

**A study to gain insights into the factors that influence newly
qualified accountants in Ireland to stay or leave their
organisation in order to improve retention strategies in
accounting firms**

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MA in HRM

Submitted to the National College of Ireland

September 2013

Abstract

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Recruiting qualified accountants has been identified as a challenging process (Gladden and Beed 2007). As the economy picks up it is anticipated that a talent war will emerge as larger accounting firms begin to hire more rapidly. This study found that poor retention has already impacted the client relationship, the quality and efficiency of jobs and in some cases the retention of clients, all of which affect the profitability of companies which in turn will affect the companies' ability to stay competitive. As people are accounting firms' assets, it is therefore essential for accounting firms to know how to help retain their key employees to meet their business needs.

While employee retention is an essential element of talent and business management it has been observed that there is a lack of research examining what influences employees to stay in an organisation (Musser 2001). Additionally, Maertz and Campion (1998) recommend that retention should be studied in conjunction with turnover. Consequently, the purpose of this dissertation was to gain insights into the factors that influence newly qualified accountants in Ireland to stay or leave their organisation in order to improve retention strategies in accounting firms.

The researcher conducted semi-structured interviews with newly qualified accountants to gain insights into what factors influenced their decision to stay or leave their organisation. The overall results showed that the main factors influencing respondents to stay included post qualification experience, highlighting their desire for career progression, the people and pay. The main factors influencing respondents' decision to leave included a change of job role, 'the lack of work-life balance and the long hours' and a lack of career progression. The recommendations in relation to improving employee retention in accounting firms included providing a career plan, flexible work arrangements and better communication.

In addition, a Director and a Partner from a medium sized accounting firm were interviewed for the purpose of this study. This involved presenting the main findings from the literature and from the respondents' interviews to the Director and Partner. This was completed so that both the previous theoretical findings and the suggestions arising from this study would be subject to scrutiny by practitioners that could be in a position to assess their relevance and practicality. Overall, they agreed with the majority of recommendations suggested by the newly qualified accountants believing that they were "*practical*" and "*reasonable*" to implement.

Submission of Thesis and Dissertation

National College of Ireland

Research Students Declaration Form

Name: Linda Kennedy

Student Number: 11102586

Degree for which thesis is submitted: Master of Arts in Human Resource Management

Word count: 22,658

Supervisor: Dr Garvan Whelan

Material submitted for award

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Acknowledgements

I would like to thank my supervisor, Dr Garvan Whelan, who provided his time, guidance and feedback to enable me to complete this study.

I would also like to thank the newly qualified accountants and the Director and Partner who participated in this study for their time and open and honest feedback.

Finally, I would like to thank Colm for all his support, patience and encouragement.

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Chapter 1

Introduction

1.1. Introduction

The retention of quality employees is more important today than ever before (Holtom et al. 2008) and it is a critical component of organisational performance (Dey 2009). Employee retention is an essential element of talent management which is

“the implementation of integrated strategies or systems designed to increase workplace for attracting, developing, retaining, and utilizing people with the required skills and aptitude to meet current and future business needs”
(Lockwood, 2006, p. 2).

However, while academics offer advice on how to retain employees, Hausknecht al. (2009) advised that in order to implement an effective retention strategy, companies must understand why employees stay. However, Musser (2001) observed that there was a lack of research examining what influences employees to stay in an organisation. Additionally, Maertz and Campion (1998, p.65) observed that *“retention processes should be studied along with quitting processes”*.

Conversely, there is vast literature on employee turnover. Researchers have studied turnover and many related variables including job satisfaction (March and Simon 1958), organisational commitment (Mobley et al 1979), organisational culture and person-organisation fit (O'Reilly et al 1991) pay satisfaction (Griffeth et al 2000) and job stress (Mei-Fang et al 2011). Nonetheless, while many researchers explored particular factors influencing turnover, Sweeney and Boyle (2005) and Kelly and Barrett (2011) both proposed that future in-depth research is needed to explore the scope of issues that influence job satisfactions and turnover intentions among Irish accountants.

Therefore, the purpose of this study is to gain an insight into the factors that influence newly qualified accountants in Ireland to stay or leave their organisation in

order to provide advice to the accounting firms on retention strategies. It is intended that this will inform both the theory and practice relating to retention strategies for accounting firms.

1.2. Context and Rationale

Like most of the financial sector, the global accounting services industry's revenue fell in 2009, but accounting firms have since bounced back hitting an historic high in 2011 (IBISWorld 2012). The global accounting revenue forecast is expected to continue to increase by 3.5% in 2013 (IBISWorld).

Accounting plays a prominent role in global economics. According to MCRI Globalization and Autonomy (2013), accounting plays an important role in the globalizing world with the potential to offer a "*common language*", creating a truly global marketplace. Consequently, the accounting industry is set to continue to play a vital role in the global economy.

In the UK and Ireland, despite the difficult economic conditions, research shows that the accounting profession remains attractive (FRC 2012). At the end of 2009, the accounting and auditing industry was listed as the second biggest growth industry in Ireland with a demand for qualified and part qualified accountants (Independent.ie 2009).

According to Gladen and Beed (2007), recruiting qualified accountants is a challenging process. The American Institute of Certified Public Accountants (AICPA 2009) also reported that recruiting qualified staff has consistently been identified as one of the top issues facing accounting firms in the United States (US). Brundage and Koziel (2010) advocate that when the economy picks up, larger accounting firms will begin to hire more rapidly and a talent war will emerge. In addition to this, following on from the recent recession, Deloitte conducted a report which showed that dissatisfaction with working conditions in all companies, including accounting firms, has resulted with nearly half of employees thinking about leaving their current organisations, and 30% are actively seeking new employment (Cepin 2011).

In the UK, one of the key findings published in "Finance connections 2008" research report was the need for accounting firms to focus on employee retention, particularly as a significant number of accounting staff felt that their futures lay outside their current firm (Eaves 2008). In Ireland, according to The Brighwater Group (2013), the demand for professional accountants has increased with the majority of demand at newly qualified up to finance manager level. Sigmar Recruiting also report a demand for newly qualified accountants in Ireland, particularly for newly qualified accountants trained in Big Four companies (Sigmar Recruitment 2013).

The Big Four accounting firms are PwC, Deloitte, Ernst & Young and KPMG while non-Big Four accounting firms are considered to be "*large national and smaller regional/local firms*" (Bagley et al. 2012, p.240). In the past, the Chartered Accountants Ireland (2005) noticed a problem for accounting firms losing qualified staff, generally filtering down through the market with Big Four firms taking employees from the tier below them and the next tier taking employees from the smaller firms. As the total fee income between 2010 and 2011 increased by 5.7% for the Big Four firms compared to a 0.5% decrease with non-Big Four firms (FRC 2012), together with the fact that there is a demand for accounting professionals with Big Four experience (Sigmar Recruiting), non-Big Four companies may find it harder to retain their employees as they look to move to the Big Four firms to gain Big Four experience. Furthermore, a recent study by Sageworks highlighted that staffing is one of the top management issues facing accounting firms and the cost of recruiting, training and the lost productivity associated with staff turnover can have a major effect on firm's profitability (Accountingweb 2013). Therefore, as suggested by Brundage and Koziel (2010), companies should not wait until they have to spend time and money on replacement, but instead they should focus on retaining their best employees.

Newly qualified accountants are professional accountants who have completed the professional accountancy exams and have just completed their training contract which is typically a three to three and a half year contract. Once the training contract is completed, newly qualified accountants are in a better position to stay or leave their organisation as they have obtained their qualification. Consequently,

considerable movement is seen among newly qualified accountants. Although accounting firms have a much larger ratio of trainees to qualified senior staff and they expect a certain degree of turnover to make way for new trainees, excessive turnover is deemed wasteful (Hyndman, 1994), especially considering the significant amounts invested in the training and development of accounting employees (Sorensen et al. 1973). Consequently, as the competition for newly qualified accountants increases, it is important to understand why they stay or leave in order to help accounting firms develop retention strategies to retain their best employees.

1.3. Research Aims and Objectives

As evidenced in the introduction, recruiting qualified accountants has been identified as a challenging process (Gladden and Beed 2007) and Brundage and Koziel (2010) advocate that a talent war will emerge as larger accounting firms begin to hire more rapidly as the economy picks up. In addition, while academics offer advice on how to retain employees, Hausknecht et al. (2009) advised that in order to implement an effective retention strategy, companies must understand why employees stay. However, Musser (2001) observed that there was a lack of research examining what influences employees to stay in an organisation. Furthermore, as will be discussed later in this study, Sweeney and Boyle (2005) and Kelly and Barrett (2011) both proposed that future research is needed to explore the scope of issues that influence job satisfactions and turnover intentions among Irish accountants.

Consequently, a research problem has been identified with the need for accounting firms in Ireland to understand why newly qualified accountants stay or leave the organisation in order to implement effective retention strategies to help retain their quality employees.

Therefore the overall research aim is:

- To gain insights into the factors that influence newly qualified accountants in Ireland to stay or leave their organisation in order to improve retention strategies in accounting firms.

By understanding why people stay and leave, the researcher will highlight recommendations for accounting firms on how to retain their employees.

The research study is also aimed at addressing the following sub-objectives:

1. To gain insights into what aspects of their jobs newly qualified accountants are satisfied and dissatisfied with.

As will be discussed in the literature review, the basic concept of traditional models of turnover was that job satisfaction was negatively related to turnover (March and Simon, 1958; Porter and Steers, 1973; Mobley, 1977) and this relationship has also been found to be important in research based on accountants (Snead and Harrell, 1991; Sweeney and Boyle, 2005; Kelly and Barrett, 2011). Consequently, it is important to identify what influences job satisfaction and dissatisfaction among newly qualified accountants.

2. To examine what attracts newly qualified accountants to choose another company.

It is important to understand what factors attract newly qualified accountants to another firm as turnover theory advocates that “*when the attractiveness of a new job outweighs the relative attractiveness of the existing job, the turnover process begins*” (Steel et al. 2002, p.157).

3. To identify what changes accounting firms can make to help retain their employees

By understanding why people stay and leave as previously discussed, accounting firms can identify what changes need to be made in order to implement retention strategies to help retain their employees. As people are accounting firms’ assets, it is therefore essential for accounting firms to know how to help retain their key employees to meet their business needs.

1.4. Conclusion

The remainder of this paper is structured as follows.

Chapter 2 will discuss the key literature regarding retention and turnover. This will outline the literature that demonstrates the influences of retention and turnover and the main themes that have emerged. The turnover research that has been carried out specific to the accounting industry will also be discussed.

Chapter 3 will discuss the methodology and will demonstrate how the aims of this study were addressed and findings achieved. Chapter 4 will examine the research findings and will compare these empirical findings to the literature and information provided by key informants, the Partner and Director interviewed for the purpose of this study. Additionally, recommendations provided by respondents to improve retention strategies will be discussed.

Finally, Chapter 5 contains the key findings, recommendations and conclusions drawn from this study. It is hoped that if these key recommendations are implemented in accounting firms it will influence newly qualified accountants to stay in their organisation once they complete their training contract. Suggestions for future research will also be recommended.

Ultimately it is hoped that this study will provide an insight to management in accounting firms in understanding the factors that influence newly qualified accountants' decision to stay or leave their organisation in order to improve their employee retention strategies.

Chapter 2

Literature Review

2.1. Retention

Employee retention can be defined as “*a management initiative through company policies to create a high degree of employee satisfaction with the ultimate motive of retaining employees*” (Dey 2009, p.45). The retention of quality employees is more important today than ever before (Holtom et al. 2008). It is progressively becoming a critical component of organisational performance (Dey 2009). Companies that fail to retain their high-quality employees will be left with a less qualified and understaffed workforce which will ultimately affect their ability to stay competitive (Rappaport et al. 2003).

Dey (2009) also notes that employee retention can lead to satisfied employees, satisfied customers, and improved financial company performance. It is also important to retain the repository knowledge of employees, particularly as studies show that it can take three to six months for a new employee to be trained and begin performing (Dey 2009).

Retention is an essential element of talent management which is

“the implementation of integrated strategies or systems designed to increase workplace for attracting, developing, retaining, and utilizing people with the required skills and aptitude to meet current and future business needs” (Lockwood, 2006, p. 2).

As employees are accounting firms’ assets, it is therefore essential for accounting firms to know how to help retain their key employees to meet their business needs.

Retention strategies and the influences of employee retention

Many academics offer advice on how to retain employees through factors such as competitive compensation packages (Brundage and Koziel 2010; Pabla 2010; El-Ramly 2012), organisational culture (Sheridan 1992; Brundage and Koziel 2010; El-Ramly 2012), work-life balance (Musser 2001), mentoring and leadership (Musser

2001; Arms 2010; Brundage and Koziel 2010; Driscoll 2012), communication (Arms 2010) and training and opportunities for growth or promotion (Musser 2001; Pabla 2010; El-Ramly 2012). El-Ramly (2012, p.18) identified that “*career development ranks as the top attraction factor and No. 2 retention factor for high potentials*”. He acknowledged that it is important to set out a career road map with employees as it can develop leadership and business development skills.

According to Boltax (2011), studies demonstrate that 9 out of 10 managers believe that employees stay or go because of pay. However, contradicting some academics, Eaves (2008, p.30) observed that while many organisations use compensation packages as a key retention tool, a poll carried out among accountant employees in the UK showed that 75% of respondents felt “*that they were paid either in line with or above the average market rate for a similar role*” yet 73% felt that “*they did not see their career path with their current employer*” indicating little relationship between retention and the retention tool of compensation. Therefore as advised by Hausknecht al. (2009), to implement an effective retention strategy, companies must understand why employees stay.

While there is significant academic literature advising on retention strategies, Musser (2001) observed that there was a lack of research examining what influences employees to stay in an organisation. In general, despite the considerable amount of literature on the causes of employee turnover, there is significantly less known about the influences of employee retention (Hausknecht al. 2009). Maertz and Campion (1998, p.65) also observed that

“relatively less turnover research has focused specifically on how an employee decides to remain with an organization and what determines this attachment... retention processes should be studied along with quitting processes”.

This is valuable as the factors that cause people to leave are not always the same as the factors that cause people to stay (Steel et al. 2002).

Therefore, a significant gap in literature has been observed in relation to retention and what influences employees to stay in an organisation. To the researcher’s

knowledge, no research has been conducted exploring the factors that influence accountants in Ireland, particularly newly qualified accountants, to stay in their organisation. Instead, the academic research focuses on turnover and the factors that influence accountants to leave their organisation.

2.2. Turnover

Employee turnover is defined as the intention to exit an organization voluntarily (Nazim, 2008). Academics have noted that turnover can be either functional or dysfunctional depending on who is leaving the organisation (Campion 1991; Dalton et al. 1982; Parker et al. 2011). Turnover is considered dysfunctional when high performing employees leave the organisation as this has negative consequences for the company (Parker et al. 2011). Accordingly, organisations need to focus their attention on retaining these employees (Parker et al. 2011) as retaining quality employees is a key component of organisational performance (Dey 2009).

Turnover within accounting firms is also a considerable and expensive problem (Snead and Harrell, 1991). Although accounting firms have a much larger ratio of trainees to qualified senior staff and they expect a certain degree of turnover to make way for new trainees, excessive turnover is deemed wasteful (Hyndman, 1994), especially considering the significant amounts invested in the training and development of accounting employees (Sorensen et al. 1973).

Causes of employee turnover

(i) Traditional Turnover Theories

Prior to 1985, several key turnover models were developed which lay the groundwork for turnover research. The major contributors to this research included March and Simon (1958), Porter and Steers (1973), Mobley (1977), Mobley et al. (1979), Price and Mueller (1981, 1986) and Hom et al. (1984).

March and Simon's (1958) theory of organizational equilibrium was one of the earliest models of turnover. They suggested that the two factors that influence employee turnover are perceived desirability and perceived ease of movement. Today, these views are categorised as job satisfaction and perceived alternatives (Holtom et al 2008). March and Simon proposed that job satisfaction and

organisational size drive perceived desirability to move jobs while individual characteristics such as age, gender and occupancy influence the perceived ease of movement (Holtam et al 2008). Ultimately, the model proposes that employees are more likely to remain in their jobs when they are satisfied with their job and think that there are not many alternatives (Hausknecht et al 2009). Mitchell et al (2001) consider that most of the current research on voluntary turnover stems from March and Simon's (1958) theory, making it the foundation for research in this area.

