalty has been one of the toughest tricks. A company needs to make sure that the right set of talent is attracted, trained, and retained to gain a competitive advantage in an industry where margins are not too huge (Kelchner, 2012).

Factors that affect employee retention are numerous – compensation, career development opportunities, and relationship with supervisors being a few (Rainmaker

Group, 2012) These factors and the relation of each with employee retention will be studied in this paper. This will help to reveal a set of factors that need to be taken care of in order to retain employees better and thus keep turnover costs low. Organisations need to remember that turnover is not the only cost related to bad retention policies but lost productivity due to low worker morale, and negative workplace aura is another major cost

Ireland, which is the largest IT outsourcing country, many IT vacancies are updated daily for this labour market, IT companies would face the employee retention and turnover problems. The context for this paper is to find out that the factors can impact the employee retention and turnover. In the paper will be used a case study that will focus on the employee retention and turnover issues faced by a single IT company. The company that has been chosen is Accenture-Ireland. Accenture is a technology services and outsourcing company that has been helping businesses worldwide to deliver their very best using state of the art technology. It is the multinational company and one of the largest IT company in Ireland (Accenture, 2012). So Accenture has ability to stand for the IT industry of Ireland.

Accenture's policies regarding employee retention will be studied and research will be conducted to gauge the effectiveness of these policies

Chapter 1 will provide an introduction to the topic and to Accenture as a company in order to reveal the scope of its operations

Chapter 2 will be a comprehensive review of the literature that is available on the issue of employee retention and turnover in the IT industry. This literature Review will be extracted from scholarly articles and will provide an insight into the mechanics of employee retention and turnover.

The research questions will be spelled out in Chapter 3 and will cover the research methodology, justification for research methods used, along with the presentation of the results and a study of the limitations of the research that has been conducted Chapter 4 will be a study of the results and findings revealed by the research and will evaluate these results m light of the literature that has been lighted earlier during the study

Finally, Chapter 5 will bring forward the recommendations that can be developed as a result of the research conducted and conclusions drawn Specific recommendations will be put forward for Accenture to cope with the current scenario of the industry and to make the maximum out of the compelling times that are about to be presented to the company

12 Accenture Background

With 246, 000 people employed in over 120 countries Accenture has been providing management consultancy, technology services, and outsourcing since the 1950s when it first provided and installed computers at General Electric From technology consultancy to integrated technology solution provider, Accenture has made a long

Journey and this in itself is proof enough for Accenture's extra ordinary human capital (Accenture, 2012)

The extent to which the business has grown and the successful business solutions it has been providing its clients with are all symbols of the intellect that the company has been nurturing Many studies have been conducted by Accenture in different industries and on various firms to find out the most pressing of agendas in the wake of the distressed economic conditions that the world economy has been facing. These studies have revealed that by far the most pressing issue on business' agendas is attracting and retaining skilled staff in order to gain competitive advantages in a stressed economy Engaging people talent in the right way is the concern of most businesses today (Accenture News Releases, 2005)

With this Accenture has learned that such an issue has to be its own concern too as Accenture operates in a business where getting software is not too difficult but getting the right solution providing Along with this, many countries that Accenture operates in have been facing issues regarding brain drain especially in the technology industry, where employees see greater opportunities abroad. To combat such brain drain issues Accenture has shifted focus to providing proper training and a good working environment, which it believes will help to retain the best professionals (McCoeey, 2010). Accenture executives believe that providing innovative training programs and job experiences allows employees to value the organisation and would motivate them to stay. Such on going training programs have no strings attached and are only

expectations dependent Accenture operations in Philippines have been a good example of using interesting training programs to prevent brain dram and to make sure the best professionals stay with the organisation (Tapalla, 2008)

With increasing recessionary pressures Accenture has been focusing on employee retention as opposed to the general trend of downsizing. Often downsizing results in lost treasures being found by competitors. It lowers the morale of the existing employees and also at times results in loss of employees who the company may not be willing to let go. Accenture has not played any stunts such as volunteer retirements or forced downsizings and believes that the labour costs incurred by the organisation will more than pay off by developing a strongly blended workforce that promotes the Accenture way and thus gain a strong competitive advantage in the very volatile Information Technology industry (Cheese, Farley, & Gibbons, 2009)

Be sure, such kinds of policies have been already established by Accenture to improve employee retention and decrease the turnover rate. This is paper is focus on the factors of employee retention and turnover in the organisation

The research conducted will involve questionnaires being filled by employees are from different business units and levels. And focus group will be followed by the questionnaires with typically chosen employees and supervisors/managers. This will help to develop an understanding of how synchronized the thoughts of the employees are with what the organisation aims to achieve in terms of employee satisfaction and low turnover

In the Chapter 2 will present a literature review on the factors affecting turnover and retention in the dynamic IT industry

Chapter 2 Literature Review

21 Literature Review

Various articles were studied to argue the significance of employee retention and turnover with specific reference to high technology personnel in the IT sector. Most of the data examined in this literature review has been obtained from professional journals and publications. The use of Internet was extensive in forming this literature review. Therefore, studying the relationships between different job variables and employee turnover rates in light of the views of different scholars is the main purpose of this chapter. There are several factors that dictate the extent to which an organisation can control its rate of employee retention and turnover. These factors as per the scholars will be studied and relationships will be drawn between each and the rates of employee retention and turnover. This literature review will serve as a guide for the research to be designed in the following chapters.

Retention can be defined as 'A commitment to continue to do business or exchange with a particular company on an on-going basis' (Zineldin, 2000) Also the more definition is to define retention as the customers 'liking, identification, commitment, trust, willingness to recommend and purchase intentions with the first four being emotional-cognitive retention constructs and the last two being behavioural intentions (Stauss et al, 2001)

Once these linkages have been established it will be easy to study a case such as that of Accenture and apply these measures of employee retention and turnover in Accenture

'Today the labour force is different A wise employer will learn how to attract and keep good employees, because in the long run, this workforce will male or break a company's reputation Turnover will always happen, every company must face up to it Unwanted employee turnover is one of the biggest and most costly business companies' face' (Taylor, 2002) So the relationships that are strongly presented by Taylor focus on the relation between employee retention and turnover, and organisational commitment. The greater is the commitment that employees feel towards the organisation the lower is the turnover rate. The degree of loyalty of an employee to an organisation can only be measured through the level of organisational commitment that the employee holds (Bateman & Strasser, 1984) Bateman and Strasser (1984) also defined organisational commitment as "multidimensional in nature, involving an employee's loyalty to the organization, willingness to exert effort on behalf of the organization, degree of goal and value congruency with the organization, and desire to maintain membership" According to Buchanan (1974), commitment is described as a bond between an individual (the employee) and the organization (the employer) The link between organisational commitment and employee retention can be explained by linking employee satisfaction with the job to organisational commitment

Meyer & Allen (1991) stated that there exists a strong link between employee commitment and employee absenteeism and turnover. In order to improve on the job behaviour, they contended that employers should develop ways of increasing organisational commitment and should reap the benefits of a well motivated workforce. Therefore, commitment defines the employee's relationship with the organisation and has an impact on whether the employee will continue with the organisation. According to the social exchange theory, every individual tries to maintain a relationship with an organisation in order to maximize the benefits he derives out of this relationship (Blau, 1964). This social relationship transforms into an implicit psychological contract between the employer and the employee Rousseau (1995) suggested that psychological contracts are governed by norms such as reciprocity and thus have a huge role to play in the development of organisational commitment. Thus organisational commitment is enhanced when organisations take special interest in fulfilling the individual needs of employees.

According to Suliman and Junaibi (2010) organizational commitment can be defined as the relative level of an individual's identification with and involvement in a particular organisation. It relates to identifying the organisation's goals and values, willingness to make efforts on behalf of the organisation, and having a strong desire to remain with the organisation. Organisational commitment is the result of job characteristics such as supervisor support, personal characteristics, and positive work

experiences These result in reduced absenteeism, effective performance, and reduced employee turnover

The impact of organisational commitment on employee turnover has been established but the variables that affect the level of organisational commitment need to be studied and the strength of these relationships are yet to be established

2 2 Factors Affecting Organisational Commitment

Organisational commitment can be studied in the light of several factors that have an impact on the level of commitment of employees, although each factor may have a varying degree of impact on different individuals (Anis, Rehman, Rehman, Khan & Humayoun, 2011) Employee retention, productivity, quality and corporate financial success are characterised as high performance, high commitment strategies. The assumption is that integrated sets of management strategies focusing on commitment (as opposed to control) produce high level of employee affective commitment and subsequent organisational performance (Tsui et al., 1995). Arthur (1994) also concluded that by using commitment strategies, organisations has significantly higher performance and lower turnover, compared to those using control strategies. The retention of technical employee has been perceived to be of strategic importance to high technology employers because of the potential return on them in the long term (Turbin & Rosse, 1990). Base on these point of view, to manage the turnover rate of the high technology employee in the IT sector is a hard and challenge work. The aim

of this paper is to shortlist those factors, which generally increase organisational commitment more than other factors and then apply these factors to the case of Accenture

Accenture has to focus on building higher degrees of loyalty, as the IT industry is one that needs greater commitment Employees are not attached to any organisation but are well known for their particular skill sets. This makes hopping from one organisation to another organisation in search of better packages easier for the employees. In this industry employees usually associate with an organisation for special projects. Once these are done employees start searching for better options. Sulaiman & Junaibi (2010) stated that the problem often is the fact that employees form a relationship only based on monetary rewards whereas loyalty factors play no role. Retaining such employees becomes very difficult for the organisation as some way or the other they are likely to find a better pay package