One of the first significant updates to March and Simon's (1958) theory was presented by Porter and Steers (1973). They introduced a model in which employee's 'met expectations' influenced turnover decisions (Porter and Steers 1973). Porter and Steers (1973, p. 152) describe the concept of 'met expectations' as the *"discrepancy between what a person encounters on his job in the way of positive and negative experiences and what he expected to encounter"*. Subsequently, they proposed that when an individual's expectations are not largely met, their tendency to leave is increased (Porter and Steers 1973).

As part of this model, Porter and Steers (1973) suggested that the total level of the employees met expectations reflected the extent of employee job satisfaction. They claimed that internal work related and personal factors were antecedents of turnover and these were the roots of job satisfaction. These factors were classified into four categories including: organization-wide factors (e.g. pay and promotion, job-security and organisational size), immediate work group and environment factors (e.g. supervisory style, work unit size, and peer group relations), job content factors (e.g. nature of work, job stress and repetitiveness, job autonomy, and role ambiguity and conflict), and personal factors (e.g. age, length of service, personality characteristics and family considerations).

Other significant contributors to turnover research include Price and Mueller (1981, 1986). They expanded the job satisfaction and turnover models to incorporate organisational commitment which was defined in previous work as an *"individual's identification with and involvement in a particular organisation"* (Steers, 1977, p. 46).

These traditional models of turnover instigated and considerably advanced turnover research as much of the current research is still founded on one or more of these traditional theories.

(ii) The Development of Turnover Theories

Turnover research has evolved from simple modest beginnings to a more complex multifaceted view. While the traditional turnover theories focused on job satisfaction, commitment and several work related and personal antecedents of turnover such as organisational size and nature of the job, later turnover research expanded on these models and also paid considerable more attention to contextual variables and other, mainly negative, personal conditions such as stress and exhaustion (Holtom et al 2008). This section will focus on the articles that are representative of the main trends that emerged.

Job satisfaction

“Job satisfaction is the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values” (Locke, 1969, p. 316). Similarly, Hoppock (1935, p.47) described job satisfaction as *“any combination of psychological, physiological, and environmental circumstances that causes a person truthfully to say, ‘I am satisfied with my job’”*.

As previously discussed, the basic ideology of traditional models of turnover was that job dissatisfaction caused turnover. Job satisfaction continues to be one of the main attitudinal variables researched in relation to turnover. Tett and Meyer (1993) found that satisfied employees are more likely to perform better and remain with the organisation. Similarly, Khatri and Fern (2001) and Sarminah (2006) found a moderate relationship between job satisfaction and turnover intentions while Brough and Frame (2004) and Rahman et al (2008) found a strong negative relationship between job satisfaction and turnover intentions.

Specific to the accounting industry, Chatzoglou et al (2011) conducted a study in Greece to explore the factors affecting accountants' job satisfaction and turnover intentions. Consistent with many findings as previously discussed, they found a significant negative correlation between job satisfaction and turnover. Additionally, Almer and Kaplan (2002) examined the effects of flexible work arrangements on job

satisfaction and turnover intentions among public accountants in the US. They found that accountants with flexible work arrangements report lower levels of burnout and demonstrate higher job satisfaction and in turn, lower turnover intentions than those who did not have a flexible work arrangement (Almer and Kaplan 2002). In addition, El-Ramly (2012) noted that flexible work arrangements are one of the main factors in maintaining work-life balance.

Additionally, Parker et al (2011) observed that turnover is an ongoing problem for accounting firms and accordingly, investigated the turnover intentions of accountants in the U.S. using a relatively under researched variable, satisfaction with ‘organisational justice’, which can be described as “*the fairness of the organization as perceived by its employees*” (pg169). They noted that most accounting firms have pyramid hierarchies and consequently promotions are seen as key to employee survival, making the perceptions of the fairness of promotions important (Parker et al 2011). They found that employees who are dissatisfied with the promotion process and believe that their company does not promote employees fairly are likely to leave, particularly average and high performing employees (Parker et al 2011). Overall, results suggested “*that employees in public accounting firms consider the fairness of organizational rewards in deciding whether to stay with a firm in the long run*” (Parker et al. 2011, pg.182).

Organisational commitment

Job satisfaction has also brought about the concept of organisational commitment influencing turnover (Mobley et al 1979 and Price and Mueller 1981, 1986). Steers (1977, p.46) defined commitment “*as the relative strength of an individual’s identification with and involvement in a particular organization*”. It has been proposed that committed employees who believe in the values and goals of an organisation are expected to stay in the organisation and are willing to apply effort on its behalf (Hausknecht et al 2009). Accordingly, organisational commitment, along with job satisfaction, has been one of the most widely studied facets of turnover.

Specific to the accounting industry, to examine job satisfaction Chatzoglou et al (2011) focused on the relationship between job satisfaction and organisational and professional commitment and found that organisational commitment has a

significant negative effect on accountants' turnover intention whereas professional commitment has a smaller but still negative indirect effect on turnover (Chatzoglou et al 2011). Similarly, Stallworth (2004) examined organisational commitment in the accounting environment and suggested that organizational commitment is the best predictor of turnover.

Organisational culture

“The environment has long been recognized as a source of influence on the individual's behaviour” (Downey et al 1975, p149). While organisational culture has long been an important area of organisational behaviour research, no clear definition or agreement of organisational culture has emerged. In the context of turnover, researchers have examined behavioural norms (Cooke and Rousseau, 1988) perceived practices (Hofstede et al 1990) and organisational values (O'Reilly et al 1991).

A significant contribution to this area comes from O'Reilly et al. (1991) Person-Organisation Fit model. Looking at public accounting firms, O'Reilly et al (1991) explored whether the fit between an employee's personal preferences and organisational culture influences the employee's job satisfaction and organisational commitment. They found that employees with a high person-organisation fit, that being personal values close to that of the organisation, had a higher organisational commitment and greater likelihood to stay in the organisation (O'Reilly et al 1991). Conversely, employees with a low person-organisation fit, that being personal values which do not correspond to the organisational values, were more liable to leave the organisation after 20 months of tenure (O'Reilly et al 1991).

Pay satisfaction

“Pay satisfaction or dissatisfaction is a function of the discrepancy between what one feels one should receive and how much pay one does receive” (Lum et al., 1998, p. 307). While much research has been undertaken regarding the relationship between pay satisfaction, turnover intentions and actual turnover, results remain inconclusive. Mobley et al (1979) concluded that pay as a factor of turnover often reported mixed results and often there was no relationship. As previously discussed, studies demonstrate that 9 out of 10 managers believe that employees stay or go

because of pay (Boltax (2011)). However, Eaves (2008) observed that there was little relationship between retention and the retention tool of compensation. Similarly, Newman (1974) conducted a study on nurses and observed that there was an immaterial relationship between pay satisfaction and turnover intentions. In a study looking at teachers in Belgium, De Gieter et al (2012) found that pay-level satisfaction did not affect turnover intention but psychological rewards from supervisors such as ‘supportive and positively evaluated outcomes’ did.

However, in other studies, Griffeth et al (2000) concluded that pay and pay-related variables had a moderate effect on turnover. They found that when high performers are inadequately rewarded, they leave (Griffeth et al 2000). Similarly, looking at UK companies, Martin (2003) found that there was an inverse relationship between relative wages and turnover. The difference between anticipated wages at other jobs and an employee’s actual wage was also found to affect turnover (Bartol and Martin 1998). Furthermore, Tang et al (2000) noted that individuals’ attitudes to money will affect the relationship between pay and turnover. They concluded that turnover is high among employees who value money despite their intrinsic job satisfaction (Tang et al 2000).

Job stress

Job stress has been found to be a significant factor contributing to voluntary turnover. Job stressors are the environmental factors contributing to the stress process (Schaufeli and Peeters 2000). Several job stressors have emerged from previous occupational stress research including role stress, job qualities, work relations, lack of challenges and career progress (Kelly and Barrett 2011). Role stress relates to role ambiguity and role conflict (Kahn et al 1964) while job qualities relate to role overload and role underload (Ehlen et al 2000). Job stress has been found to decrease job satisfaction, commitment, productivity and performance and increase turnover intentions, which in turn negatively effects a firm’s bottom line (Mei-Fang et al 2011). Wunder et al. (1982) and Firth et al (2004) found that job stressors prompted a chain of psychological states and linkages that lead to turnover intentions and eventual turnover. Many other academics including Igbaria et al. (1992), Tinker and Moore (2001) and Podsakoff et al (2007) noticed that job stressors indirectly influenced turnover intentions through variables such as job

dissatisfaction and lack of organisational commitment. However, contrary to this, other stressors such as time urgency have also been found to positively affect job attitudes resulting in less turnover (Podsakoff et al 2007).

In Herda and Lavelle's (2012) study investigating burnout and turnover intentions among auditors in the US, they found that burnout is positively related to turnover intention (Herda and Lavelle (2012). Burnout occurs "*when individuals reach a state of emotional and physical exhaustion*" (Herda and Lavelle 2012, pg708). Other academics also explored burnout in the accounting profession and found that burnout can predict turnover intention, lower levels of job satisfaction and poor job performance (Fogarty et al. 2000; Jones et al. 2010).

Organisational prestige

While organisational prestige research is limited in the field of turnover, it has emerged as a factor of retention. According to Hausknecht et al (2009), the concept of organisational prestige as a potentially significant cause of retention was first introduced by Muchinsky and Morrow (1980). Organisational prestige has been defined as the "*degree to which the organisation is perceived to be reputable and well regarded*" (Hausknecht et al 2009, p.271). Looking at employees in the leisure and hospitality industry, Hausknecht et al (2009) found that organisational prestige was one of the main reasons for employees staying with their organisation.

(iii) Previous Studies on Turnover in the Accounting Profession in Ireland

While the above research explores the causes of turnover, little research has been conducted in this area looking at accountants in Ireland. However, two recent studies have explored turnover intentions among trainee accountants in Ireland.

Firstly, in 2005, Sweeney and Boyle examined the relationship between job satisfaction, perceived supervisory actions and turnover intentions of Irish trainee accountants. Sweeney and Boyle (2005) found that perceived supervisory actions including mentoring, leadership and working conditions, are considerably positively related to job satisfaction. Furthermore, job satisfaction was found to be negatively related to turnover intentions.

More recently, Kelly and Barrett (2011) conducted a study to investigate the relationship between job stress, job satisfaction and turnover intentions of Irish trainee accountants. As previously discussed, job stress has been examined in an abundance of studies but the accounting profession has been regarded as a stressful profession (Sanders and Fulks 1995). Kelly and Barrett's (2011) study found that job stressors including role ambiguity, role conflict, role overload, exam pressure and dominant supervisors contributed to occupational stress while role ambiguity and career opportunities were found to have a combined negative effect on job satisfaction. In addition, job dissatisfaction and role conflict considerably affected turnover intentions (Kelly and Barrett's 2011).

However, both Sweeney and Boyle (2005) and Kelly and Barrett (2011) noted, that much of the research in this area has involved quantitative methods such as survey questionnaires. The research previously discussed on turnover in accounting, all involved quantitative methods of research. Sweeney and Boyle (2005) and Kelly and Barrett (2011) proposed that future research is needed by means of qualitative in-depth methods such interviews to explore the scope of issues that influence job satisfactions and turnover intentions which would help to identify ways firms can increase job satisfaction and reduce turnover intentions. In addition, both studies identified a limitation in that trainee accountants have immediate goals of attaining a qualification and completing their training contract which may increase their reluctance to leave their firm (Sweeney and Boyle 2005, and Kelly and Barrett 2011). Kelly and Barrett (2011) found that in general, trainee accountants had a long-term expectation of leaving the firm. Therefore, this study will focus on exploring the factors that influence newly qualified accountants in Ireland who have just completed their training contract to stay or leave their organisation.

2.3. Conclusion

There is a considerable gap in literature examining what influences employees to stay in their organisation. Studies were contradicting in relation to pay as a retention tool. Managers believed it was a significant factor influencing employees to stay or go whereas another study found that there was little relationship between pay and employees' decision to stay or leave. However, El-Ramly (2012, p.18) identified that *“career development ranks as the top attraction factor and No. 2 retention factor for*

high potentials” making career development and progression an important factor in retention strategies. In addition, while organisational prestige has emerged as a factor of retention, a significant gap was noticed regarding organisational prestige in the field of turnover.

Much of the early research in relation to turnover was based around job satisfaction. Significant negative and moderate correlation between job satisfaction and turnover has been found. The literature in relation to turnover has also expanded and examined areas such as organisational commitment and culture, pay satisfaction, job stress and flexible work arrangements. Flexible work arrangements have been studied with job satisfaction and El-Ramly (2012) noted that flexible work arrangements are one of the main factors in maintaining work-life balance.

Chapter 3

Methodology

The chapter outlines the research method and approaches adopted to achieve the aims of this study. It will also provide details on the justification of the method chosen and consider the strengths and limitations of the approach.

3.1. Research Philosophy

Research philosophy is an overarching term that *‘relates to the development of knowledge and the nature of that knowledge’* (Saunders et al. 2009, p.127). Epistemology is the area of philosophy concerned with the *‘world view’* and the nature of knowledge and *“what constitutes acceptable knowledge in a field of study”* (Saunders et al. 2012, p.132).

The epistemological view that is interpretivism shares

“a view that the subject matter of social sciences – people and their institutions – is fundamentally different from that of the natural sciences’ and ‘the social world therefore requires a different logic of research procedure, one that reflects the distinctiveness of humans as against the natural order” (Bryman and Bell 2011, p.16).

Collis and Hussey (2009, p.57) recommend that an interpretive approach is taken where *“the research involves an inductive process with a view to providing interpretive understanding of social phenomena within a particular content”*. An inductive approach is appropriate for research where the purpose is to get a feel of what is going on, *“so as to understand better the nature of the problem”* (Saunders et al. 2012, p.146). Alternatively, positivism is a paradigm which *“advocates the application methods of the natural sciences”* (Bryman and Bell 2011, p15) and is based on deductive theory testing processes (Collis and Hussey 2009). Deduction involves developing a theoretical position prior to data collection (Saunders et al 2009).

The methodology adopted for the purpose of this study combines the inductive and deductive processes and adopts elements of interpretivism and positivism. The inductive approach supports the purpose of gaining an insight into what influences

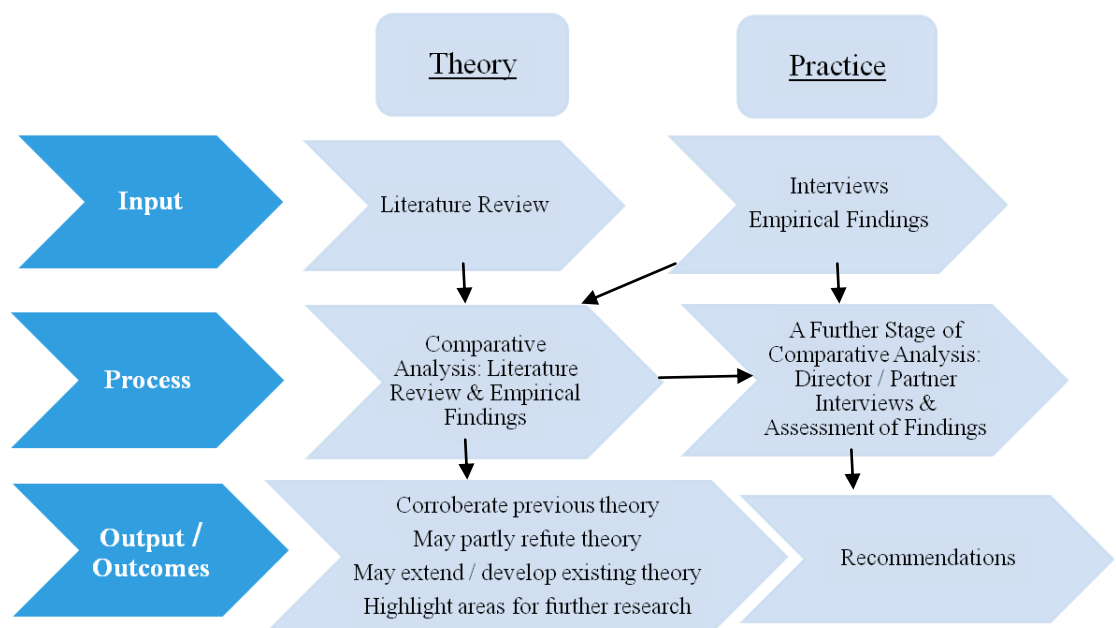
newly qualified accountants to stay or leave their organisation while the deductive method supports the purpose of testing the previous theoretical findings.

In addition, the researcher holds an ontological view that is subjective as “*ontology is concerned with the nature of reality*” (Saunders et al. 2012, p.130) and subjectivism “*holds that social phenomena are created through the perceptions and consequent actions of affected social actors*” (Saunders et al. 2012, p.131). This supports the researchers view that to make sense of the accountants’ world, the researcher must approach the study through the participant’s own perspective and in the participant’s own terms.

Therefore, the methodology adopted for the purpose of this study is based on the principle that all research findings should be “*inter-subjectively testable*” (Popper 1983, p154). The use of the word “*subjectively*” implies induction where as the use of the word “*testable*” implies deduction. This means that while it is accepted that the opinions expressed by the participants in the research study are value laden and subjective, these viewpoints are subject to critical comparative analysis.

3.2. Research Design

Figure 1: Description of research design



The research design of this study is qualitative. Qualitative research facilitates the purpose of this study which is to gain insights into why newly qualified accountants stay or leave their organisation in order to improve employee retention strategies. As shown in Figure 1 above, it is also intended that this study will inform both the theory and practice relating to retention strategies for accounting firms. The researcher developed a theoretical position prior to the primary data collection by conducting a literature review. Based on the emerging themes from this literature review, the researcher conducted semi-structured interviews which combined inductive and deductive methods to both gain new insights and test the previous theory relating to employee retention and turnover. The semi-structured interviews will be discussed in more detail later in this chapter.

Once the interviews were completed, the researcher compared and tested the findings arising from these interviews to the previous theoretical findings. It was intended that this would corroborate, refute or extend the previous theory which would add to the theoretical body of knowledge relating to retention strategies for accounting firms.

A further stage of analysis was also carried out. This involved presenting the main findings from the literature and from the respondents' interviews to a Director and Partner in a medium sized accounting firm. This was completed so that both the previous theoretical findings and the suggestions arising from this study would be subject to scrutiny by practitioners that could be in a position to assess their relevance and practicality. In this way, the study will make a practical contribution.

3.3. Research Method

A research method or instrument is “*simply a technique for collecting data, which can involve a specific instrument, such as a questionnaires, or interviews*” (Bryman, 2008, p. 266). The data collection method used for the purpose of this study is semi-structured interviews. Semi-structured interviews are ‘*non-standardised*’ interviews and allow greater opportunity to explore emerging themes (Saunders et al. 2012, p374). In semi-structured interviews, a guide is used, with questions and topics that must be covered. The interview template included open ended questions which allowed the respondents to freely express their views on why they decided to stay or

leave their organisation. In addition, interview questions for this study were compiled based on the emerging key themes from the literature review including retention, job satisfaction and dissatisfaction, flexible work arrangements, organisational commitment, organisational culture, pay satisfaction, job stress and organisational prestige. This supports the combined inductive and deductive approach. Please see the interview template in Appendix A.

Semi-structured interviews allow the interviewer some discretion about the order in which questions are asked. In addition, this method allows the use of probes which may be used to delve deeply into a topic and to ensure that the researcher understands the responses. As the research aim is to gain insights into the factors that influence newly qualified accountants to stay or leave an organisation in order to improve employee retention strategies, qualitative data through the form of semi-structured interviews is therefore deemed to be an appropriate research instrument for this study.

Interviews were conducted on a one-to-one basis to encourage more open discussion. Group interviews would not have been appropriate due to the sensitivity of some topics. Structured interviews would also not have been appropriate for this study as this type of interview is “*standardised*” and rigid which would not allow the scope to explore the opinions of the interviewees (Saunders et al. 2012, p374). Furthermore, questionnaires would not have been appropriate for this study as it would not have allowed the flexibility to gain qualitative insights and delve deeply into a topic. In addition, questionnaires would not have been feasible due to access to small sample.

3.4. Pilot Study

One pilot interview was conducted to ascertain any issues of concern that may arise, prior to the actual interview process proceeding. After completing the pilot study the researcher noted the need to have more probing questions or prompts prepared. The interview template was modified to include such prompts and no issue was found thereafter. In addition, as the merit of a semi-structured interviewing lies in its conversational nature, it requires interviewers to have a rich set of skills such as listening and probing. The pilot interview allowed the interview to strengthen these skills.

3.5. Sample

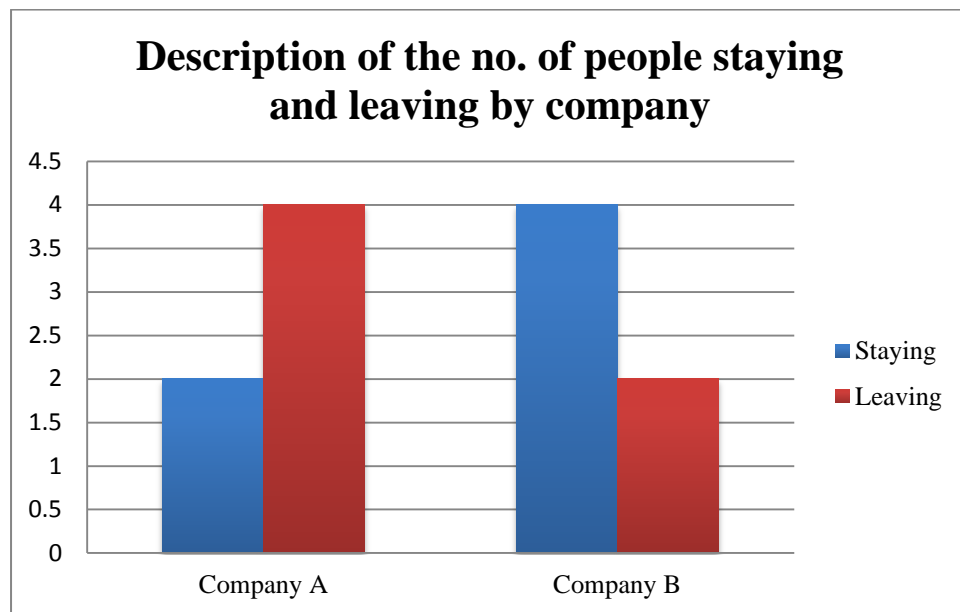
No claims regarding statistical significance will be made in this study. Although the sample size is relatively small this enabled the researcher to obtain in-depth information on the relevant topics.

The researcher will focus on non-Big Four accounting firms as Almer and Kaplan (2002) noted that the non-Big Four companies are under-researched. In addition, as the Chartered Accountants Ireland (2005) previously noticed a problem for accounting firms losing qualified staff, generally with Big Four firms recruiting employees from the tier below them, it would be beneficial to suggest retention strategies for the non-Big Four companies. Therefore, the researcher will interview newly qualified accountants from two medium sized accounting firms. For the purpose of this study the company names will remain anonymous and will be called Company A and Company B. These companies have been chosen as the researcher has access to employees from these companies having previously worked in the accounting industry. In addition, two companies have been chosen as *“they allow the researcher to compare and contrast the findings deriving from each of the cases”* which *“in turn encourages the researcher to consider what is unique and what is common across cases, and frequently promotes theoretical reflection on the findings”* (Bryman and Bell 2011, p.63).

Consequently, the sample will consist of newly qualified accountants from Company A and Company B who will end their training contracts at the end of May 2013. A sample of newly qualified accountants is deemed appropriate as it is at this stage that these individuals decide on whether to stay or leave the organisation as they have obtained their qualification. As previously discussed, recent studies in Ireland examining turnover in accounting focused on accounting trainees. However, both studies identified a limitation in that trainee accountants have immediate goals of attaining a qualification and completing their training contract which may increase their reluctance to leave their firm (Sweeney and Boyle 2005, and Kelly and Barrett 2011).

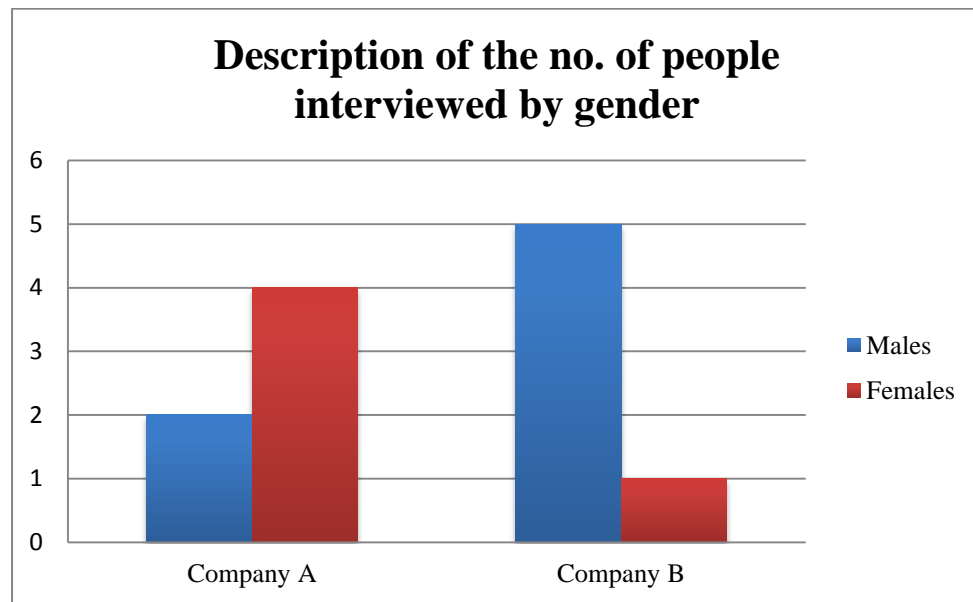
Twelve newly qualified accountants were interviewed for the purpose of this study consisting of six people staying in their organisation and six people leaving their organisation.

Figure 2: Description of respondents' profile by company



As shown in Figure 2 this consisted of two newly qualified accountants staying in Company A and four leaving the company. Alternatively, four newly qualified accountants staying in Company B and two leaving the company were interviewed.

Figure 3: Description of respondents' profile by gender



Twelve respondents were interviewed consisting of seven males and five females. As shown in Figure 3 this consisted of two males and four females from Company A and five males and one female from Company B.

In addition to the twelve newly qualified accountants, the researcher interviewed a Director and Partner from Company A. As previously discussed, this was for the purpose of further analysing the theoretical findings and the suggestions arising from the newly qualified accountants.

3.6. Data Analysis

The interviews were recorded using a smart-phone device with the permission of the interviewees. The researcher took notes but recording the interviews allowed the researcher to build up rapport to engage and probe the interviewees. The length of each interview varied between forty minutes to an hour.

The interviews were then transcribed. The transcription of the interviews was time-consuming, approximately five to eight hours per interview. One interview transcript was approximately 12,500 words. However, transcribing the interviews afforded the opportunity to engage with the data and to start the data analysis process from the beginning of the data collection.

Once the interviews were transcribed, the researcher analysed the data by reading each interview transcript three times and highlighted key responses. The researcher then created an Excel spreadsheet whereby the key responses for each question for each interviewee would be inserted. Please see all key responses in Appendix B. This enabled the researcher to analyse the responses from each respondent together and to group the responses into themes. Each theme was colour coded to assist the researcher with this analysis. As advised by Saunders et al. (2007, p479) *“categorising data is the process of classifying data into meaningful categories”*. The key responses from the interviews were categorised into classifications that closely matched the terminology in the literature review. The key themes for each question were then analysed with the use of graphs and/or tables, where appropriate, to aid understanding and ease of interpretation by the reader.

Finally, as previously discussed, a further stage of analysis was also carried out. This involved presenting the main findings from the literature and from the respondents' interviews to a Director and Partner in a medium sized accounting firm. This was completed so that both the previous theoretical findings and the

suggestions arising from this study would be subject to scrutiny by practitioners that could be in a position to assess their relevance and practicality.

3.7. Ethical Considerations

“Generating knowledge through research within any discipline is ultimately directed towards improving peoples’ lives and the way they live” (Bryman, 2008: p. 76). Central to this goal, researchers have an underlying responsibility to protect the rights of all participants (Saunders et al. 2012).

As this study involved qualitative semi-structured interviews, the ethical considerations are predominantly concerned with protecting the rights of the accountants being interviewed. Consent was obtained from each participant prior to the interview, with full details of the proposed research and the use of the information from the interviews outlined. The interviewees were also informed that they could terminate the interview at any point. Furthermore, the interviewees were advised that no information in relation to their responses would be supplied to their management, prior, during or subsequent to, the interview and research process. All documentation will be held by the researcher and not released to any third party, without the express written consent of the respondents.

3.8. Limitations

The main limitation of this research lies in the fact that the sample is of a small number of newly qualified accountants from two medium sized accounting firms and therefore it may not be possible to generalise these findings across firms of other sizes or sectors. Furthermore, extreme care was taken by the researcher in maintaining objectivity in the entire process of the research study. As the researcher previously worked in the accounting industry, it is not possible to guarantee that the analysis of the data gathered was not subject to any kind of bias resulting from the researcher’s own perspective. However, the research relied on the qualitative data provided by the subjects of this study in making its inferences to minimise the occurrence of biased and unreliable data.

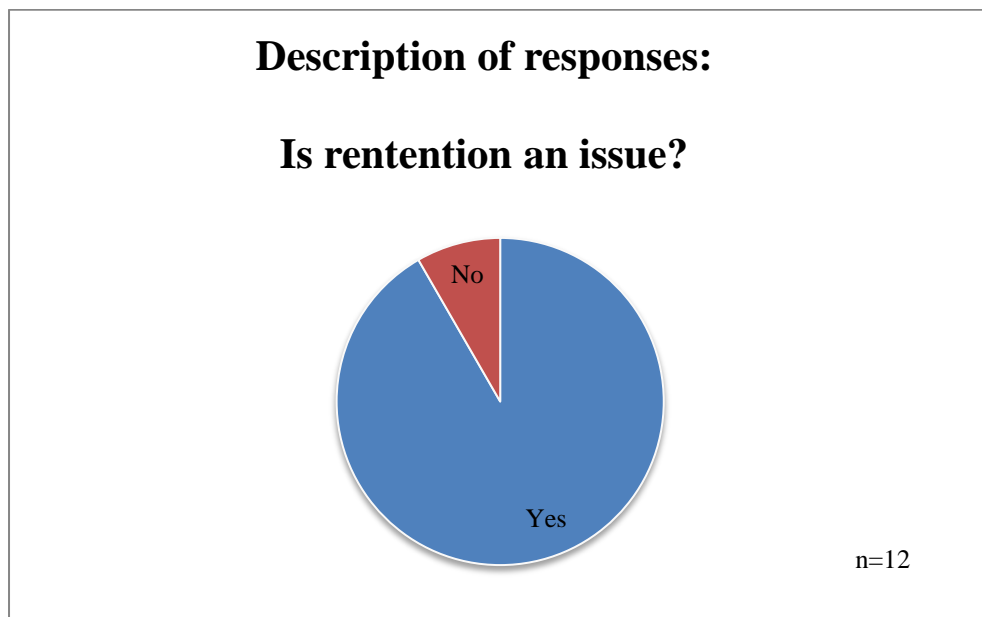
Chapter 4

Discussion and Analysis of Findings

4.1 Empirical Findings

Is retention an issue?

Figure 4: Description of responses: Is retention an issue?



The majority of newly qualified accountants recognised that retention was an issue in their company and there was considerable turnover. One respondent highlighted that they were “*losing qualified seniors hand over fist*”. Interviewee 11 from Company A stated

“I’m just out of contract now and I started off with 18 other people in the audit team and out of the people that signed to stay on, there are only three people, and then out of that, there’s only one that I could really see staying long-term.”

Since that interview took place, one of the three people staying has since handed in their notice to leave. The situation was also the same in Company B where Interviewee 10 stated

“....retention is definitely a major issue within the firm. Like a lot of firms, there are five in my team that started, and out of the five I’m the only one

remaining. So, it's kind of an issue, and maybe I can't see myself lasting any longer than three months, so maybe out of the five or six of us that started none of us will be there in six months time".

There was a general acceptance from the respondents that once trainees complete their exams and training contract they want to “*get out*” of the company and those that do decide to stay only stay short term. Interviewee 8 expressed that “*60% or 70%*” of qualified trainees leave, “*and anyone that doesn't leave it's just short term, they stay for a year or two, they don't progress to management*”. Interviewee 9 also mentioned that

“by the time most people finish their contract they leave or want to leave soon after their contract. And even people who are not in their training contract, newly qualified accountants, seniors that come in from other firms generally don't last more than six months. I'd say over 70% of them are gone after six months.”