According to Priyadarshi (2011), factors that have the potential of increasing organisational commitment include compensation, the degree of support received from supervisors, training and development, career advancement opportunities, skill variety, job autonomy, job challenge, quality of life/work and so on

In this paper, will focus on the compensation, the degree of support received from supervisors, training and development and career advancement opportunities of each of these four factors with organisational commitment will be reviewed along with the

impact this will have on employee retention and turnover, in light of the literature gained from various sources

2 3 Compensation

Compensation is defined by American Association as 'cash and non-cash remuneration provided by the employer for services rendered' (Anis, Rehman, Rehman, Khan & Humayoun, 2011) Herzberg & Mausner (1959) also suggest that hygiene factors, such as pay, influence employees' motivation, attitudes, and turnover Congruently, information systems (IS) research has found that when hygiene factors are high. IT workers are likely to continue in their current job (Tan & Igbaria, 1994) So compensation as cash pay is one of the hygiene factors could minimize the employee turnover rate Organisations have been using compensations and benefits to retain employees, as employee retention has become a major issue. The more an employee recognizes a high level of internal and external equity that is when compared with other personnel of the same department or the same organisation and when compared with people occupying a similar job in other organisations respectively, in respect to matters such as compensation and bonuses, performance appraisal, promotions, the less he will think of changing his current job (Pare and Tremblay, 2000) In this way employees are able to justify their efforts in to the job and thus remain satisfied It serves as a measure of self worth

According to Anis, Rehman, Rehman, Khan & Humayoun (2011), compensation for an employee's contribution could take the form of salary and wages, bonuses, benefits, stock options, and vacations These are the elements of compensation that increase employee performance Both the financial and non - financial elements of compensation are given to employees against their behaviour that could lead to the accomplishment of desired goals. The desired goal here is achieving a satisfactory level of organisational commitment that results in reduced turnover Compensation packages help to communicate to the employees their worth to the organisation. It instils within them a sense of loyalty and attachment towards the organisation. This in turn is a measure of employee commitment to the organisation and thus is a very valuable tool for retention and turnover Higginbotham (1997) stated that continuance commitment, described as the awareness of the financial and non-financial costs associated with leaving the organisation, has a positive relationship to the salary of an employee Pare and Tremblay (2000) also stated that compensation is a measure of an employee s self worth and denotes the extent to which employees feel an essential part of the organisation

The concepts of internal and external equity in compensation were proposed by Pare and Tremblay (2000) They proposed that when an employee realizes a high level of internal equity that is when compared with other personnel of the same department or the same organisation, and a high level of external equity that is when compared with people occupying a similar job in other organisations the less he will think of

changing his current job Such equality usually needs to be considered in areas such as compensations, performance appraisals, and promotions In this way employees are able to justify their efforts in to the job and thus remain satisfied. It serves as a measure of self worth

Compensation packages help to communicate to the employees their worth to the organisation that could get the improvement of employee loyalty for the organisation commitment Therefor once improvement in commitment has improved retention it still has been worked on, in order to improve productivity through increase loyalty (Tseng & Lee, 2011) It instils within them a sense of loyalty and attachment towards the organisation. This in turn is a measure of employee commitment to the organisation and thus is a very valuable tool for retention and turnover (Anis, Rehman, Rehman Khan & Humayoun, 2011) A retention strategy focusing only on financial compensation is not likely to guarantee retention of employees as once an employee reaches a specific pay level, other intangible factors like supervisor support, peer respect and work/life balance become more important (Tomlinson, 2002) As compensation package providing stock options to IT employees can be very helpful in improving their commitment as IT employees are usually very receptive to stock options Owning stocks can give them a sense of ownership in the business and thus can ensure that they stick around with the organisation The lack of professional recognition and fewer or non existent chances of promotion cannot be compensated by higher salaries (Pare & Tremblay, 2000) Instead of high salaries, financial compensation in the form of profit sharing and bonuses has been found to be very effective in the case of high technology employees as these forms of compensation are a symbol of performance appraisal and recognition (Balkin & Gomez-Meija, 1984)

These factors will have to be kept in mind while designing the compensation packages for employees Also Hilderband (2007) found out that it would be good practice to occasionally revaluate compensation packages in order to make sure that the pay is internally and externally equitable. This would help to keep employee satisfaction to the highest and will help to build trust between the employee and the organisation as the employee would feel that the organisation has his / her best interests at heart thus developing a social exchange relationship (Blau, 1964) and emerging as a social contract between the employer and the employee (Rousseau, 1995)

Kochanski & Ledford (2001) also states that employee in the Information Technology (IT) sector seem to burnout quickly because of the nature of their jobs as they usually do not work normal office hours Therefore in order to improve employee retention benefits like time off (vacations) can be very successful DeYoung (2000) also states that 'high technology employees care more about the value of the benefits rather that the methods in which they are administered. Thus the benefit should be personal in nature like allowing pets in workplace because high technology worker spend a lot of time away from their homes, providing on site gyms so that worker can work out their

stress' According to those opinions, commitment achieved from economic and hard headed considerations leads to poor performance and leadership which is worse than the employee leaving the organisation as their productivity will be very low Merely having higher salaries into the wallets of the employees might increase their standard of living but will have no effect on the alignment of the company's goals with that of the employees

Meyer & Allen (1990) also argue that, 'the management level employees are more difficult to retain for the organisation, also higher commitment rely on the organisation as well. The reason behind this is, they feel very little left to learn or look forward to in this organisation and so a shift would help to refresh their careers Employers usually use merit based pay and professional development programs to combat this. However, a promotion of the idea that this organisation is a great working spot and a good benefits plan could also be helpful at this level'

These diverse findings highlight mixed importance of compensation The literature review shows a strong connection between compensation and organisational commitment but it needs to be verified whether compensation can be the only factor that can ensure organisational commitment in IT professional Thus m the research we will try and find out the relationship between compensation and organisational commitment

2 4 Supervisor Support

In this study supervisor support refers to all the practice carried out by supervisor staff to ensure better performance and innovation by the employees. These practices include recognition and rewards

It is an acknowledged fact that an employee whose performance has been recognized by his supervisors will always perform better and more that what is expected from him (Pare & Tremblay, 2000) Most of the work that high technology employees do involves tacit knowledge, which is very difficult to measure Most high technology workers value the feedback that they receive from their co-workers and especially from their supervisors (Kochanski & Ledford, 2001) The amount of support an employee receives from his supervisor, his immediate supervisor is one measure of organisational commitment on the part of the employees Greenhaus and Callana (1994) stated that the immediate supervisors often serve as role models or godfathers and are usually not just followed but help in developing an appropriate skill through on – the – job learning

Galletta, Portoghese, Penna, Battistelh and Saiani (2011) proposed that a supervisor is the person who works directly with the employees and has a direct impact on their work life A supervisor supports the employees through challenges and since he has a direct effect on employee motivation, he affects work quality too Supervisor support thus is one important factor that implicitly has an impact on whether the employee wants to remain employed Individuals who perceive their managers as supportive

identified that they were recognized, encouraged, had flexible work schedules, and received positive feedback. These factors turned out to have a great impact on their intention to remain employed.

Supervisors are seen as representatives of the organisation by employees and therefore they way employees are treated by their supervisor is a determinant of how the employees are going to perform as per the social exchange theory (Blau, 1964), whereby employees seem to reciprocate the good that the organisation does to them Employees who are often appreciated and acknowledged by supervisors willingly contribute to the goals of the organisation and show increased job involvement that decreases absenteeism and turnover rates Employees in an organisation are nurtured and grown with admiration, support, and encouragement from their supervisors. To guide an employee's movement in the right direction evaluation and feedback should not be restricted to the usual performance evaluation time. It can be given at anytime during the year. The right kind of supervisory support can help an employee to progress in his career and within the organisation, to find his rightful place in the organisational chart not just move up hierarchical levels (Galletta, Portoghese, Penna, Battistelh & Saiani, 2011)

Providing a challenging job helps to make employees stay competitive Good employees would take no time in switching, as it is easy for them to find a good job position and workplace Therefore, it is important that efforts are put into retaining talent through the generation of a conductive work environment where leader support

plays a major role in promoting employee interest in the organisation Organisations need to take positive steps towards grooming their employees to become good supervisors who know how to support their team members in order to generate growth Providing employees a challenge on a daily basis in the form of competitive supervisors and opportunities to learn can help to improve organisational commitment as the employees feel that there is still a lot to learn from the organisation (Galletta, Portoghese, Penna, Battistelli & Saiani, 2011)

When the employees' view that the supervisors are interested in their work and are continuously giving feedback and rewards based on their performance a high level of affective commitment is created Supervisor interactions have a very strong relationship with turnover intentions (Raabe & Beehr, 2003) When employees are provided with praise and regular feedback, their feelings of loyalty for the organisation become stronger (Pare et al 2001) Pare et al (2001) also pointed out that affective commitment is possible and in many cases achieved through supervisor support but continuance commitment cannot be attained through supervisor support The reason for this could be that when employees receive positive feedback, they feel an increased self-worth and not an obligation to stay with the organisation needs are satisfied Maslow's hierarchy can be used to understand that it is not the lower level needs the fulfilment of which would lead to higher organisational commitment but the achievement of the highest level needs that result in greater attachment to the

organisation as a level of dignity is achieved within the organisation. Internal mobility is one way of maintaining employee commitment to the organisation. This in turn depends on the supervisor's opinion of the employee and hence supervisor support enhances organisational commitment.