This also highlighted an unexpected finding which is the issue retaining externally hired qualified accountants who have not completed their training contract within the company. Interviewee 8 agreed that “*any seniors that come in, they leave in a few months*” while two other respondents revealed that they take bets to see how long the externally hired accountants will last. Interviewee 12 also agreed that “*about 70% - 80% leave after just six months*”.

One individual from Company A did not believe that retention was an issue, however, she did note that “*this year, there is five of us leaving on the 31st May and that is quite unusual. Where you used to maybe have one or two leaving*”. She also believed that the company were losing people that they would have liked to have retained.

There was a general acceptance by respondents that a certain amount of staff turnover is built into the nature of the industry. It is recognised that it is natural progression for newly qualified accountants to leave to make way for new trainees. However, while a certain amount of staff turnover is built into the nature of the industry, most respondents agreed that the current turnover rates were “*excessive*” and “*dysfunctional*” in so far as, employees that the company would like to retain are

leaving the organisation. Interviewee 12 cited “*I think our company is currently experiencing excessive turnover. More people wanted to leave than the company would have liked.*” Interviewee 8 also commented that the turnover

“would have to be dysfunctional because most people that are leaving have been offered contacts to stay, so it’s obviously good employees that the company hopes to retain that are leaving. They are losing that skill set. They’ve spent three and a half years building up this skill set and people are trained at the work and then they leave”.

Of the six leavers interviewed, four confirmed that they were offered a job post qualification and the other two respondents felt they probably would have been offered a job but they would have had to move teams. This implies that the current turnover is dysfunctional.

This leads us to discuss the affect poor retention is having on the accounting firms.

Table 1: Description of the impact of poor retention on the companies' ability to stay competitive / meet future business needs

<u>Description of the impact of poor retention on the companies' ability to stay competitive / meet future business needs</u>	<u>Company A</u>	<u>Company B</u>	<u>Total no. of respondents mentioned the factor (n=12)</u>
Impact on client - client frustrated / not happy	3	5	8
Lose knowledge - impacts quality & efficiency of jobs	3	4	7
Impact on client - might leave / already left firm	3	0	3
Externally hired seniors don't have the same knowledge or experience (Burden of training)	1	1	2
Can't attract high quality / calibre staff	2	0	2
When people leave, others don't want to stay	2	0	2

As shown in Table 1, respondents believe that poor retention is impacting their company. Overall, there was a consensus that poor retention is impacting the client relationship. Clients are frustrated with the lack of consistency on audit teams as it means they have to repeat the same information to new members of the audit team each year. Clients like to get to know their audit team and to feel that the audit team

are efficient and know their business. However with high turnover, the respondents believe the clients are not happy as they are not receiving this.

Interviewee 10 commented that

“clients are not happy then because you’re getting a new senior coming in and they don’t know anything about the company, they haven’t researched it, and then clients, especially the larger ones going, “oh, we explained this to the senior that was involved last year, where are your notes?”. And they spend hours and hours reiterating stuff that they told him in the prior year that possibly should have been put on file. And then companies are dissatisfied because they have to go through the whole process year in, year out...”

Interviewee 8 also agreed and stated that they

“would often have clients that are not happy with us. They have new staff on the job every year which means they have to get people up to date with how the business runs and it takes a bit of time. They hope that they are going to have that staff there for a number of years so they won’t have to keep explaining everything from scratch again so they get frustrated when there’s a new person on the job every year. So the quality of work is not as good because someone knows what they are doing, but they don’t know the business.”

In addition to turnover affecting the client satisfaction, respondents stated that some clients have left Company A or Company B or are currently considering leaving as a result of this frustration. Interviewee 1 informed that

“we’ve lost clients. And clients have commented that they want the same people as last year’s audit. I know I’ve had to tell my clients that I’m leaving and they didn’t seem happy. Clients like to get to know people.”

Interviewee 11 also commented that

“one of the clients that I was working on just last year, they are currently considering leaving us.....they are going to have a new senior for a third

year in a row, and they are just not happy, they want continuity of staff and our company actually can't provide them with continuity of staff."

Another problem associated with the turnover includes the impact on the quality and efficiency of jobs. Interviewee 9 acknowledged that it affects *"how quickly things get done and the quality"*. Another respondent mentioned how deadlines are just about made and things are not always perfect while Interviewee 3 stated *"it's really inefficient to have to ask the same stuff again, so that impacts on your business"*. Interviewee 12 also emphasised that

"The turnover of staff affects the quality and efficiency of jobs. You should be able to build on knowledge from doing the job in prior years. If there is constantly new seniors and staff on jobs clients have to repeat the same information and as a result the jobs take longer and that ultimately affects the profitability of jobs."

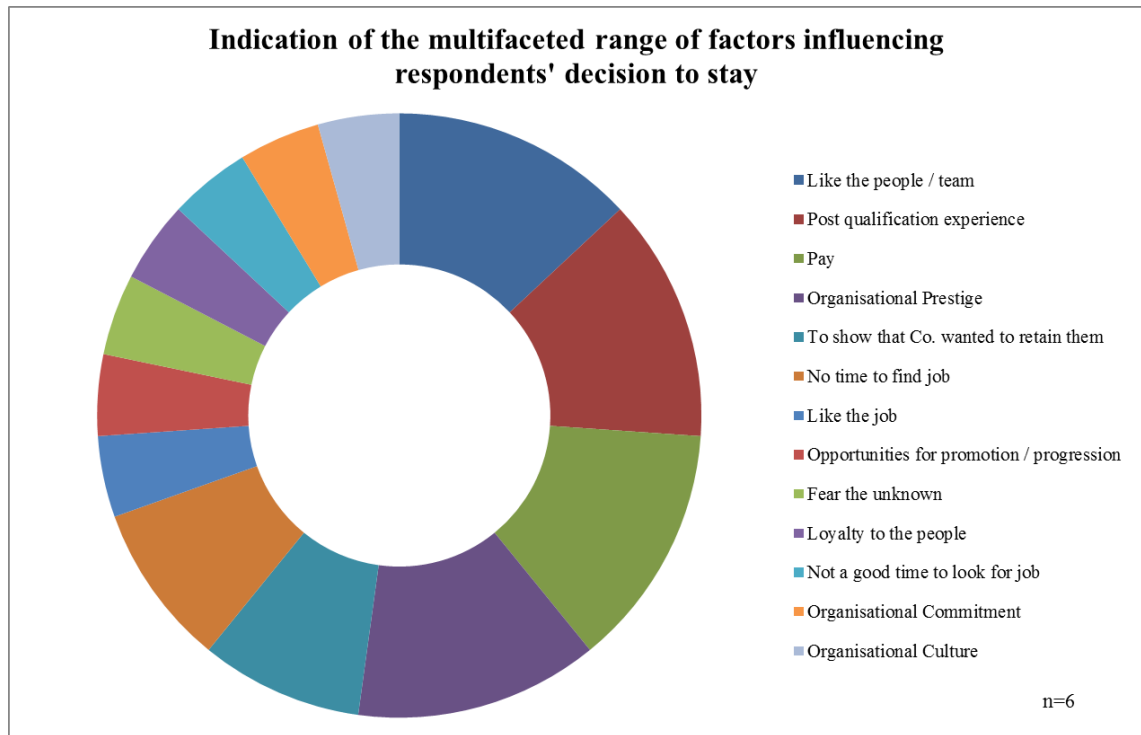
Furthermore, poor retention means the companies have to recruit qualified accountants externally. There was a general acceptance that externally hired accountants do not have the same knowledge or experience and find it difficult to get up to speed and fit in. Respondents acknowledged that externally hired accountants are put on jobs with very little training and guiding them while working on jobs was a hindrance.

In addition, the majority of respondents agreed that it can take at least three to six months for a new employee to be trained and begin performing with many suggesting it can take longer. Interviewee 12 stated *"It takes six months just to get used to the systems and that sort of thing, it takes even longer to actually start performing well"*. As previously discussed, respondents highlighted that over 70% of externally hired accountants leave just after six months. If it takes at least six months for new employees to begin performing, they will provide minimal contribution at a significant cost to the company if over 70% of those will leave before they even begin performing for the company.

As retaining newly qualified accountants has been identified as an issue and respondents state that this is negatively impacting their company, it is therefore important to investigate why newly qualified accountants decide to stay or leave.

Why do newly qualified accountants decide to stay in their company?

Figure 5: Indication of the multifaceted range of factors influencing respondents' decision to stay



The most reported reasons for why the respondents decided to stay in their company include liking the people/team, to gain post qualification experience, pay and the organisational prestige. Other factors included being able to show that the company wanted to retain them once their training contract was completed and the fact that they had no time to find a new job. Please see Figure 5 above.

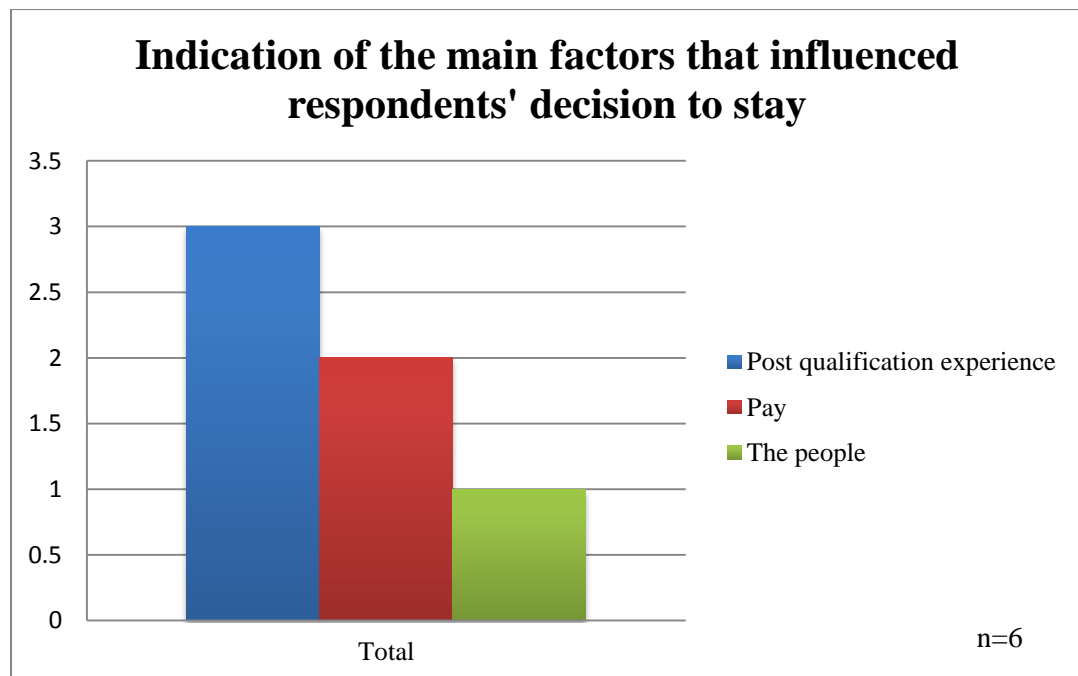
Half of the interviewees recognised that liking the people or the team they work with is a significant reason for staying. In addition, 3 out of 6 respondents state that post qualification experience, which is the experience they will obtain once their training contract is complete, is an important reason for staying. Interviewee 11 from Company A stated that he had *“been talking to a few people and they do recommend staying on for a year out of contract as they do say it’s quite valuable, the amount of knowledge you pick up”*. This also highlights respondents’ desire for career progression.

In addition, 3 out of 6 respondents cited pay as a factor influencing their decision to stay. Interviewee 6 mentioned that she was offered a *“good salary package in the form of a good bonus to stay on”* where she will only receive the bonus after she has

stayed a specified length of time. Furthermore, organisational prestige influenced half of the respondents staying. All these respondents were from Company B. Interviewee 9 felt that the “*company has grown a lot recently. It’s pretty well known so that looks good on your CV*”.

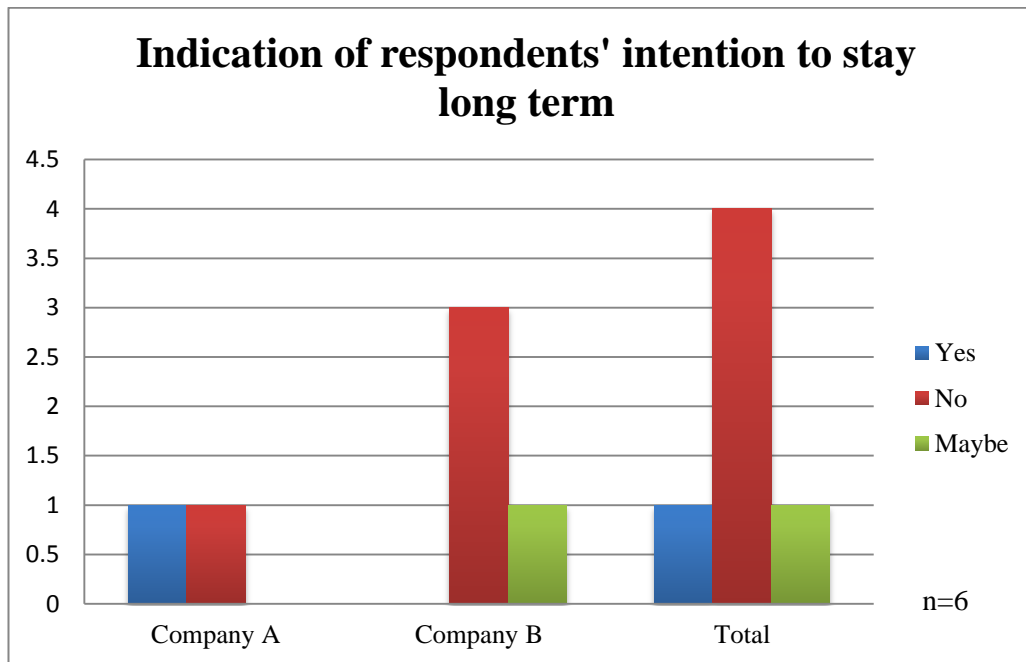
Interviewees also believed that staying is an advantage as it shows that their company wanted to retain them post qualification. Interviewee 9 from Company B felt that “*staying on post qualification, even short term, is an advantage when you go looking for a job afterwards because it proves that they were willing to keep you on*”.

Figure 6: Description of the main factors that influenced respondents' decision to stay



As shown in Figure 6, half of the respondents felt that the post qualification experience was the main factor for staying in their company. Two respondents from Company B felt that the pay was the main reason while one individual from Company A stated that the people were a top factor for staying.

Figure 7: Description of respondents' intention to stay long term



As shown in Figure 7 the majority of respondents do not intend to stay in their company long term. Interviewee 10 from Company B stated *“I don’t think it’s an option for me, because I can’t play any sports competitively”*. Interviewee 11 from Company A also felt that he would not stay long term as he has no work-life balance.

One person stated that they *“probably”* would stay long term but it *“would depend on how the short term goes”* in relation to career progression and opportunities. However, this individual also stated that he would leave if the right opportunity came along and he would either like to move outside of Dublin or travel or work abroad. For this reason, this person has been classified as 'Maybe'.

Only one interviewee from Company A felt that at the moment she could see herself staying long term.

Table 2: Description of the factors that would influence respondents who are currently staying to leave in the future

<u>Description of the factors that would influence respondents who are currently staying to leave in the future</u>	<u>Company A</u>	<u>Company B</u>	<u>Total no. of respondents mentioned the factor (n=6)</u>	<u>Push / Pull Factor</u>
Long hours / workload / lack of reward for overtime / lack of work-life balance / lack of flexible work arrangements (factors inter related)	1	4	5	Push
Stress / Pressure	1	3	4	Push
Lack of opportunities for promotion / progression	1	1	2	Push
To move outside of Dublin	1	1	2	Pull
If tire of the job	1	0	1	Push
Pay	1	0	1	Push & Pull
Change of job role	1	0	1	Push & Pull
Travel	0	1	1	Pull
Lack of appreciation	1	0	1	Push
Poor team integration	1	0	1	Push
Organisational Culture	1	0	1	Push
Organisational Prestige not good	1	0	1	Push

As shown in Table 2, 5 out of 6 respondents who are currently staying in their company expressed that the long hours, workload, the lack of reward for overtime or the lack of work-life balance would be factors which would cause them to leave in the future. In addition, 4 out of 6 respondents felt that the stress and pressure associated with factors such as the workload would influence them to leave. Furthermore, 2 out of the 6 people felt that a lack of progression would cause them to leave their company.