Anis, Rehman, Rehman, Khan & Humayoun (2011) noticed that an important component of the work environment is the supervisor that an employee has to deal with everyday Developing a mutually beneficial relationship, one in which the subordinate helps in achieving the supervisor's goals and the supervisor focuses on the growth of the employee, can help in providing an amiable working environment which helps both to grow

These inference are enough to claim that supervisor support is highly related with organisational commitment which in turn is dependent upon by employee retention decisions and because of this relationship it is one of the variables that will be tested in this research

2 5 Training and Development

'Training is the formal and systematic modification of behaviour through learning which occurs as a result of education instruction, development and planned experience' (Armstrong, 2001) Development is a phenomena word, it can be defined 'as the acquisition of skills and abilities that are required for future job roles in organisation' (Gunnigle, Morley and Heraty, 2006) Also Buckley and Caple (2007) noted that 'development is the general enhancement and growth of an individual's skills and abilities through conscious and unconscious learning'

According to those two definitions, the training and development is a procedure to change some ones behaviour and learning new skills and knowledge Base on the worse economic situation around European countries, of course Ireland as well. The recessionary pressures have forced businesses to cut or delete their training budgets. What employers do not understand is that these are times when training matters the most. The tiny difference that may click to a tight market may stem from the training that the employees have received. Elder (2009) suggests that every employee performing at his best can make the difference between a business that fails due to recessionary pressures and one that does not. Inept employees can result in wasted time, bad product, scrap, delays, injuries, accidents and stressed co-workers. Tomlinson (2002) states 'There is a serious shortage of high technology employees and short all according to the performance of the data of the fort and have to take the difference of high technology employees.

and almost all companies have realized this fact and hence started training and developing their employees to maintain their human resources. Furthermore the field of information technology is so dynamic that it keeps on changing and to advance with it very important for high technology employees as they want o remain employable over their career spans. Better training and employment opportunities lead to job satisfaction, which in turn helps to retention. In order to remain competitive, it is critical that an organisation's employees are well trained' According Tomlinson points, well trained employees prove to be more productive and

have a feeling of increased self-worth They believe that the company is concerned about them and their future and is trying to improve their skills

Training is mostly acknowledged as a non-monetary benefit when it in fact is an essential investment to grow the intellectual capital of a business entity. This is true for all industrial fields, but is perhaps much more critical in the IT industry (Pare & Tremblay, 2000). Rossi (2000) believes that retention levels can be improved by appropriate training of managers and supervisor to distinguish the profile of each individual. According to Irshad (2011) organisations invest in the training and development of those from whom they expect a return on investments in the form of greater productivity, greater sales, or a reduction in the costs of production. Training gives employees a perspective that it will help to acquire new knowledge and skills, which should be shared with other employees and used on the job. Organisations first tend to identify whether there is a congruency between the culture of the organisation and the personal values of the employee in order to make sure that once an investment is made in the form of training employees do not plan on leaving.

Brum (2007) identified another factor that affects turnover is the skill level of the employees Employees with specific skills are less likely to move out of the organisation. The number of job alternatives available to such employees is very limited and therefore, they remain committed to the organisation. According to the Brum's opinion, the organisation trains their employees to have specific skills, is one way to retain their key employees. Gomez-Mmejia, Balkin & Cardy (1995) have

added to this by starting that training plays an important role in updating the skill level of employees and thus makes sure that all the processes in the organisation keep up to the level of the competition in the market. The competition today consists of no local domains but is a global one and this needs more taught employees to use the knowledge to create a competitively successful business. Firms that exist in markets with immediate technical advancements and require output up gradation constantly usually train their employees very often. These employees have shown greater tendencies to be retained than those who were not trained. Larger and established firms, however, find it easier to invest in training and development and so have lower turnover rates.

Training expenditure by organisations is also a reflection of their thought patterns. It shows the employees that the organisation is more focused on value addition than on lowering costs. Such an outlook is important in an economy where job switching is very easy, especially for technological employees who have gained experience (Irshad, 2011)

Elder (2009) had proposed that training employees can result m numerous far researching benefits for the organisation. These include

- Improved Quality of Work the work whether production or managerial will be performed in a better, more educated manner with trained employees
- Better Team Performance the concepts of team performance can be better inculcated through trainings on the same subject

- Increased Productivity as employees learn more the way of doing a task improves and this helps to increase productivity
- Increased Customer Retention better trained sales employees are a guarantee of greater customer retention
- Increased Employee Morale and Retention employees who receive training and are abreast with all the changes taking place perform better thus having a high morale. This usually results in greater retention.

Newmana, Thanacoodyb & Huia (2011) have found out that organisational competitiveness can be greatly improved through training and development Positive work related behaviour emerges as a result of training conducted by the organisation as this communicates to the employees that the employer values them and cares about their well being

This brings back the concept of psychological contract, proposed by Rousseau (1995), which suggests that when an organisation proposes training program it signals its employees that a social exchange has been initiated (Blau, 1964) Employees tend to reciprocate by developing a positive work related attitude and by willingly remaining with the organisation. They tend to reciprocate with desirable behaviour such as increased organisational commitment

Studies on the relationship between organisational commitment and training perceptions are very limited but mostly suggest a strong positive relationship between the two factors (Newmana, Thanacoodyb & Huia, 2011)

Thus training and development is and has always been one of the most important variables having a deep connection with organisational commitment. Therefore it will be included in this research and its effect on organisational commitment in high technology professional will be tested.

26 Career Advancement Opportunities

Halfer and Graf (2006) found out that young employees looked for flexible work schedules and thus preferred organisations that would allow them to take classes along with work in order to advance their careers in the respective fields. This advancement is seen as an opportunity presented by the organisation and spells out the career of the employee. Again such an opportunity would be seen as a social exchange and would result in reciprocity by improved productivity and greater interest in the achievement of the organisation's goals (Blau, 1964, Rosseau, 1995). Therefore, career advancement opportunities play a vital role in increasing employees' organisational commitment and thus reducing employee turnover. One way of strengthening the bond with employees is to help them develop and this can result in the employee getting greater promotion opportunities and being more employable both internally and externally (Halfer & Graf, 2006)

A survey carried out by Kochanski and Ledford (2001) shows that career opportunities are a greater factor leading to retention than any other form of rewards,

which is then followed, by training and development and finally the relationship between the worker and his supervisors

According to Baruch (2004), an organisation's devotion to career oriented practices like internal promotions better training and development opportunities and job security lead to lower turnover. Psychological commitment is greater in workers who have a feeling of being treated as valuable resources instead of being tools to generate profit. Giving employees better career opportunities shows them that they are being valued and thus leads to commitment. It involves making them feel a part of the organisation rather than just a cog in the machine. This makes sure that they see themselves at a worthy place in the organisation and thus believe that a part of their identity is reflected through this role. Such strong linkages are required to retain employees or the hot market has a lot to offer to experienced employees

In a study conducted by Bernthal & Wellins (2001), it was revealed that management level jobs have higher retention rates when compared to non management positions as involvement in the organisation's decision making processes is higher in management positions. This helps employees to relate to the organisation. Further it was revealed that factors that improve retention rates of female employees are slightly different from those that improve retention rates of male employees. When male employees seem to value the clarity of vision/mission communicated by senior management, female employees value factors such as quality of relationship with supervisors, level of trust, cooperation among co-workers, clear understanding of work objectives, and desirability of geographic location Considering all these factors, employee retention rates were found to be the lowest in the information systems/technology industry. The study revealed that technical staff usually falls under the category of non management employees whose retention rates are more dependent on short term compensations like company responsiveness to individual needs and quality of compensation package. Giving them autonomy and freedom would not serve as highly motivating factors. Thus factors that affect each class of workers should be studied and be used accordingly to retain employees.

Irshad (2011) stated that employees, especially young ones join an organisation with the intention to progress. This advancement is seen as an opportunity presented by the organisation and spells out the career of the employee. Therefore, career advancement opportunities play a vital role in increasing employees' organisational commitment and thus reducing employee turnover. One way of strengthening the bond with employees is to help them develop and this can result in the employee getting greater promotion opportunities and being more employable both internally and externally Career development not only helps the employee in improving his skill set or becoming more employable but also helps the organisation by leaving it with a more skilled employee to perform the job at hand

According to the FAS Vacancy Report 2011, we can consider that IT industry offers huge job mobility, employers can also tie workers to organisations for fixed times by

signing employment contracts This, however, forcefully ties them to the organisation rather than allowing them to willingly do so

As reported Fatharta (2011), a study conducted by Accenture itself revealed that many employees are not satisfied with their jobs but given the economic crises are not willing to give up their jobs in search of better positions. Lack of advancement opportunities, inappropriate work life balances and the feeling of being underpaid are important determinants of employee turnover in Irish companies. However, the employee turnover has remained low thus making sure that the worst of the economic conditions does not affect them

Accenture also realizes that employee retention requires a strong approach and this may also result in an added training cost as employees are presently disturbed by these factors and may not be aware of how daily several factors play a role in attaining satisfaction with the job

Ireland's employees are not focused on giving up their jobs but efforts must be done to make sure they are not working just for the sake of employee's turnover but also because it genuinely proposes that elements like greater job security, flexibility, and career advancement help in improving turnovers (Fatharta, 2011)

The impacts various factors have on employee turnover have been reviewed in light of the available literature. It reveals that there are several factors that affect organisational commitment and the rate of employee retention and turnover Employees have to be treated well in order to retain them but which factor plays a

stronger role is a subjective issue and every organisation will have to narrow down its trigger to organisational commitment

The next chapter will help to link this literature review with the research questions and will present the research methodology that will be designed to provide an answer to the research questions

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Chapter 3 Methodology

31 Introduction

Research can be defined as a 'Systematic investigation to establish facts and information on a subject' (Hanks, 1991) In the Chapter 2, the literature review pointed out several factors that have an impact on the organisational commitment of employees and thus have an impact on the rates of employee retention and turnover The research questions will be addressing these issues and will have an impact on the conclusions that will be drawn about the impact of various factors on employee retention

The research questions that are based on the literature review will also affect the methods of primary research that will be used to assess the importance of each of the factors in reducing employee turnover. The limitations of the research methods that will be used will also be covered at the end of this chapter.