As shown in Table 2, the majority of responses were push factors causing the individuals to want to leave the company rather than pull factors attracting them to another company. Therefore, these are issues the companies could look to improve in order to retain these individuals long-term.

Why do newly qualified accountants decide to leave their company?

Figure 8: Indication of the multifaceted range of factors influencing respondents' decision to leave

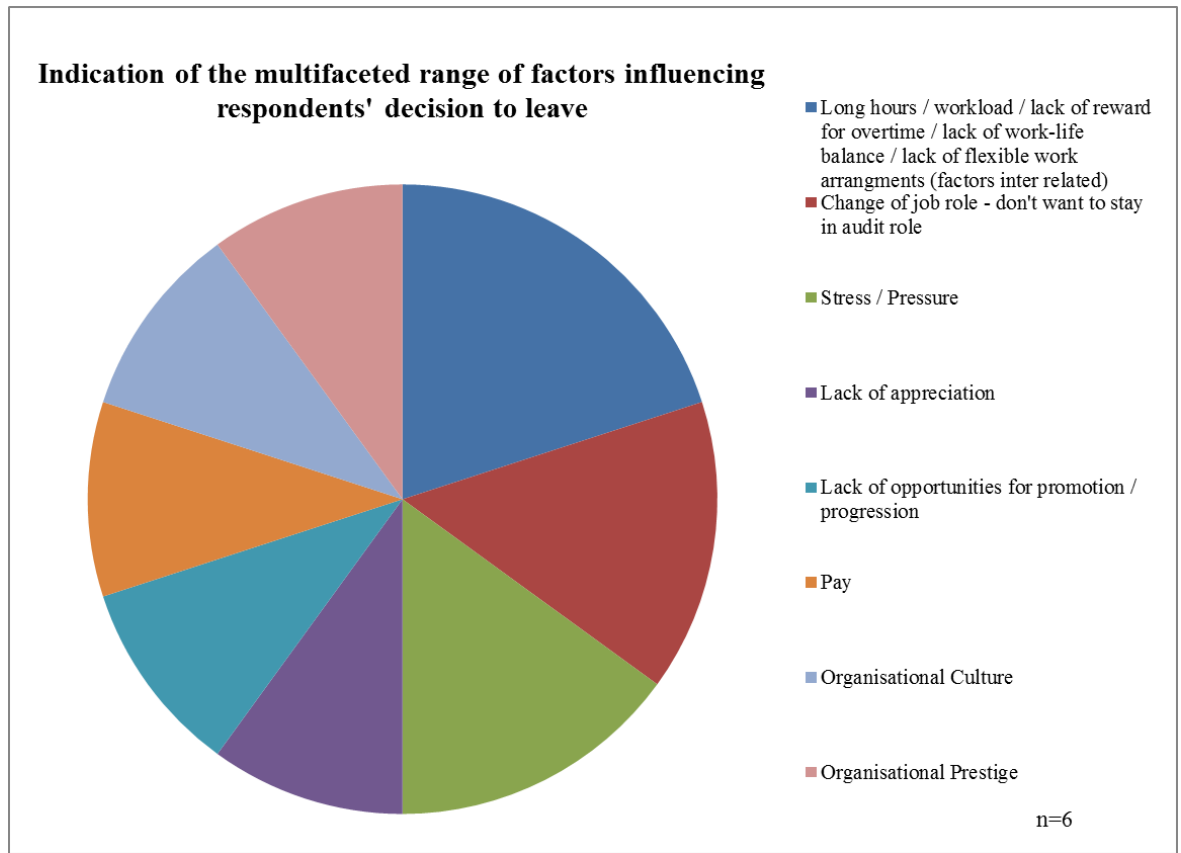


Figure 8 highlights the most reported factors influencing respondents' decision to leave their company. The most cited factors influencing the interviewees include the workload, the long hours, the lack of reward for overtime or the lack of work-life balance or flexible work arrangements. These factors have been amalgamated as they are inter-related. Please see Appendix C. Interviewee 8 from Company B stated

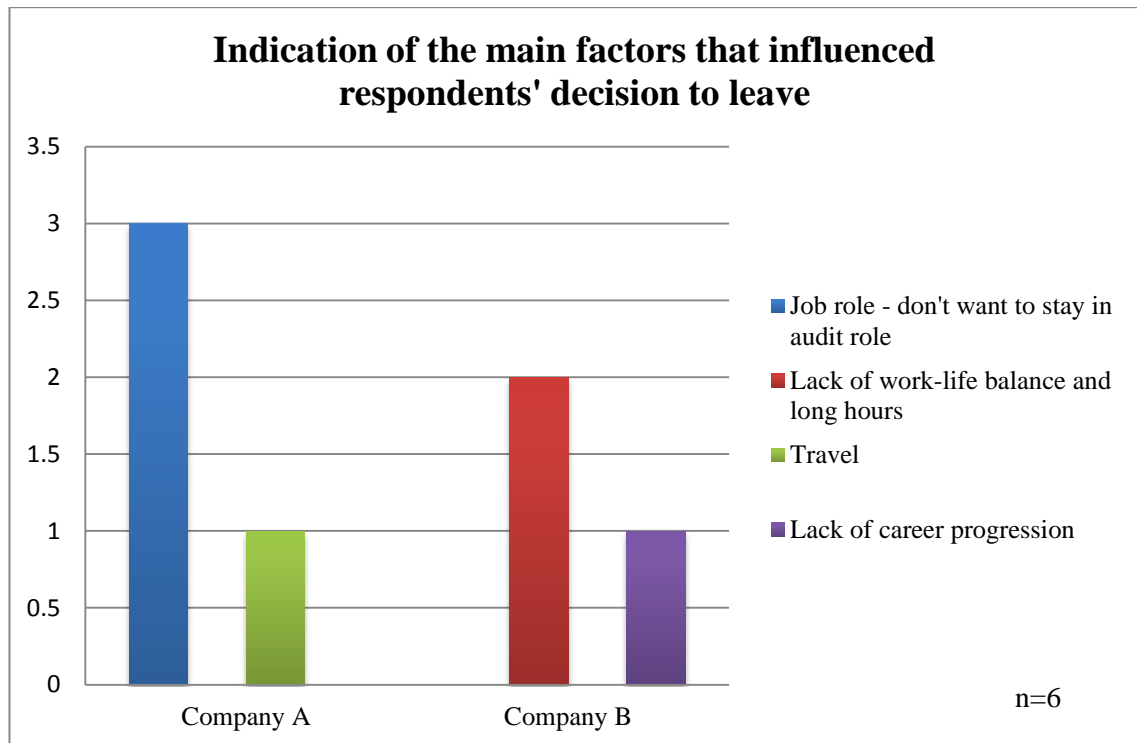
“the working hours, there’s a big issue with overtime, you’ve no social balance at all. Working long hours, working weekend, being sent away..... You can’t plan anything. I haven’t played football in three and a half years. You kind of have to give up your life for it”.

In addition, 3 out of 6 leavers, all from Company A, stated that the job role was a factor in their decision to leave. They did not want to stay in an audit role and desired a more commercial or industry based role and felt this would be more enjoyable, give them more ‘control’, and allow them to be “involved in driving a

business forward and making more money”. There was a general acceptance by these interviewees that a job role in audit will always involve long hours and a lack of work-life balance and one interviewee felt that it doesn’t add “*any value*”.

Furthermore, 2 out of 6 people cited that the lack of appreciation and the lack of career progression were factors in their decision to leave.

Figure 9: Indication of the main factors that influenced respondents' decision to leave



Upon further discussion, the interviewees were asked what the main reason for leaving their company was. A change of job role, the lack of work-life balance, the long hours, a lack of career progression and travel were cited as the main drivers for leaving.

Furthermore, as shown in Table 3 below, the majority of factors influencing respondents’ decision to leave were push factors causing the individuals to want to leave the company rather than pull factors attracting them to another company. These are issues the company could control and improve in order to increase retention. As outlined in Table 3, the majority of recommendations made by the respondents to improve these areas are low cost. This would make these recommendations attractive to the companies. Findings regarding recommendations will be discussed in more detail later in this chapter.

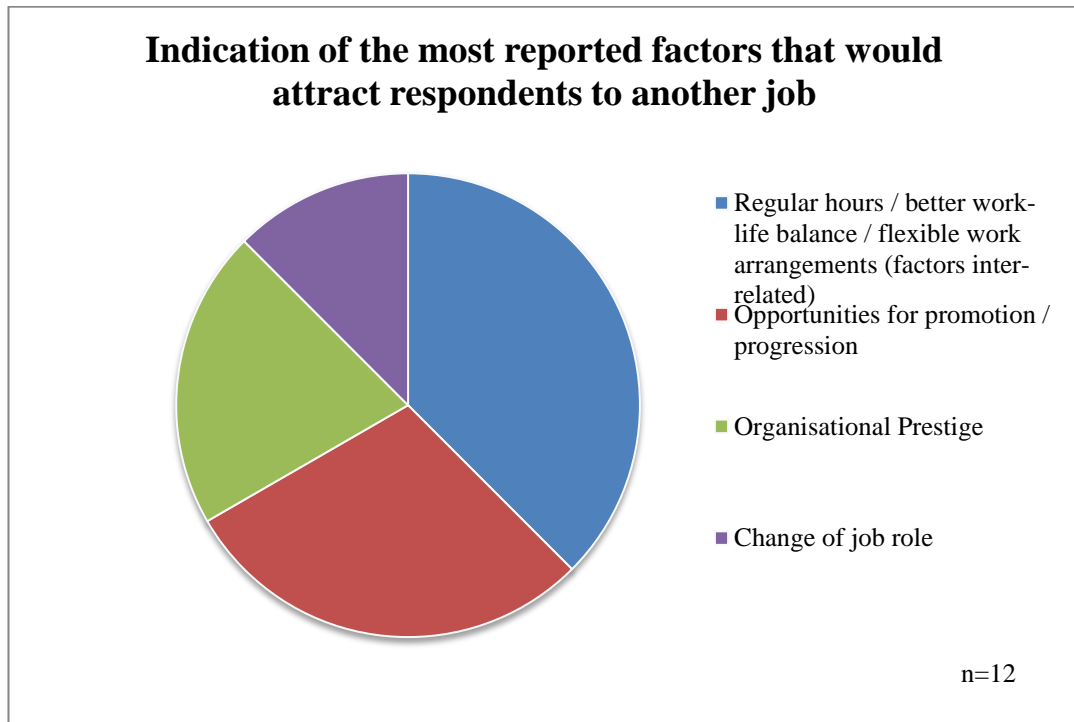
Please see Appendix D for a complete list of the factors mentioned which influenced respondents' decision to leave and the comparison between Company A and Company B.

Table 3: Description of the most reported factors that influenced respondents' decision to leave

<u>Description of the factors that influenced respondents' decision to leave</u>	<u>Total no. of respondents mentioned the factor (n=6)</u>	<u>Push / Pull Factor</u>	<u>Can the company control?</u>	<u>How could the company control? (Based on recommendations from respondents)</u>	<u>Cost</u>
Long hours / workload / lack of reward for overtime / lack of work-life balance / lack of flexible work arrangements (factors inter related)	4	Push	Yes	Hire more staff	High
				More training to improve efficiency	Low - Medium
				Paid overtime	High
				Time in lieu for overtime	Low - Medium
				Flexible work arrangements to enable work/life balance	Low
Change of job role - don't want to stay in audit role	3	Push & Pull	Yes	Job rotation - different experience	Low
Stress / Pressure	3	Push	Yes	Allow time to "tidy up" jobs at the end of an audit	Low - Medium
				Involve trainees more at planning stage of jobs	Low
				Improve communication between trainees and management during jobs	Low
Lack of appreciation	2	Push	Yes	Show appreciation - Gratitude / paid lunch	Low - Medium
Lack of opportunities for promotion / progression	2	Push	Yes	Discuss career prospects with trainees before training contract complete	Low
Pay	2	Push	Yes	Increase pay	Medium - High
Organisational Culture	2	Push	Yes	Improve communication / Open communication	Low
				Show appreciation	Low
				Be more flexible	Low
				Break down division between management and trainees	Low
				Teambuilding / Social events	Low
Organisational Prestige	2	Push	Yes	Based on people's perception of the organisation - improve employees and clients' experience with the company based on recommendations above	Low - Medium

What would attract newly qualified accountants to another job?

Figure 10: Indication of the most reported factors that would attract respondents to another job



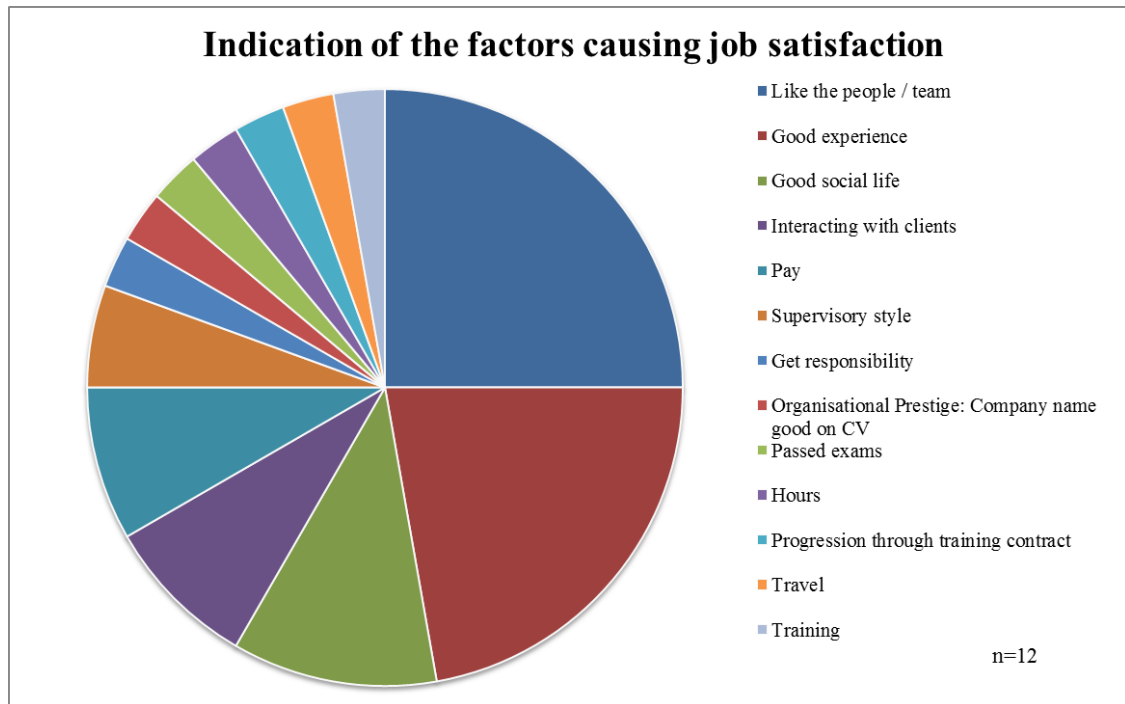
Overall, regular working hours or better work-life balance, opportunities for promotion or progression, organisational prestige and the type of job role were the most cited factors which would attract the respondents to another job. The majority of respondents, 9 out of 12, would be attracted to a job with regular working hours or better work-life balance while 7 out of 12 interviewees would be attracted to another job with opportunities for progression and promotion. Organisational prestige, in terms of how well the company is doing and how reputable the company is, is another significant factor attracting leavers to another company. 3 out of 6 leavers stated this as a factor. Interviewee 5 was attracted to his new job as it satisfied “*one of the key requirements*” he had when he was leaving which was “*for a business that was doing well*”. Organisational prestige will be discussed in more detail later in this chapter.

Please see Appendix E for a complete list of the factors mentioned which would attract respondents to another job and the comparison between Company A and Company B.