32 Research Questions

The research questions are stemmed in the relationships drawn in the literature review between different factors and their relationship with the level of turnover in an organization or the rate of employee retention

The literature review has proved clear relationships between higher employee retention, lower turnover rate and higher levels of organizational commitment

Therefore organizational commitment measures in different areas the impact of various factors on employee retention and turnover

Factors that do have an impact on organizational commitment include compensation received by employee, training and development received by employee, career development opportunities for the employee, and the level of support that the employee receives from his / her supervisor. In addition to these the age of the employee and time spent with the organisation has an impact on the retention rates. The relationship of each of these factors with employee retention and turnover has been studied in theory but through a study of the impact of each on organizational commitment primary research will answer the questions of how strongly is each factor related to organisational commitment in the case of Accenture. All the research will be specific to Accenture and the rate of employee turnover and retention in the organisation.

The research questions that this study will cover include

Q 1 Does the level of compensation have an impact on organisational commitment in Accenture and its impact on rate of employee turnover and retention?

Q 2 What is the extent to which organisational commitment is increased through greater opportunities for training and development in Accenture - an IT based company and how does this affect employee turnover and retention?

Q 3 How does the relationship of employees at Accenture with their supervisors impact the level of organisational commitment of the employees and their turnover and retention rates?

Q 4 Are career opportunities a trigger of organisational commitment in the dynamic IT industry for Accenture employees? To what extent do these affect turnover and retention rates?

These research questions will be answered by the research conducted at Accenture regarding employee turnover and retention, and will help in narrowing down those factors that have a stronger impact on organisational commitment. The research objective then is to identify the extent to which factors such as compensation, training and development, supervisor support, career opportunities, skill level of employees, and having a long-term relationship with the organisation, have an impact on organisational commitment in the information technology industry. The questions in the research questionnaire will also be directly addressing these issues and will help to narrow down factors that are strongly related to employee turnover in the high technology end IT industry. Thus a method of reducing costs should be devised as turnover costs are those that the business incurs but with no positive results. The results can be well generalized over the dynamic IT industry, as Accenture is one of the typically largest IT company in Ireland, the research can stand for the IT industry current situation in Ireland.

The research problem is to identify the level of organisational commitment in an employee at Accenture and to find out the extent to which it is changed due to a change in the factors mentioned above. The very nature of the information technology industry states that factors that allow ensuring longevity of the employee's career in such a dynamic industry are those that increase organisational commitment. Most of the literature review has reflected that organisational commitment is lowest in this industry and workers are very mobile. This makes such a study all the more important in order to identify those specific factors that increase retention rates. Increasing retention rates in such a volatile industry is important not only because it is difficult and expensive to search for employees and recruit them but also because employee turnover means that investments in training and development, which are an important part of this industry, are permanently lost.

The research will also help to prove the factors that would help to deal with the growing problem of increased employee turnover in the IT industry of Ireland Making sure that this business cost is reduced should be a major aim as this will help to keep the Irish IT industry competitive when compared to world standards

3 3 Research Methodology

The research methodology will be designed in a manner that will allow a proper study of all the factors that could have an impact on the retention rates of Accenture employees Factors specific to the organisation will be identified through this research

and the research objective has to be kept in mind all through This is important in helping to realize the extent to which an organisation can control its turnover levels by identifying factors that have an impact on it

34 Research Approach

The approach to research that is chosen can be either deductive or inductive. The deductive approach to research involves drawing proper conclusions from the literature available on the topic and then using these developing a set of hypotheses to be tested through experimentation. The test results are then used to define whether the hypotheses are supported or not and this confirms the theory originally defined by the researcher.

The inductive approach to research, on the other hand, is based on finding out from the research sample their opinions and feelings. This is usually done through interviews, observations, and questionnaires. Such techniques help in gathering data based on which the research questions are answered. This approach is more likely to be used when previous information on the research issue is not enough to draw conclusions and develop hypotheses.

The approach to research that will be used in this paper is mainly inductive. The amount of literature available on employee retention and turnover factors is immense but the conclusions drawn from it cannot be completely applied to Accenture. The literature available about Accenture's employee retention is, however, limited. This

means that meaningful hypotheses cannot be drawn from such limited literature on the topic This makes deductive research difficult to apply in such a case Through inductive research opinions of Accenture employees will be gathered and the factors affecting employee retention and turnover rates will be surmised from these (Saunders, Lewis, & Thornhill, 2003)

35 Research Strategy

The research strategy to be used is based on the research approach selected, the research questions that need to be answered, and the sample to be researched. It is important that before defining the methodology of the research the researcher clearly identifies the research tactics – the data collection methods to be used, and the methods of analysis

In this research the research population is limited to the employees of Accenture Hence the research strategy is a Case Study, which is studying the case of Accenture It is important that a sample is picked from the same and in order to find out their views about the factors that affect employee turnover and retention at Accenture Such qualitative information needs to be collected with a well designed research strategy. In this case study a further research strategy that will have to be employed is that of a survey. Survey methods include questionnaires, interviews, focus groups, and any other methods used to gather mainly qualitative information about the opinions and feelings of the research samples. In this case questionnaires and focus groups will be used to collect information about the opinions of Accenture employees and will help to conclude which factors have a greater impact on employee retention and turnover rates (Saunders, Lewis, & Thornhill, 2003)

Research objectives once understood help to design the elements of the research that has to be conducted The research methods that will be included in this study are questionnaires and focus groups as primary research and some secondary research that will reveal Accenture specific information

36 Primary Research

361 Questionnaires

A questionnaire is a relatively direct method of obtaining information (McColl, 1993) It is used to collect factual information, attitudes, beliefs, opinions, intentions and to assess a level of knowledge Questionnaires are usually a quick and cost effective method of collecting primary data. These are usually used when some basic information and relationships exist and the researcher expects to strengthen these relationships. Questionnaires allow easy collection of data from as many individuals as the budget of the research allows (Burn et al, 1993).

The questionnaires will be conducted in the organisation and with employees from all the different business units and levels in the organisation. This will help to reveal factors that are important in increasing organisational commitment. The various

elements of the questionnaire will be designed to answer the research questions that have been posed to identify factors that affect turnover in the case of Accenture

Sampling

The sample for the implementation of questionnaires needs to be picked carefully The major issue here will be to make sure that the sample size chosen is representative and does not bias the results. The greater the sample size, the more representative it becomes and the higher are the costs of the research. The research will have to decide on a trade off point between sample representativeness and cost of the research (Woods, 2006)

The number of candidates in the sample will be chosen through non probability sampling thus allowing the selection of a representative sample not based on chance Also the sample will be self selected to make sure the right mix of employees make the sample (Saunders, Lewis, & Thornhill, 2003)

Once the number of representative participants has been decided it would become easy to select a convenient yet diverse set of employees from Accenture to fill out the questionnaires. These employees need to represent different management levels and different pay bands. It is important to make sure that employee at various levels of their careers and at different levels in the organisation is picked to avoid any biases Apart from sampling issues the conduction of interviews has several other sources of bias. One such source is the very design of the questionnaire

Questionnaire Design

The design of a questionnaire plays an important role in deciding the authenticity of the results Questions that lead to the answers or open-ended questions can result in biases or in results that are difficult to analyse. Ambiguity in questions or those that use jargon should also be avoided Emotional language and prestige questions can also result in unavoidable biases. Prestige questions are those that dictate the answer Therefore, to make sure that the responses are correct, and the questionnaire is reliable and valid each and every question should be carefully designed, the questionnaire should be laid out in a comprehensible manner, and that the purpose of the research is always kept in mind. It is always a good idea to pilot test the questionnaire as this would help to reveal any kinks in the question design and would further help to improve questionnaire rehability and validity.

The administration of the questionnaire should be well planned and it should be decided before designing the questionnaire whether it will be a self-administered one or will be interviewer administered. In this case the questionnaire will be paper designed and will be a self-administered one which will be distributed among the candidates in the research sample. This will help save costs but for a self-administered questionnaire to be successful it is important that the questions are clear, and the entire lay out is comprehensible.

The questionnaire design should make sure that it fulfils its purpose of descriptive or explanatory research. In the case of Accenture a description is not the purpose but

rather an explanatory research is intended which identifies the factors affecting employee turnover and also identifies the strength of the relationship of these factors (Saunders, Lewis, & Thornhill, 2003)

Therefore, such errors in designing a questionnaire should be avoided to make sure that the results obtained are reliable

362 Focus Groups

Focus group is a method of primary research that allows qualified researchers to conduct detailed discussions with groups of 10 to 15 individuals who belong to the concerned population. The conducting of focus groups allows the collection of detailed information regarding the issue under investigation and thus allows in depth qualitative research. The moderator of the focus group can attain detailed information revealing the beliefs, attitudes, and behavioural elements of the participants (Lee, 2002).