Job satisfaction

Job satisfaction

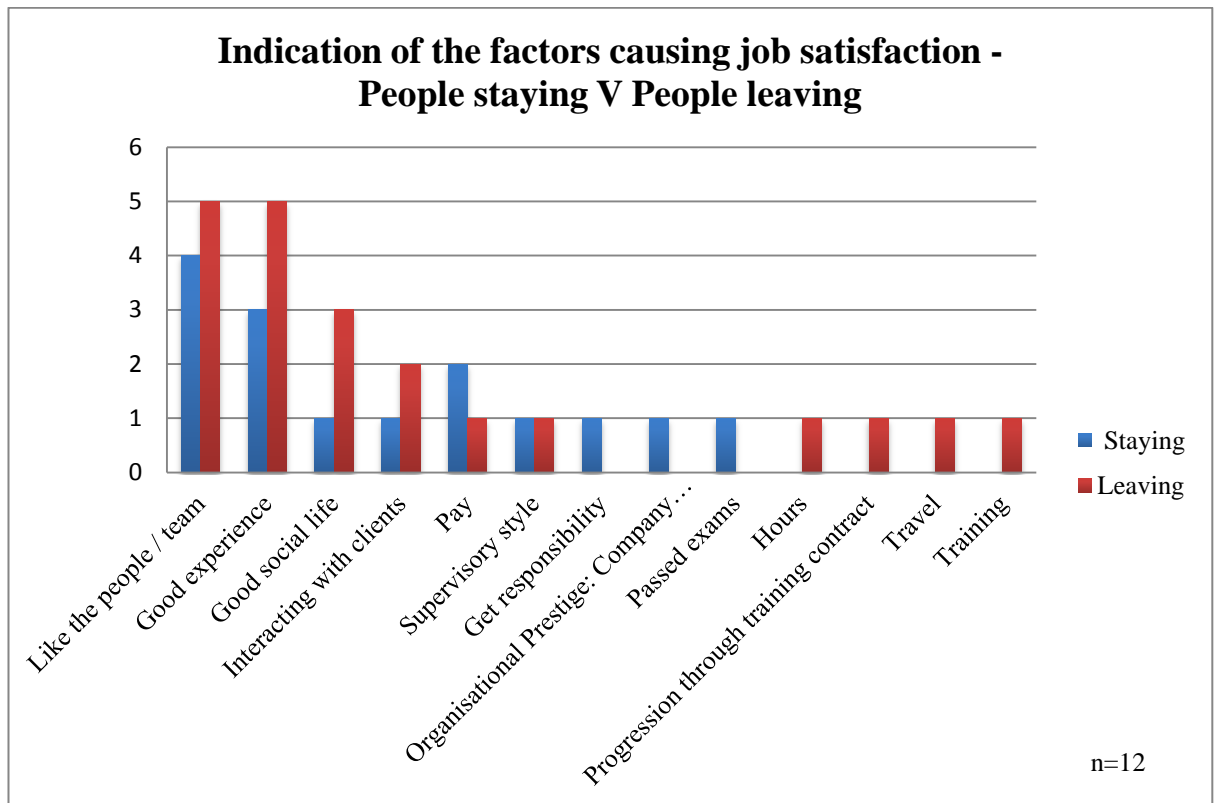
Figure 11: Indication of the factors causing job satisfaction



As shown in Figure 11, the most reported factors causing job satisfaction include the people (9 out of 12 respondents), good experience (8 out of 12 respondents) and a good social life (4 out of 12 respondents). The majority of respondents recognised that there was good camaraderie among the trainees and that significantly contributed towards their job satisfaction. Furthermore, 3 out of 12 respondents also commented that they were satisfied with pay while interacting with clients also caused job satisfaction for 3 interviewees.

Please see Appendix F for a complete list of the factors mentioned causing job satisfaction and the comparison between Company A and Company B.

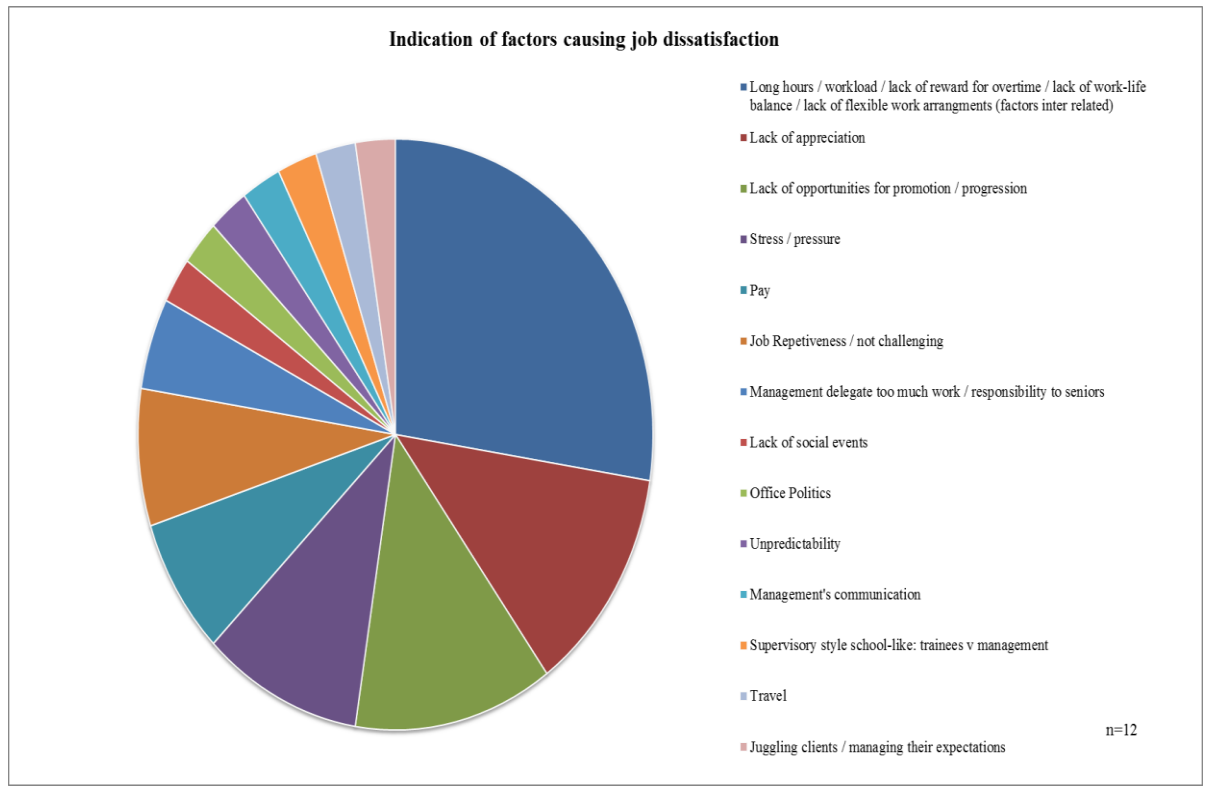
Figure 8: Indication of the factors causing job satisfaction - People staying V People leaving



As shown in Figure 12, respondents who decided to stay and respondents who decided to leave were similarly satisfied by the people and the experience they received. 5 out of 6 people leaving were satisfied with the experience they received yet still desired to leave whereas 3 out of 6 people staying reported good experience as a job satisfaction. More people leaving reported satisfaction with the social life than those staying. Otherwise, there was no significant difference found between people staying and leaving.

Job dissatisfaction

Figure 13: Indication of the factors causing job dissatisfaction



As shown in Figure 13, the most reported factors causing job dissatisfaction relate to the long hours, workload, the lack of reward for overtime or the lack of work-life balance (11 out of 12 respondents). Interviewee 2 commented

“when I joined there was no overtime. But now there is so much overtime..... So I find that’s the hard part. Doing so much overtime and there’s no reward in return..... Going forward, if the overtime continues, that’s going to be a hard thing for Company A to keep up with, because then you’re kind of going, well if I am doing all this overtime it might as well be with a firm that I get extra time off, or I get paid for it.”

In addition, other factors mentioned to cause job dissatisfaction include the lack of appreciation (5 out of 12 respondents), lack of opportunities for promotion or career progression (5 out of 12 respondents) and the stress or pressure (4 out of 12 respondents). Interviewee 12 stated that *“there is little chance of career progression. If I stay, I don't want to be doing the same thing”*.

Please see Appendix G for a complete list of the factors mentioned causing job dissatisfaction and the comparison between Company A and Company B.

Job satisfaction and turnover intention

Figure 14: Indication of the factors that influenced respondents' decision to stay V Indication of the factors causing job satisfaction

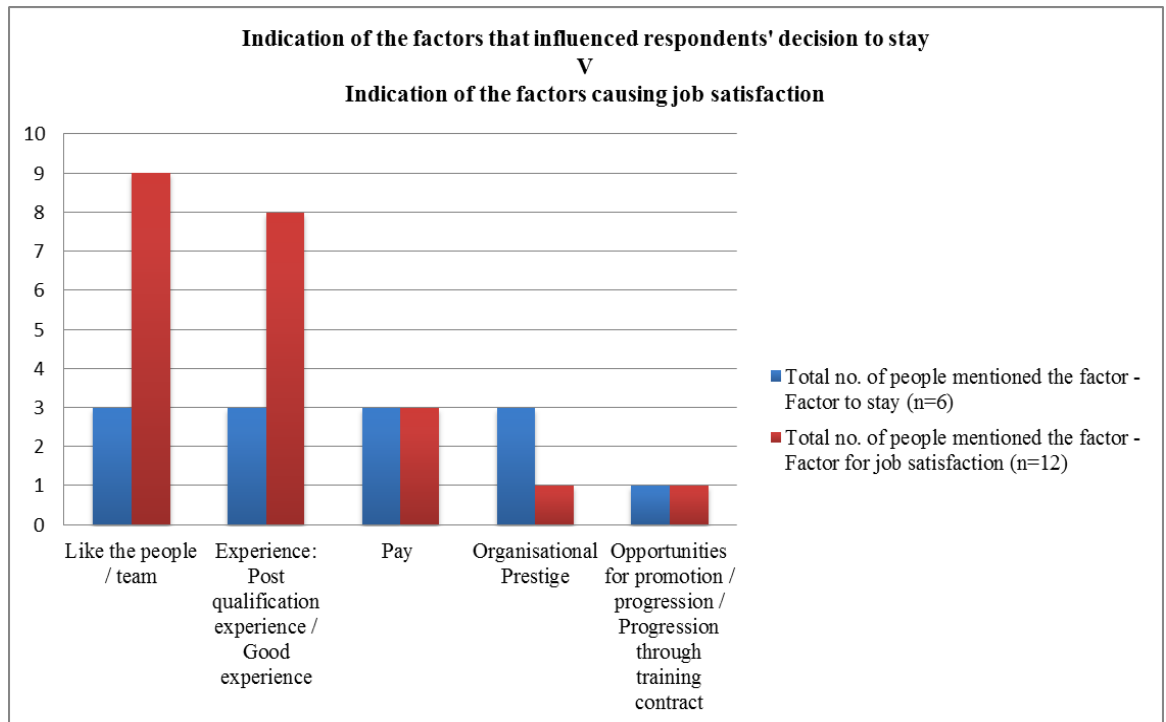
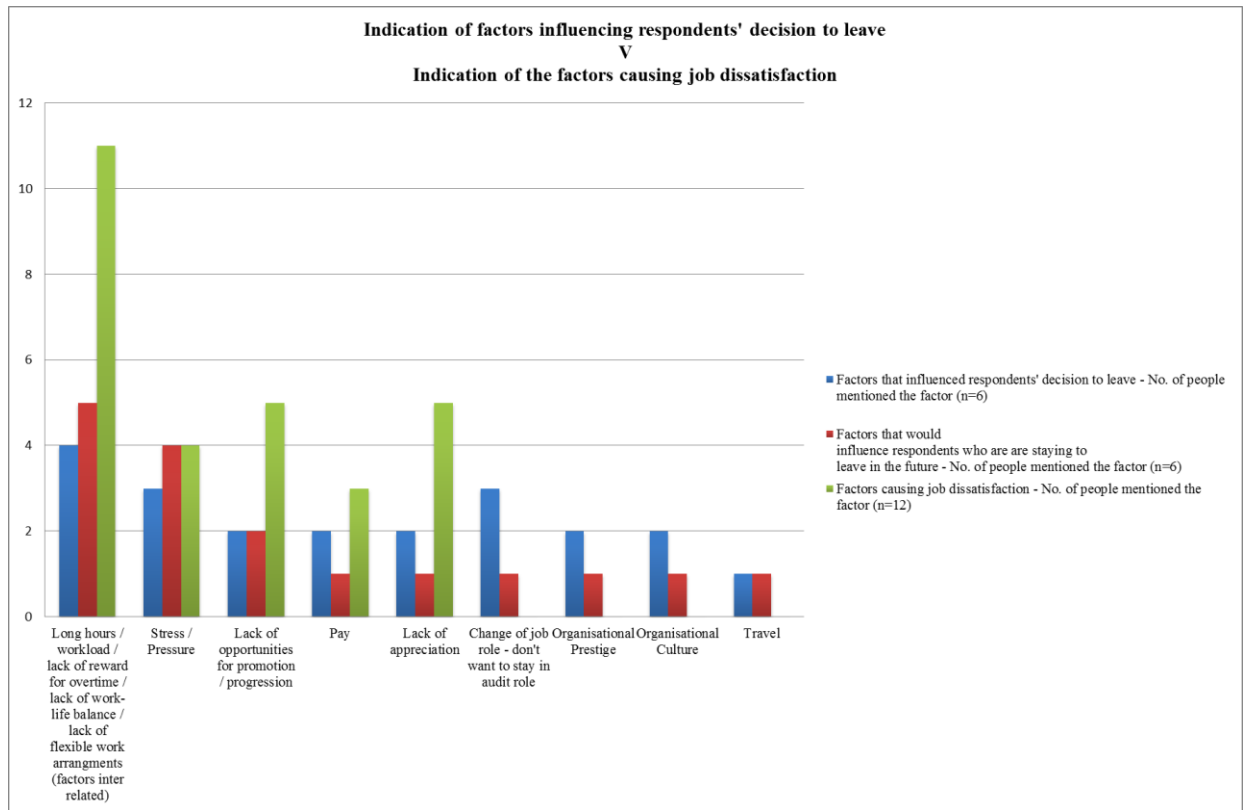


Figure 15: Indication of the factors that influenced respondents' decision to leave V Indication of the factors causing job dissatisfaction



Analysing job satisfaction was seen as an important area as 11 out of 12 respondents believed that job satisfaction is a strong indicator of turnover intention. Interestingly, as shown in Figure 14, some of the main factors causing job satisfaction were also mentioned as factors which influenced respondents' decision to stay including the people, the experience, pay, organisational prestige and opportunities for promotion or progression.

Similarly, as shown in Figure 15, some of the main factors causing job dissatisfaction were also mentioned as factors which influenced respondents' decision to leave or would influence respondents' decision to leave in the future. These factors included the long hours, workload, the lack of reward for overtime, the lack of work-life balance or flexible work arrangements. Additionally, the stress or pressure, the lack of career progression and promotion, the lack of appreciation and pay were all common factors. Therefore, if these areas of dissatisfaction are improved, it may reduce turnover intention.

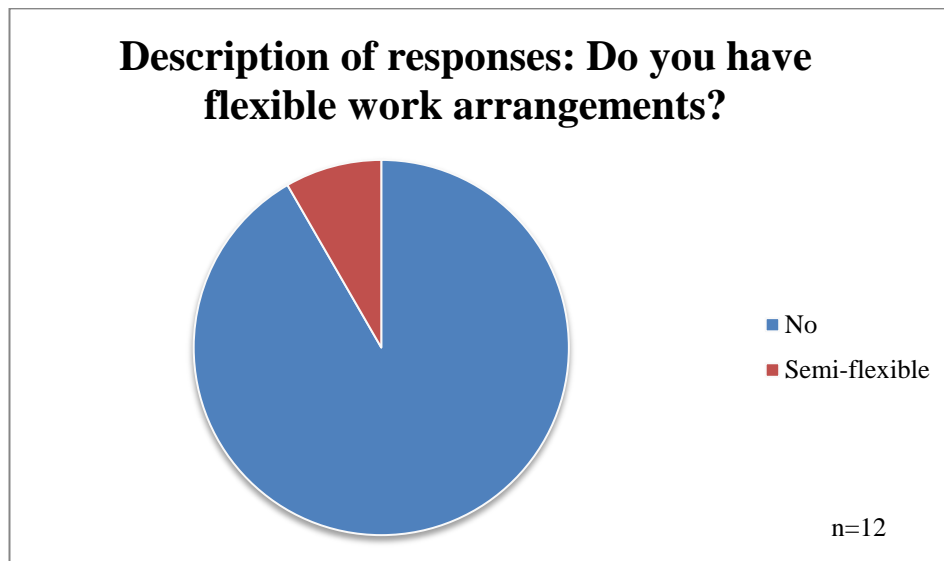
Furthermore, opportunities for promotion or progression and ‘regular hours, better work-life balance or flexible work arrangements’ were cited as factors that would attract respondents to another job. Therefore, if these factors are commonly cited as factors influencing job satisfaction, job dissatisfaction and respondents’ decision to stay, leave or join another company, it would suggest that these factors are key areas to examine in order to improve employee retention among newly qualified accountants.