Focus groups with Accenture professionals and their direct supervisors will also help to reveal the factors that affect organizational commitment in this volatile industry The discussion can help to reveal the impact of various factors on the level of commitment and thus the retention rates of employees

Sampling

The number of focus groups to be conducted and the members per group will have a great impact on how representative the results are But the greater these numbers the

higher are the costs involved Again a cost and representativeness trade-off will have to be made in order to make sure that the sample selected is representative enough to result in authentic conclusions that are according to the scope of this study

A sample of 8 to 10 members per focus group session is an ideal situation to find out the affective component that is affecting employee turnover. The number of sessions that will be conducted in Accenture can be decided by viewing the level of similarity that the results exhibit per session. The more similar these become the lesser are the chances of needing another focus group.

Managing sources of Bias

Focus group conductors will have to be well qualified professionals in the field who make sure that no biases are introduced by leading the discussion in certain directions Any leading on the part of the moderators can lead to results that are skewed in a certain direction

Group dynamics also need to be controlled whereby a few dominant members can affect the views of all the others. Some may agree because they are genuinely convinced and the others do so just because they do not want to appear out of the crowd Equal participation has to be managed by the moderators. Also focus group results should be evaluated on an overall basis and not on the basis of a few comments that point in just one direction (Piazza, 2011)

Primary Research Ethics

When conducting primary research of any kind it is important that certain ethical considerations are kept in mind. It is very important to seek the permission of all those who will participate in the research or information regarding whom will be used. Moreover, participant privacy and confidentiality should be guaranteed. This will help to attract the most representative participants for the research and will assure the participants that all their information will remain limited to the domain of this research. The findings should be kept anonymous. All forms of deception should be avoided in communicating to the candidates the purpose of the research and how the data being collected will be used. Such transparency will not only help to gain candidate trust but will also help them to answer in a way that helps to the actual research and its purpose.

The research being conducted should also make sure that any information gained from an organisation, the employee turnover records in this case, should also be kept completely confidential Information from companies cannot be left around carelessly as it could help the rest of the industry to take advantage of the situation depicted by the data

Other ethical considerations may be that despite maintaining anonymity the readers of the research are able to make out which organisation this is or according to the comments given who the individual candidate is. Also the organisation where the research candidates are employed may mistreat these individuals for their contribution

to the survey results, which may not always be in favour of the organisation (Saunders, Lewis, & Thornhill, 2003)

Another ethical consideration is the guarantee of physical and emotional safety of the participants. It is important that the results are taken as they are and are not influenced by the researcher's own point of view. The relevant institutions should be informed and taken permission from in order to conduct research in their premises. Finally, the responses should not be judged in a context but should be evaluated according to the objective responses given (Driscoll & Brizee, 2010).

3.7 Secondary Research

Secondary research is the use of data that was not collected originally for the purpose of the research. The secondary research information can be obtained from numerous sources including government documents, newspapers, magazines, and company records

The risk with using secondary research data is that the information was collected for some other purpose initially and therefore may not serve the purpose of this research well Also the data could be biased, outdated, or may not be accurate or reliable Secondary information will be gathered through sources such as company exit interviews, public documents studying employee turnover m the IT industry, and government data such as employee benefits registers revealing turnover rates This will reveal the true nature of the problem and its extent by allowing already collected

data to be studied for a different purpose Out of all these sources, employee exit interviews are one important source that can allow an organisation to collect relevant data that exposes the true nature of the employee turnover problem Factors identified in these interviews should be worked upon in order to reveal the factors that affect commitment and thus turnover. This would be data directly collected from departing employees and hence would contain relevant and valuable information.

The major issue with secondary research is that the authenticity of the data needs to be confirmed and one must make sure that the data is not outdated As far as government collected data is concerned, authenticity may not be a major issue but other sources of secondary information need to be studied more deeply. In this paper, the majority secondary research will be focused on Accenture already published internal information (under the information security policy)

Ethical issues are of big concern when using secondary research too The use of information from books and newspapers has the obvious issue of plagiarism. Any information taken for the research must be cited. Other than that when the secondary data is company specific data such as company exit interviews, gaining access to these is one problem and the other arises when this data is used. Anonymity must be maintained and the company's information must be held confidential (Saunders, Lewis, & Thornhill, 2003).

38 Research Limitations

The limitations in a study are many and the use of primary research includes elements that despite applying with care can introduce some limitations. On the other hand, secondary research may contain limitations that the user may not even be aware of

Validity and Reliability of Research Data

Any research conducted bears the risk of lacking validity and / or reliability in its study The degrees to which these elements are absent vary from research to research Validity is a measure of whether the research is really measuring what it claims to be measuring The risks of validity always exist and therefore the user of research based information should make sure that the method of research is known and the research includes all factors that could have an impact on the variable being measured Improper sampling can also result in validity issues as a representative study has not been conducted (University of the West of England, Bristol, 2007)

Reliability is the assurance that every time a test is conducted the results that appear are the same. It measures the consistency of a test and relies on the premise that the same test when applied to a larger population would give the same results as the sample. Reliability is a pre-requisite for validity. Data that is reliable is also valid. When using research results it is important to keep in mind the presence of reliability and validity issues and to make sure that the results are interpreted and applied with a certain chance of being incorrect (Burns, 2000, University of the West of England, Bristol, 2007)

Other Limitations

Limited Resources – starting from funds to man power, primary research needs a lot of investment Drawing a limit on these investments is inevitable and it is this very problem that can result in results that should be used with care

Sample Size – the size of the sample for the research has to be limited due to cost issues But the question that arises is that whether the sample is representative enough or are the results so limited that the entire population cannot be judged on these bases Time Constraints – the time available to conduct a research is also a major constraint. The greater the time period allowed for this research the more authentic and representative are the issues. This study has been conducted in a period of two months and the maximum level of care has been sought while conducting these studies.

Questionnaire and Focus Group Design Limitations – the number of questions a questionnaire can contain and the extent to which it can cover the issue being researched is a major limitation. Questionnaires that are too long often bore the research targets and the results are either biased or are results of careless marking thus failing to reveal the actual extent of the issue. Similarly, focus groups cannot be carried on forever and not each and every topic and sub topic can be discussed at length. This again limits the extent to which the information collected reveals the true nature of the issue.

Secondary Research Limitations – it is important to remember, while using secondary research that certain elements have to be used with care. Using secondary data appears to be an entirely feasible option but when the research was initially conducted there were limitations and these need to be kept in mind. Also judging the authenticity of previously researched data is a dilemma

Therefore, all these limitations need to be noticed and the results should be interpreted likewise. The results of such researches can be used to derive conclusions but should not be taken as the final verdict on the issue being investigated. It would be advisable that researches from a few other sources are used to judge the correctness of these. However, on the part of the researcher, great care has been taken to keep the impact of any limitations on the research results at the lowest possible level. Care and caution has been practiced not only during data collection but also during data compilation and data analysis

Chapter 4 Research Findings

41 Research Findings

Research was conducted to study the factors that affect the rate of employee retention and turnover in Accenture The research included both primary and secondary sources These researches were conducted to narrow down the factors that Accenture should work on in order to decrease the turnover rates

This chapter is a presentation of the findings of the research that was conducted and an interpretation of the research findings Based on the literature review presented in Chapter 2 the results will be interpreted to provide an insight into the factors affecting turnover and retention rates. The aim, therefore, is to find out the extent to which the research has provided answers to the research questions posed in the previous chapter. The next chapter will present recommendations based on the findings and interpretations given in this chapter.

Most of the research conducted was primary and the most comprehensive results were collected from the questionnaires that were used to survey a representative sample from Accenture The demographics of the sample group was selected before the questionnaires according to the following elements

Sales Employee (Marketing and Pre-sales Consultant Business Units) 25% of the total respondents,

- Technique Employee (Research & Development and Outsourcing Business Units)
 70% of the total respondents, and Supervisor/Manager level 10% of the 70%),
- Administration Employee (Administration, Human Resource and Finance Business Units) 5% of the total respondents

There are 130 questionnaires were sent to the sample group to cooperate this survey Finally got 100 questionnaires back, the response rate is 76% The results to this survey that involved 100 Accenture employees from all tiers of the management are tabulated in Appendix 1

The focus groups provided greater insights into the results gained from the questionnaires. Whereas the questionnaires provided just an objective view of employee preferences, the focus groups provided greater insights into the motivations and attitudes of the employees. This will help to derive better interpretations of the results and of the reasons behind any unexpected trends revealed by the data of the questionnaire.

All in all, a comprehensive way of answering the target research questions is interpreting the results of the primary researches conducted in light of each of the important factors that were traced in the literature review presented in chapter 2

Question 1 Does the level of compensation have an impact on organisational commitment in Accenture and on the rate of employee turnover and retention? According to Anis, Rehman, Reham, Khan & Humayoun (2011), the level of compensation needs to communicate internal and external equity to the employees The mability of an organisation to satisfy its employees in terms of the compensation offered for their work is a major obstacle in attaining complete employee satisfaction and thus completes loyalty towards the organisation. Compensation packages help to communicate to the employees their worth to the organisation. It instils within them a sense of loyalty and attachment towards the organisation. This in turn is a measure of employee commitment to the organisation and thus is a very valuable tool for retention and turnover (Chart 1).

In the research questionnaire, questions were directed to judge the extent to which employees find their jobs internally and externally equitable in terms of pay. These need to be matched with the results in Chart 2 which reveal the number of employees who have remained with the organisation for 2, 5 or 10 years thus revealing the retention rates at Accenture

Results indicate that much less than 50 % of the employees are satisfied with their current compensation levels and this is right in line with the more than 60% of the employees interviewed being those who have just joined the organisation or have been associated with it for just over a year

Chart 2 clearly shows that high turnover is a strong reason for concern for Accenture Accenture needs to be worried about the fact that not even 25% of the employees interviewed had been employed with the organisation for 2 to 5 years, much less 10 years Such high turnover rates can also be attributed to the fact that Accenture mostly offers project base jobs, which have a short tenure equivalent to the timeline of the

project. These short terms employment set up leave the workforce very detached as no bonds develop between the organisation and the employee.