Job satisfaction and alternatives

Job satisfaction was also examined with job alternatives. While some respondents agreed that job satisfaction and lack of job alternatives would encourage them to stay in a company, the majority of respondents, including the majority of leavers, believed that there are job alternatives available. Interviewee 12 proposed that at the moment a lot of people feel dissatisfied but feel they have alternatives which encourages them to leave. This is evident by the fact that 5 out of the 6 leavers had decided to leave before having another job arranged. 4 out of this 5 have since found industry based jobs while one individual was going travelling. There was a general acceptance that the accounting industry provided ample opportunities. Interviewee 4 expressed that it is the “*number one qualification that has the most career directions*”.

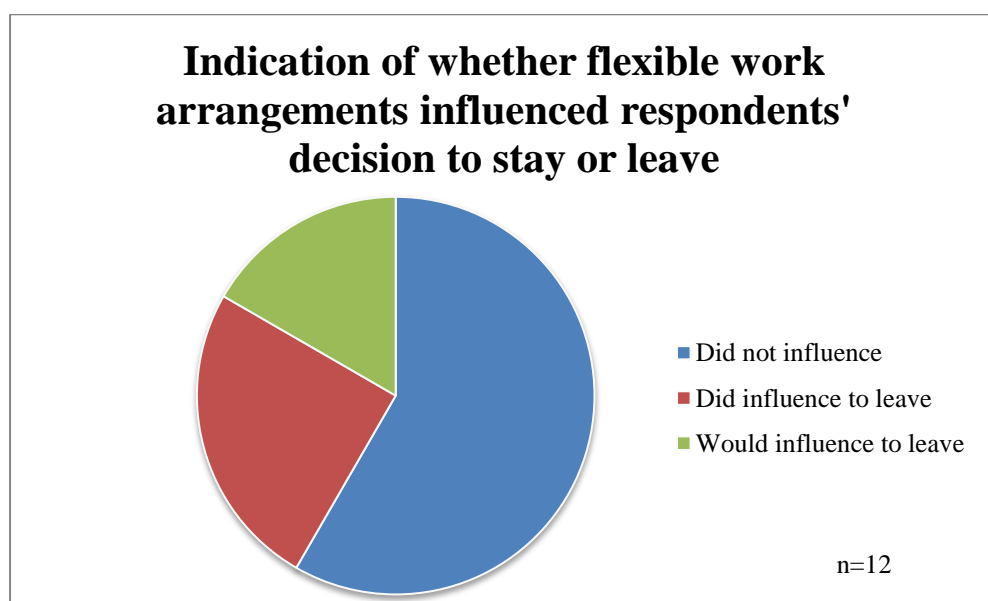
Flexible work arrangements

Figure 16: Description of responses: Do you have flexible work arrangements?



The majority of respondents expressed that they do not have flexible working arrangements. Respondents remarked that their company was “*very rigid*”, “*inflexible*” and “*not accommodating at all*”. Only one respondent from Company B felt that he had “*semi flexible*” arrangements. This individual plays county football and felt that “*the Partners were definitely understanding*” of his football commitments.

Figure 17: Indication of whether flexible work arrangements influenced respondents' decision to stay or leave



7 out of 12 respondents did not feel that the lack of flexible work arrangements influenced their decision to stay or leave. However, three respondents commented that the lack of flexible work arrangements *did* influence their decision to leave as it impacted their work-life balance. Interviewee 12 revealed that the lack of flexible work arrangements did influence his decision “*but not directly*”. He stated

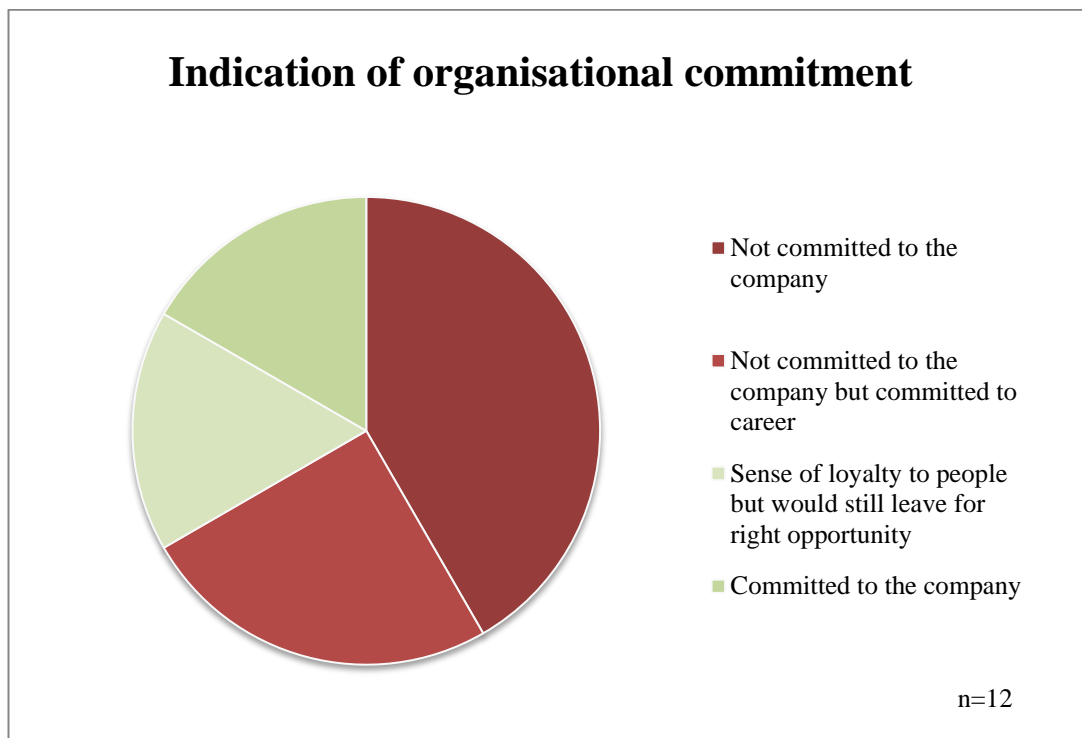
“I didn't think "I don't have flexi time so I want to leave" - but if I had flexi-time it would allow me to plan my life around all the long hours which I definitely think would improve work-life balance so I would be much happier in work”.

In addition, two respondents felt that the lack of flexible work arrangements *would* influence them to leave in the future as they would like flexi-time.

The researcher probed the interviewees further by discussing recent studies which suggest that people with flexible work arrangements are less likely to leave their job and report lower levels of burnout and higher levels of job satisfaction. The majority of respondents agreed with this and felt that flexible work arrangements would make them happier. There was a general acceptance that flexible work arrangements would allow respondents to have a better work-life balance. Therefore this is an important factor for companies to consider since the lack of work-life balance was reported as one of the main factors influencing respondents’ decision to leave and was one of the main factors mentioned to cause job dissatisfaction.

Organisational commitment

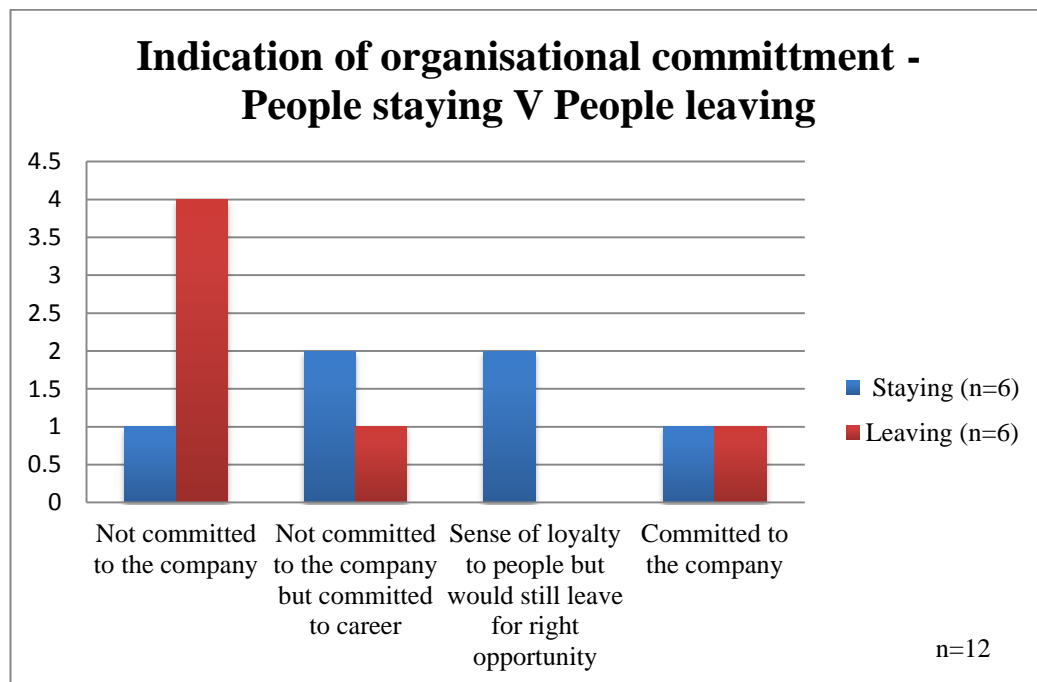
Figure 18: Indication of organisational commitment



The majority of respondents, 8 out of 12, reported that they were not committed to the company or were not committed to the company but committed to their career. There was a general consensus from these respondents that they don't feel committed to their company as the company does not commit to them or make them feel involved. Interviewee 1 from Company A stated *"they don't commit to us so why should I commit to them"* while Interviewee 8 from Company B felt that there was *"not a whole lot of involvement in the company to make you feel part of it.....not involved in making the decisions, you don't know the things that are going on"*. It is an interesting finding that people are committing to their career more than to their organisation.

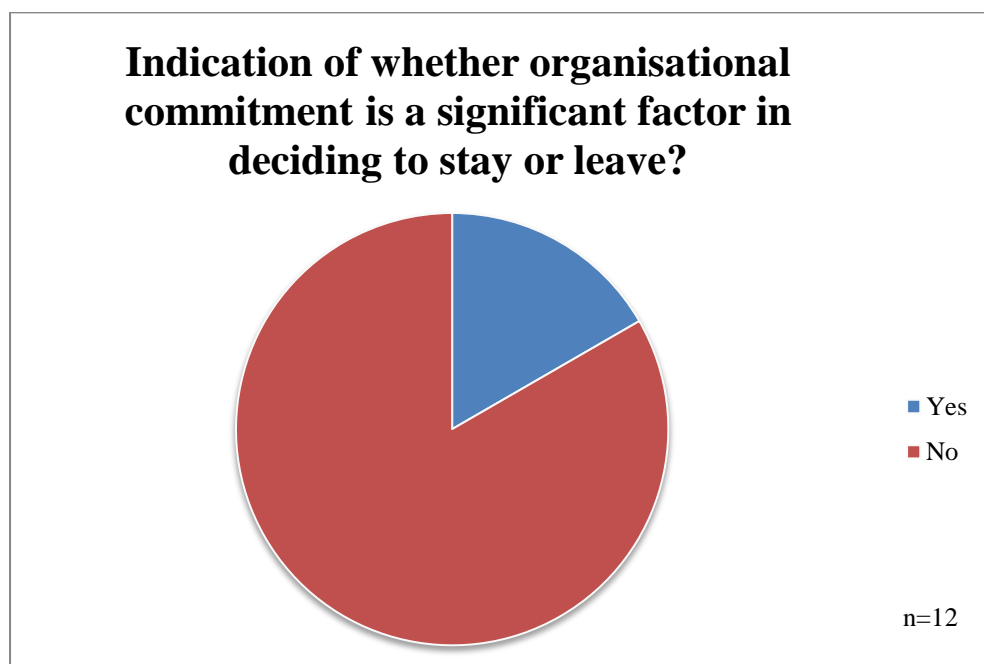
Only two individuals, both from Company A, stated that they were committed to the company. One of these individuals was offered a job by a client but turned it down and is staying in Company A due to her commitment to them. While the second individual is leaving Company A, she still feels highly committed to the company and stated that she is *"finishing in two weeks time and [she] is still working late"*.

Figure 19: Indication of organisational commitment – People staying V People leaving



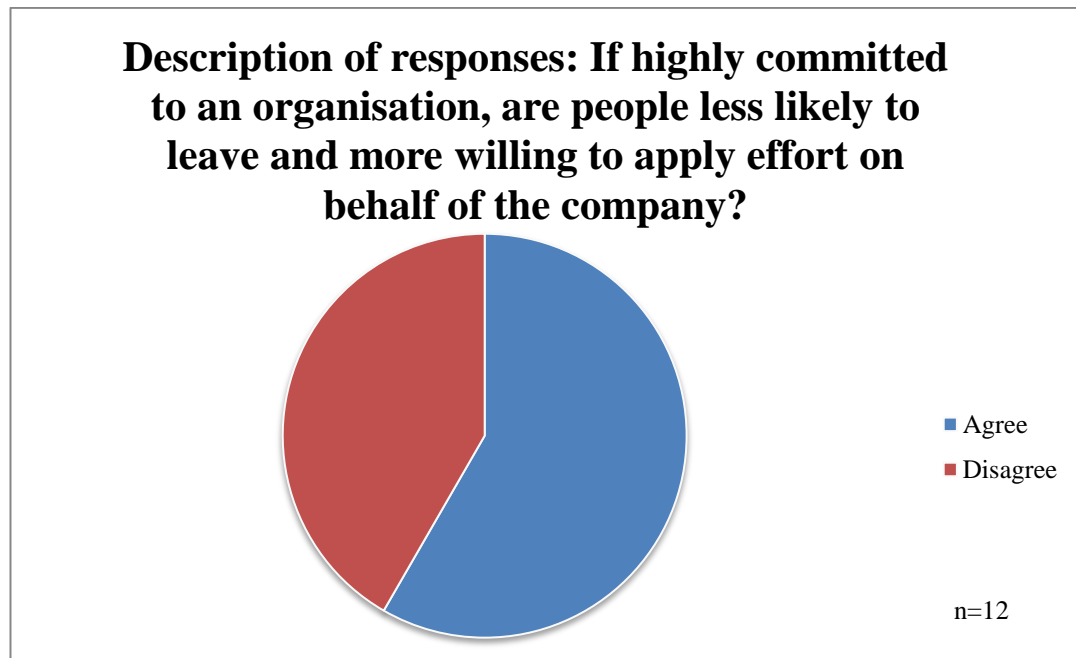
As shown in Figure 19, 5 out of 6 leavers did not feel committed to their company compared to 3 people staying. However, it is an interesting finding that only 1 out of 6 people staying confirmed that they feel committed to their company. Please see Appendix H for a comparison between Company A and Company B.

Figure 20: Indication of whether organisational commitment is a significant factor in deciding to stay or leave?



In addition, as shown in Figure 20, 10 out of 12 respondents did not feel that organisational commitment was a significant factor in their decision to stay or leave.