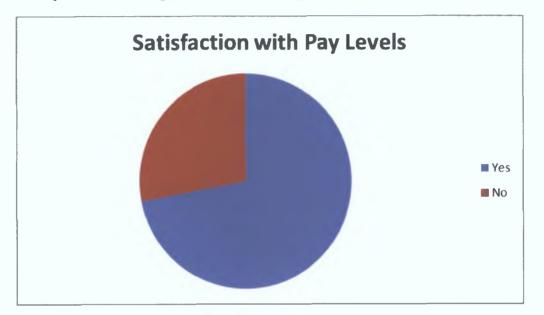
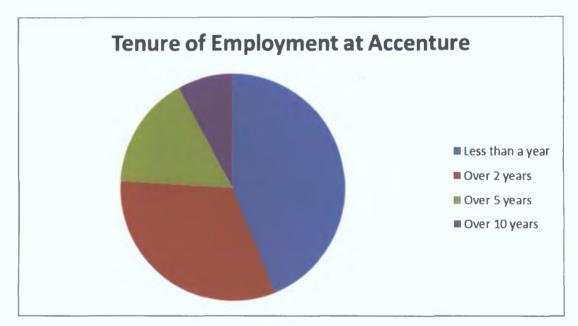


Chart 1: I would switch to another employer if they offered me a higher



salary for similar work.

Chart 2: For how long have you been associated with Accenture?

Another factor that contributes to satisfaction with the compensation is whether the employees were given adequate benefits and facilities along with the monetary rewards These benefits and facilities are a few of the elements that measure the work life balance of the employee The greater the achievement of this balance the greater the satisfaction with the job

In the case of Accenture only 30% of the employees feel that they have an appropriate work life balance The rest clearly feel that they are overworked and underpaid This shows that most employees are not satisfied with the compensation and that they feel their payments are not in line with the work they do This leaves the employees in a state that can have a negative impact on the productivity of these employees due to lower motivation levels Also the rate of employee turnover could rise as employees do not have a very high level of organisational commitment. The feeling of being treated unfairly leads to a setback to the social exchange mechanism whereby employees reciprocate what the organisation does to them (Blau, 1964)

The focus groups revealed that out of 10 participants 7 felt that compensation was one big deciding factor in whether or not they would opt to switch their job and the level of satisfaction they would derive out of the job. In the questionnaire most employees felt that they would switch to another job with similar work if the pay were higher (Chart 3)

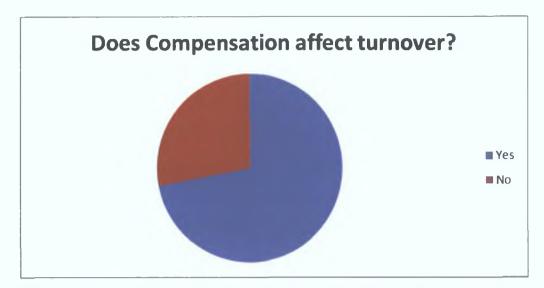


Chart 3: I would switch to another employer if they offered me a higher salary for similar work.

Another issue that was brought forward by the focus groups was the lack of connection the employees feel with the organisation. While employed at Accenture they feel like being treated like just another cog in the machine that makes the organisation work and can be replaced whenever time makes it necessary. This leaves them with very low morals and many employees say that Accenture does not even make efforts to get the employees referred for a job elsewhere thus making the transition easier for them. The lack of any personalised interest in the employees' concerns can make Accenture an unpopular employer.

These results reveal that compensation is one factor that does play an important role in keeping employees with the organisation. Compensation has an impact on the level of organisational commitment felt by the employees and thus Accenture will have to focus on keeping pay at levels that communicate a sense of fair play to the employees. The secondary research, of which the main source was the company exit interviews, revealed that many of the departing employees felt that they were getting a better compensation package offered elsewhere and that this was an important factor m choosing a job and in deciding to stay with it. At Accenture they had felt underpaid and overworked!

Question 2 What is the extent to which organisational commitment is increased through greater opportunities for training and development in Accenture and how does this affect employee turnover and retention?

Training and development help employees to feel more enthusiastic and more capable to do their jobs and also allows the organisation to gam through well learned, motivated employees who are able to make greater contributions through increased productivity

Newmana, Thanacoodyb & Huia (2011) proposed that organisational competitiveness could be greatly improved through training and development. Positive work related behaviour emerges as a result of training conducted by the organisation as this communicates to the employees that the employer values them and cares about their well being

In the questionnaire, the third section directly addressed the issue of training and development impact on employee turnover. An analysis of its results compared with the results in Chart 2 will help to reveal the importance of this factor in retaining employees and increasing organisational commitment.

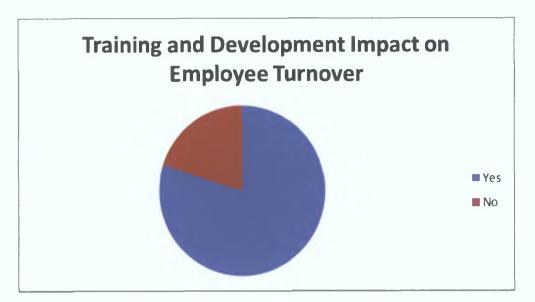


Chart 4: Accenture offers good training and development opportunities.

The chart shows that most of the respondents grade the training opportunities at Accenture as good. Only a little less than a quarter consider it to be bad. When compared with more than 60% of the employees who are newly employed it can be surmised those opportunities for training are not a very strong motivator and retainer of employees at Accenture.

The reason behind this was revealed in the focus groups that more than 50% of the employees are newly employed and may have completed their education or extra courses recently thus making any current trainings less fruitful for them. The members felt that their experience everyday was a good on the job training and they could see their theoretical knowledge at work. These individuals felt at par with the market and thus were satisfied with the training opportunities offered at Accenture.

Also employees are given New Joiner Orientations and on the job trainings on the workings of the organisation in the very beginning (Accenture, 2012). Most of the employees who were a part of the survey were recently employed due to the high turnover rates This explains the greater numbers that feel training and development opportunities at Accenture are great

50% of the employees who were surveyed also felt that their job itself was a learning opportunity and gives them chances to learn more every day Employees who had been with the organisation for over a year now also felt that the training opportunities at Accenture were good

Secondary research data revealed that most of the newly hired employees were recent graduates and had certificates for extra courses in the field of IT This led to lower demands being made in the field of further training These employees may look for training and development opportunities when they would have remained with the organisation for 2 to 5 years and new knowledge would be making them obsolete in the fast changing field of IT

Question 3 How does the relationship of employees at Accenture with their supervisors impact the level of organisational commitment of the employees and their turnover and retention rates?

The impact on organisational commitment due to the employees' relationship with their immediate supervisors is great as this interaction decides the overall work environment faced by the employee on a daily basis

As stated by Galletta, Portoghese, Penna, Battistelli and Saiani (2011), a supervisor is the person who works directly with the employees and has a direct impact on their work life A supervisor supports the employees through challenges and since he has a

direct effect on employee motivation, he affects work quality too. Supervisor support thus is one important factor that implicitly has an impact on whether the employee wants to remain employed.

The second section of the questionnaire was an analysis of the impact of this relationship on organisational commitment and turnover rates. Chart 5 is a depiction of the results to this section and reveals the impact of supervisor attitude on employee retention rates.

It is clear that relationship with supervisor has been one big deciding factor in the employee turnover at Accenture. The greater number of new hiring are clearly linked with the poor ratings to supervisor attitude and Accenture should identify this as one domain where costs can be reduced by increasing motivational and attitude based trainings of employees thus helping them to improve attitudes towards their direct reports.

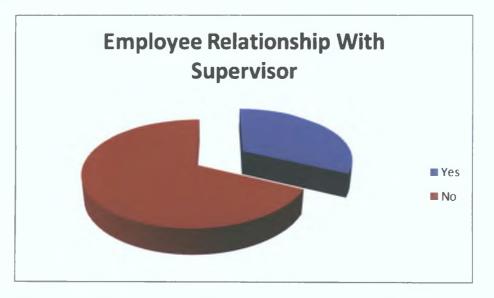


Chart 5: I have a good relationship with my supervisor/manager.

The percentage of employees who felt that their supervisors trusted them, felt that their opinions were respected, and aided them in career advancement was also low This well correlates with the high rate of turnover at Accenture

These factors were considered to be measures of the employees' relationships with their supervisors. The trust was valued by the employees and they felt it was one important element that had to exist between the employee and his immediate supervisor. Employees also felt that a supportive supervisor would aid the employee in his / her career development. If career advancement was slow the employees felt that it was the supervisor who had to be blamed. Respecting the opinions of subordinates is another quality of a good supervisor, and only 30% employees felt that their opinion mattered to their supervisor and was not just ignored.

These elements denote a strong need for behavioural adjustments that would help to build a more amiable environment and a more supportive relationship between employees and their supervisors

The focus group results also pointed towards this relationship between employee and supervisor as being one of great importance as a supportive supervisor resulted in a conductive work environment whereas one who is aggressive and dominating created a pressurized work environment that stifles any creativity or innovative thinking. The members of the focus group also revealed that those who felt their supervisor supported them had flexible work schedules, were often mentored and received positive feedback. These factors helped them to stay with the organisation

Company exit interviews revealed that out of ten departing employees two complained of being mistreated at the hands of their supervisor. This makes relationship with immediate supervisor one important factor affecting the organisational commitment of employees and helping to decide the turnover rates of the organisation

Question 4 Are career opportunities a trigger of organisational commitment in the dynamic IT industry for Accenture employees? To what extent do these affect turnover and retention rates?

Career advancement is an aim of any fresh graduate. To what extent this aim is achieved largely depends on the organisation that has employed the individual. One way of strengthening the bond with employees is to help them develop and this can result in the employee getting greater promotion opportunities and being more employable both internally and externally (Halfer & Graf, 2006). This makes career advancement opportunities an important trigger for remaining with the organisation. Whether this was the case at Accenture is revealed by the results of questions in section 4 of the questionnaire. This section aimed to identify the extent to which employees felt that Accenture had a role to play in where they stood today. Chart 6 reveals that more than 75% of the employees now feel that Accenture has had a strong role to play in their career advancement

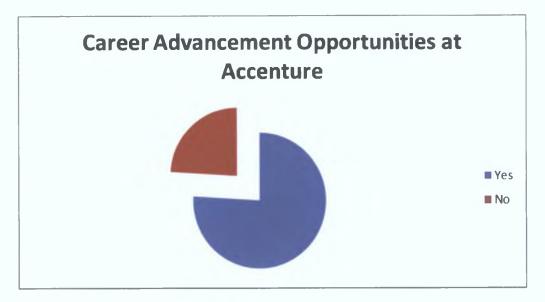
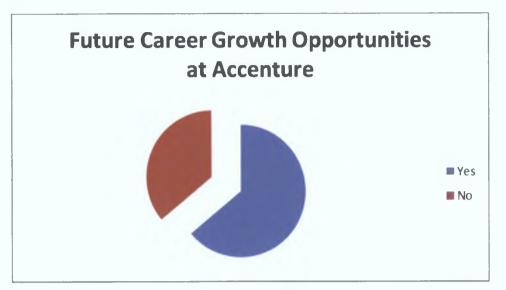


Chart 6: Accenture has provided me with career progression so far

Employees mostly felt that being in charge of an entire project was a great responsibility and would help to advance their career growth. In this way each employee hired for a short term project felt that he/she had a lot to learn from the job and being associated with Accenture also increased their chances of being easily employed elsewhere.

The focus groups reveal that most of the newly hired employees especially those who have been with Accenture for a year feel that being employed at Accenture was in itself a big opportunity for them and makes them feel that their career is on the right path. Growth within the organisation was rewarding enough. Within the one year period most felt that their work and the rotations they received as Management Trainees put their career on the right path.

This section also aimed to study what employees thought about their future career growth opportunities at Accenture. Chart 7 reveals that the employees are mostly optimistic about their opportunities to grow with Accenture. This shows that career



growth possibilities might be a good motivating factor.



The newly hired employees were more in number and were very optimistic about their opportunities to grow with Accenture. The more than 50% newly hired employees feel that Accenture presents opportunities to learn and grow thus providing a competitive career growth opportunity in the IT industry.

Another question intended to judge what employees felt about their current standing in the organisation and whether this matched their scheme of life. Chart 8 reveals that most of the employees are satisfied with their current standings in Accenture and thus the motivation of the currently employed members stems from this factor.

Focus groups revealed that Accenture has a strong point in aiding employees with their careers and this resulted in a mutually beneficial relationship. The employees gained a better standing in the market due to their experience at Accenture and this helped them to advance their careers. They ended up well Company Exit Interviews, however, revealed that this is an important factor and some employees did find better career advancement opportunities in other organisations.

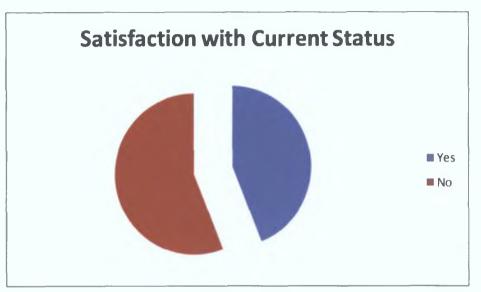


Chart 8: I see myself working here for the next 2 years or more.

Therefore, despite high turnover rates career advancement opportunities were graded well thus symbolizing that career advancement did not have a very strong impact on employee turnover rates at Accenture.

Another factor that came to light was that employees mostly felt that promotions at Accenture were fairly carried out and most employees knew that it was based on merit. Chart 9 depicts this.

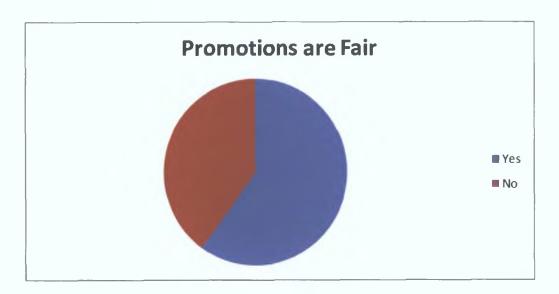
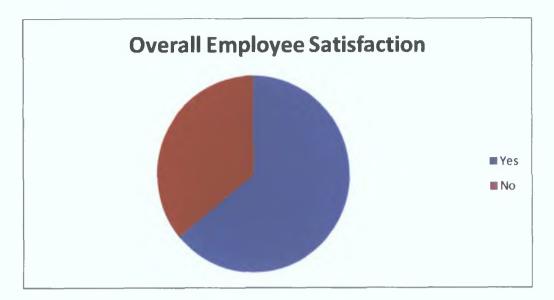


Chart 9: People are promoted on their ability and experience.

This is one strong motivation factors as the perception of partial treatment in an organisation can result in a disastrous relationship between the employee and the organisation. The organisation needs to identify that this has been graded as one if its strengths and so should be kept intact.

Also an overall measure of employee satisfaction was conducted and it revealed that employees on an overall basis were willing to switch from Accenture as they felt overworked, underpaid and also did not enjoy the work environment due to unhealthy relationships with supervisors. This is revealed in Chart 10.

This is a clear indication of the fact that Accenture should be worried about factors that affect employee retention and turnover. The general job satisfaction levels are a good depiction of how well employees grade their jobs. The low level of motivation already inculcates a sense of greater exits leaves us with guarantee.





More than 50% of the employees have considered quitting their jobs in the last one year. This shows that at different points employees have been facing factors, which lead to lower motivation levels and thus greater turnover.

Also, from the research questionnaire feedback, the respondents gave the specific ranking scales on the loyalty to Accenture; it will be concluded in the next chapter.

This chapter was a summary of the research findings. Both primary and secondary research have been summarised here regarding the factors affecting turnover rates at Accenture. The findings presented in this chapter comprehensively outline a few important factors for Accenture's employee retention problem.

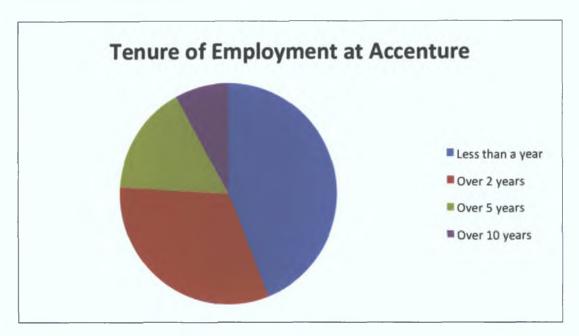
The next chapter will present a discussion of these factors and will present recommendations on how Accenture can improve its standing in the employee retention domain.

Chapter 5 Recommendations and Conclusion

51 Conclusions

Working at Accenture appears to the dream of many But the last chapter reveals that the experience is a mixed one Employees find their workplace fun filled and feel that the learning opportunities offered by an Accenture job are many and continually growing The level of job satisfaction that the employees experience is one big factor that helps to decide the turnover rates of the organisation. Unfortunately for Accenture these are very high and given the competitive nature of the IT industry, the costs incurred are humongous. The bottom lines are directly affected and competitiveness is affected. This reveals that working on employee job satisfaction should be one major aim of Accenture. Developing motivational programs can help Accenture to reduce this unfruitful cost and thus save its competitiveness.

There are numerous factors that affect the level of organisational commitment of employees and the level of organisational commitment is directly related to the employee turnover and retention rates. The previous chapter was a presentation of the research results, which revealed the importance of various factors in deciding employee turnover rates at Accenture. The primary research was conducted within Accenture and the secondary sources of information used were also Accenture specific. These will help this chapter to draw conclusions and present recommendations to reduce the rising rates of turnover at Accenture. the research questions framed in Chapter 3 were instrumental in highlighting a few factors that have an important impact on employee retention and turnover. Chart 11 is a representation of the results that were presented in the previous chapter and reveals that out of the 100 employees surveyed not even a quarter have been with the organisation for a tenure of 5 to 10 years, whereas those employed for less than a year fall slightly short of 50 %. This symbolizes a high rate of turnover and a major reason for concern at Accenture.





The last chapter revealed that compensation was one important factor that would have helped in reducing employee turnover as the majority of employees feel that they are underpaid and overworked. This therefore, helps to conclude that Accenture needs to work on its compensation levels. These need to be designed in a manner that satisfies the employees and makes them feel equitably compensated both internally and externally. Also Accenture should understand that employees need an appropriate work life balance that would allow them both work and leisure times along with an appropriate compensation. If the workload is increased the compensation for this should also be increased

Training and development, on the other hand, do not appear to be very deciding factors for reducing employee turnover. The impact these factors had on employees' perceptions were not too great as many thought the opportunities to training and develop were great and yet turnover was high. The perception that opportunities to train and develop would help to retain employees did not fit in this case as the employees were mostly new and had just completed their education making further learning unattractive. Therefore, training and development does not appear to be a strong factor in building organisational commitment.

According to 68% respondent chose 'No' with 'My supervisor/manager encourage my development' question of supervisor support section in the questionnaire and during the focus group further more discussion, most of the employees felt that they did not share something unique (skills, technology) with their immediate supervisors. The relationship was at times just average and at other times the relationship was poor enough to indicate that the employees felt that they were mistreated at the hands of their immediate supervisors. The low level of trust between the supervisor and subordinate relationship was missing in most of the cases. The employees felt that their supervisors did not have a genuine interest in the personal development of the

employees This distant relationship is not satisfying and the supervisors to advance the careers of their subordinates play no role. The extent to which employees' participation and opinions are respected by their supervisors is another measure of the health of this relationship. Since Accenture has supervisors fail to demonstrate, respect and devalue their subordinates a lot of work will have to be done on supervisory management development training. It would subsequently be useful to gauge the attitude of employees on a regular basis. This perceived inappropriate relationship could explain the high turnover rates, thus rating relationship with immediate supervisor as an important factor in deciding turnover rates.

The career advancement opportunities offered by Accenture were rated very well by most of the employees The incidences of high turnover rates despite good ratings received by career development opportunities reveal that there is no strong link between career development opportunities at Accenture and the employee turnover rates This might be because career development opportunities offered by other IT firms might be equally good The IT industry is in itself a dynamic one and these constant changes allow employees to develop a clear career path within the industry thus reducing their dependence on a single organisation to develop their careers Such a lack of dependence allows employees to easily switch from one job to another as they feel that their skills are strong enough to allow them to gain employment at any organisation and to develop their career as such

In conclusion, compensation and relationship with immediate supervisors appear to be one of the most significant contributory factors when it comes to employee turnover reduction at Accenture. The last question of the questionnaire conducted was an evaluation of the overall satisfaction employees gained from their job experience and the resultant loyalty they develop towards Accenture. Loyalty is an important factor that decides whether or not employees will remain with the organisation, in both good and bad times. The results are depicted in Chart 12 and reveal that the employees at Accenture are not very happy with their experience at Accenture.

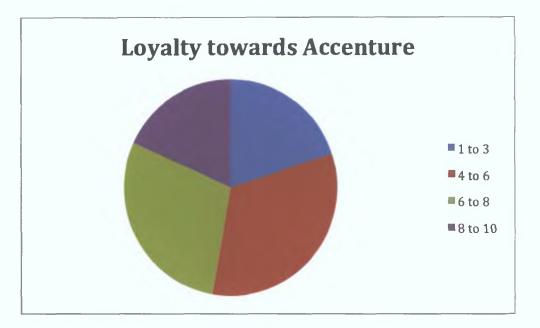


Chart 12: On a scale of 1-10 (1 lowest; 10 highest) my loyalty to Accenture is

Base on the research findings; with almost 60% of the employees ranking specific less loyal to the organisation the turnover rates are likely to remain high. This depicts a complete lack of interest in the organisation and no emotional ties exist between the organisation and its employees. The biggest reason for this appears to be the repetitive feedback from the employees that revealed these employees felt overworked and underpaid

52 Recommendations

After analysing the results from the previous chapter it becomes obvious that there are certain areas that Accenture needs to improve in order to improve the level of organisational commitment that it generates as this is the factor that decides the costs that Accenture incurs in the form of increased turnover Based on the research the following recommendations can be put forward to Accenture

- Fair Compensations Accenture needs to develop a mechanism to evaluate for every position the current market rate of compensation and needs to align its payments to this level. When employees feel overworked and underpaid they not only start searching for better opportunities but also lose loyalty to the organisation thus affecting their productivity. This has an impact on the costs as employees may be working full hours but may not be delivering to their full potential. Finally, this could add to the costs in the form of extremely high employee turnover rates. Developing an equitable system of pay should thus be a priority of Accenture.
- Employee training on how to deal with their direct reports Employees at all levels of the organisation need to be trained on how to treat their direct reports The relationship between employees with their immediate supervisors makes a

strong impression thus daily experience at work Hence, it is important to develop a culture of support and understanding where every employee is respected no matter how small a position he / she holds. Once such a culture is developed employees have superior management and interpersonal skills. This is one domain where Accenture can work and save costs in the long term

Transparency of Procedures – Secondary research has revealed that another major reason for the lack of organisational commitment was lack of transparency in carrying out certain procedures such as promotions, and hiring decisions. It is important for the employees to know what the bases are on which one employee is being promoted and the other is not. These procedures need to be fair to guarantee the authenticity of the HR department and to give the employees a feeling of being treated fairly.

If hiring decisions are not transparent many employees may get the feeling of being partially treated. The idea of impartiality should be held high from day one to make sure no one questions the authenticity of the decisions made by the organisation. This also has a role to play in the loyalty each employee holds towards the organisation. This level of loyalty is one important factor in deciding the turnover rates at Accenture.

Finally, Accenture should realise the dynamic nature of this industry and should slowly adapt to the rapid changes being faced by it. In such a competitive industry, every penny saved is a great addition to profit. To save by bigger margins Accenture

needs to reduce its employee turnover rates and should launch a well thought out employee retention strategy that targets all the present and potential employees of Accenture

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Appendix 1 – Results of Questionnaire

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higher salary for similar workYes72	I would switch to another	
higher salary for similar workYes72	employer if they offered me a	
Yes 72		
		72
	No	

Supervisor Support	
My supervisor/manager	
encourages my development	
Yes	32
No	68
I get support and help from my	
supervisor/manager when I need	
It	26
Yes	36
No	64
I have a good relationship with	
my supervisor/manager	
Yes	32
No	68
I feel my supervisor/manager	
trusts me	
Yes	36
No	64
I feel my supervisor/manager	
respects my opinion	
Yes	28
No	72
I always get support from my	
supervisor/manager for my	
work/life balance	
Yes	24
No	76
Training and Development	
I have received sufficient traiming	
to do my job	
Yes	68
No	32
My training and development	
needs are discussed	
Yes	64
No	36
I have learned new skills in the	
last 12 months	
Yes	76
No	24
Accenture offers good training	
and development opportunities	
F	· · · · · · · · · · · · · · · · · · ·

Yes	80
No	20
My work allows me to develop	20
my skills and knowledge	
Yes	52
No	48
······································	48
Career Advancement	
Opportunities	
I have good opportunities for	
promotion in this company	
Yes	64
No	36
People are promoted on their	
ability and experience	
Yes	60
No	40
I see myself working here for the	
next 2 years or more	
Yes	44
No	56
Selection for promotion is open	
and fair	
Yes	72
No	28
I would switch to another	
employer for a promotion	
regardless of the salary	
Yes	36
No	64
Has Accenture helped your	
career progress?	
Yes	76
No	24
I have considered leaving	
Accenture in the last 12 months	
Yes	64
No	36
If there were other companies	
offering similar work/pay I	
would switch to them	
Yes	64
No	36
INU	30

I

Appendix 2 -Questionnaire

Confidential

Survey on Employee Retention and Turnover in Accenture

This survey is being carried out as part of my Masters Degree in Human Resource Management at the National College of Ireland

This is a questionnaire designed to enable me to investigate the employee retention and turnover in the IT industry, especially in Accenture

The questions aim to find out about the employee retention and turnover rate that is in place in the organisation in which you work

All information is given in strictest confidence The questionnaires do not in any way reveal your identity

Thank you for your invaluable help in completing this survey

Confidential

Statistical Data:

Which department do you work in?

Please Tick Below:

Age:

□20-30 □31-40 □41-50 □50+

Gender:

□Male □Female

Do you work:

□Full time □Part time □Contractor

How long have you been working for the company?

□Less than 1 year

□Over 2 years

□Over 5 years

□Over 10 years

Confidential

Please Circle Either Y=YES or N=No

1. Compensation

¢	Versus similar jobs in other organisations, I am fairly paid	Y/N
◇	Versus other jobs in this organisation, I am fairly paid	Y/N
¢	I am satisfied with my benefits and facilities	Y/N
♦	I am satisfied with my terms and conditions	Y/N
	I currently have good work- life balance	Y/N
¢	I would switch to another employer if they offered me a highe	er salary
	for sımılar work	Y/N

2. Supervisor Support

♦	My supervisor/manager encourages my development	Y/N
	I get support and help from my supervisor/manager	Y/N
	when I need it	
	I have a good relationship with my supervisor/manager	Y/N
	I feel my supervisor/manager trusts me	Y/N
¢	I feel my supervisor/manager respects my opinion	Y/N
∻	I always get support from my supervisor/manager for	Y/N
	my work/life balance	

Confidential

Please Circle Either Y=YES or N=No

3. Training and Development

♦	I have received sufficient training to do my job	Y/N
∻	My training and development needs are discussed	Y/N
♦	I have learned new skills in the last 12 months	Y/N
♦	Accenture offer good training and development opportunities	Y/N
♦	My work allows me to develop my skills and knowledge	Y/N

4. Career Advancement Opportunities

\diamond	I have good opportunities for promotion in this company	Y/N
♦	People are promoted on their ability and experience	Y/N
♦	I see myself working here for the next 2 years or more	Y/N
أ	Selection for promotion is open and fair	Y/N
♦	I would switch to another employer for a promotion	Y/N
	regardless for the salary	
أ	Accenture has provided me with career progression so far	Y/N
♦	I have considered leaving Accenture in the last 12 months	Y/N
أ	If there were other companies offering similar work/pay I would	∃Y/N
	switch to them	

On a scale of 1-10 (1 lowest, 10 highest) my loyalty to Accenture is _____

Thank you again for completing this survey!