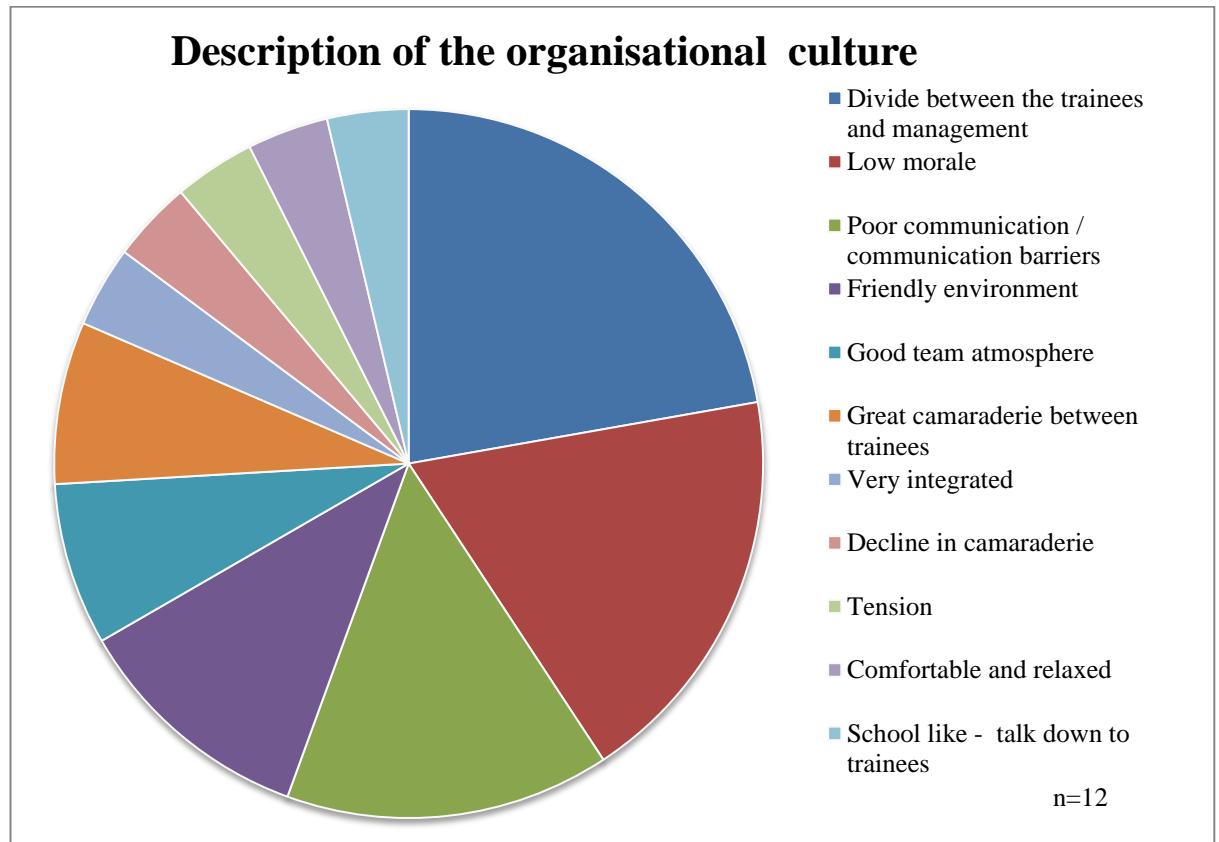
Figure 21: Description of responses: If highly committed to an organisation, are people less likely to leave and more willing to apply effort on behalf of the company?



Furthermore, research indicated that organisational commitment influences turnover intention. 7 out of 12 respondents agreed that people who were highly committed were less likely to leave a company and more willing to apply effort on behalf of the company. Interviewee 3 stated *“I feel committed and put in a lot of work and don’t plan on leaving.”* However, 5 out of 12 respondents disagreed. There was a general acceptance that those who are not committed still apply a lot of effort and work hard. Interviewee 12 stated *“I disagree that someone needs to be committed to the company to work hard. I work hard because that’s the type of person I am, I want to do well, I care about my work and my career.”*

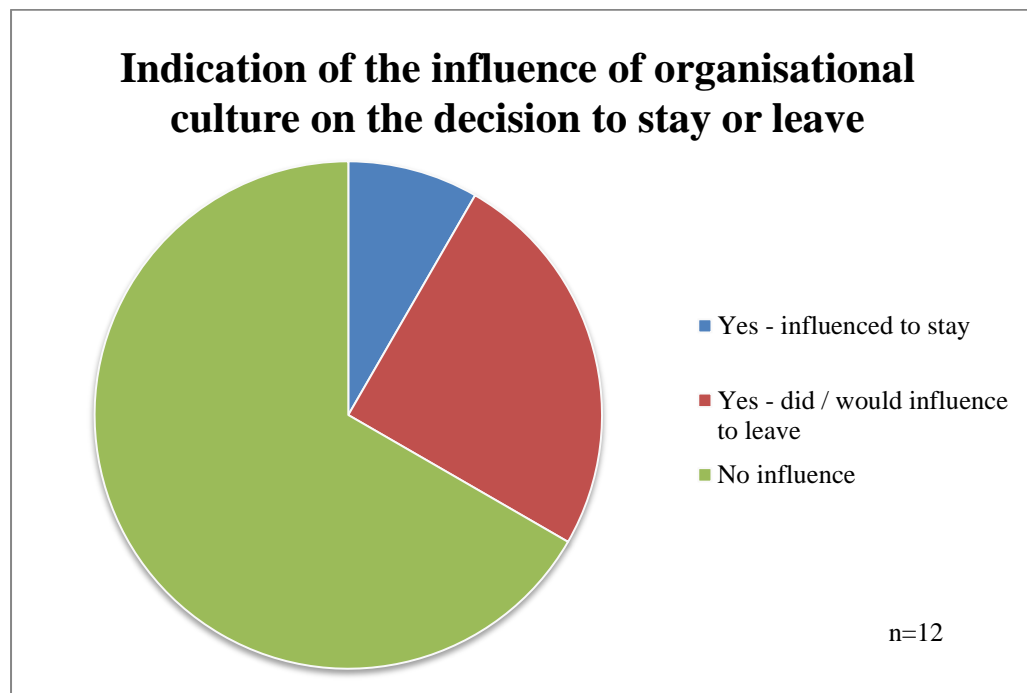
Organisational culture

Figure 22: Description of the organisational culture



Overall, as shown in Figure 22 the most mentioned phrases when discussing the culture of the companies included “*divide between the trainees and management*”, “*low morale*” and “*poor communication*”. There was no significant difference in views between people staying and people leaving. Please see Appendix I for a comparison between Company A and Company B.

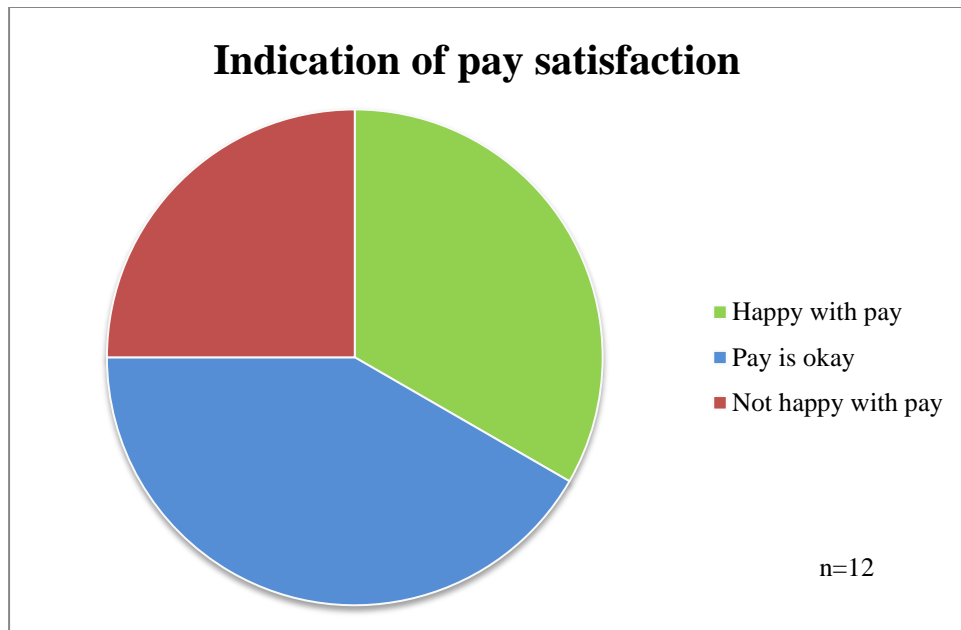
Figure 23: Indication of the influence of organisational culture on the decision to stay or leave



The majority of respondents mentioned that the organisational culture had no influence on their decision to stay or leave the company. Interviewee 6 felt that it didn't influence her as she is *“not in the office environment a lot”* as auditors spend a significant amount of time working out of the office on client site. However, three respondents felt that the culture would their decision to leave. Interviewee 12 who has left Company B stated that *“If you’re working where there is low morale and a division between management and trainees it impacts your job satisfaction and makes you want to leave”*. Furthermore, the culture influenced one person to stay in Company A as it has a *“very friendly environment”*.

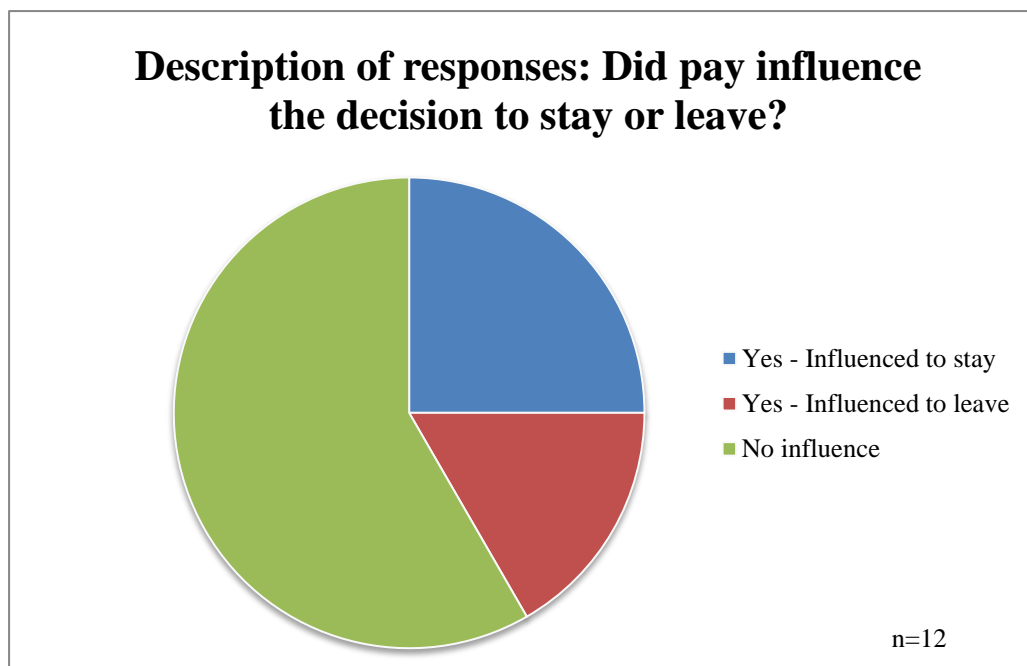
Pay satisfaction

Figure 24: Indication of pay satisfaction



Overall, four respondents were happy with pay, five felt the pay was okay and were neither satisfied nor dissatisfied, and three were not happy with the pay. This meant that the majority of respondents were not dissatisfied with pay. Please see Appendix J and K for a comparison between people staying and leaving and a comparison between Company A and Company B.

Figure 25: Description of responses: Did pay influence the decision to stay or leave?

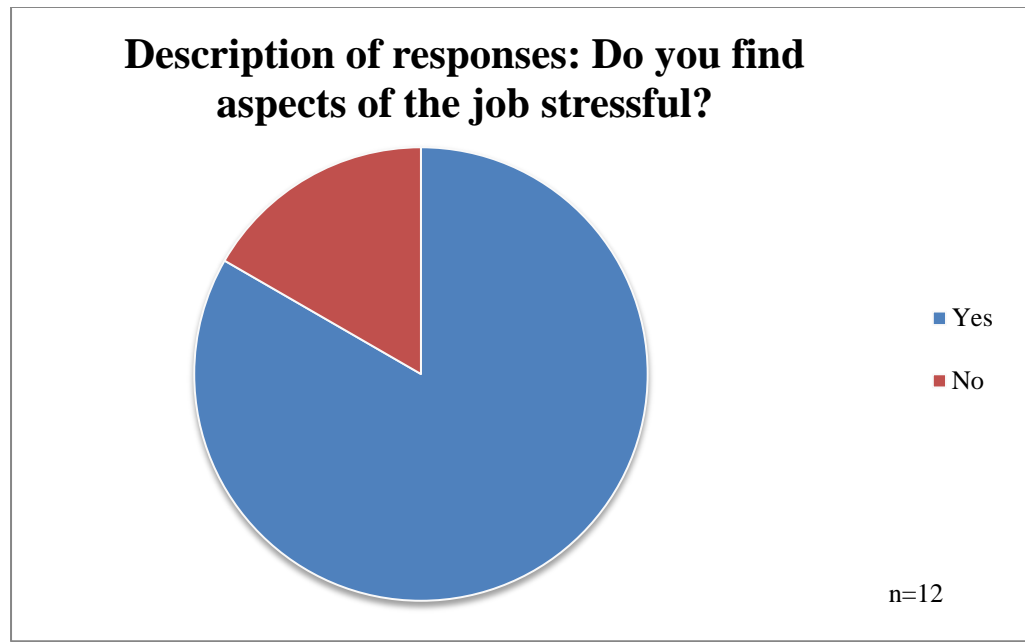


Overall 7 out of 12 respondents felt that pay had no influence over their decision to stay or leave their company. There was a general acceptance among these respondents that pay was not an important factor at this stage of their career and the experience and opportunities for progression were more important. However, the pay influenced two individuals to leave their company, one from Company A and one from Company B. Interviewee 8 who is leaving Company B stated that *“I have done some research and when I leave I’ll probably go up in salary by 20% plus”*. Alternatively, the pay positively influenced three individuals to stay in Company B.

The researcher probed the interviewees further by discussing a recent study which proposed that 9 out of 10 managers believe employees stay or go because of pay. Overall, the majority of respondents, 10 out of 12, disagreed with the managers and did not think that pay was a significant influence over their decision to leave or not. While five respondents previously confirmed that pay had an influence, three of these respondents later added that it was not a significant influence.

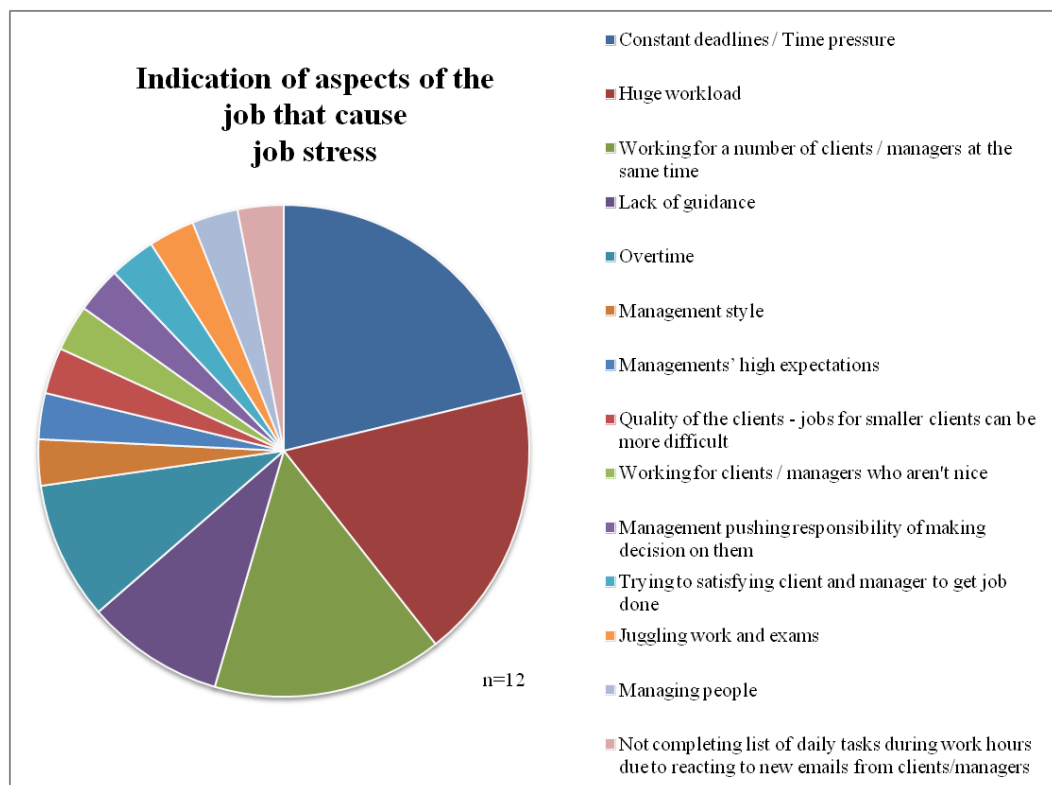
Job stress

Figure 26: Description of responses: Do you find aspects of the job stressful?



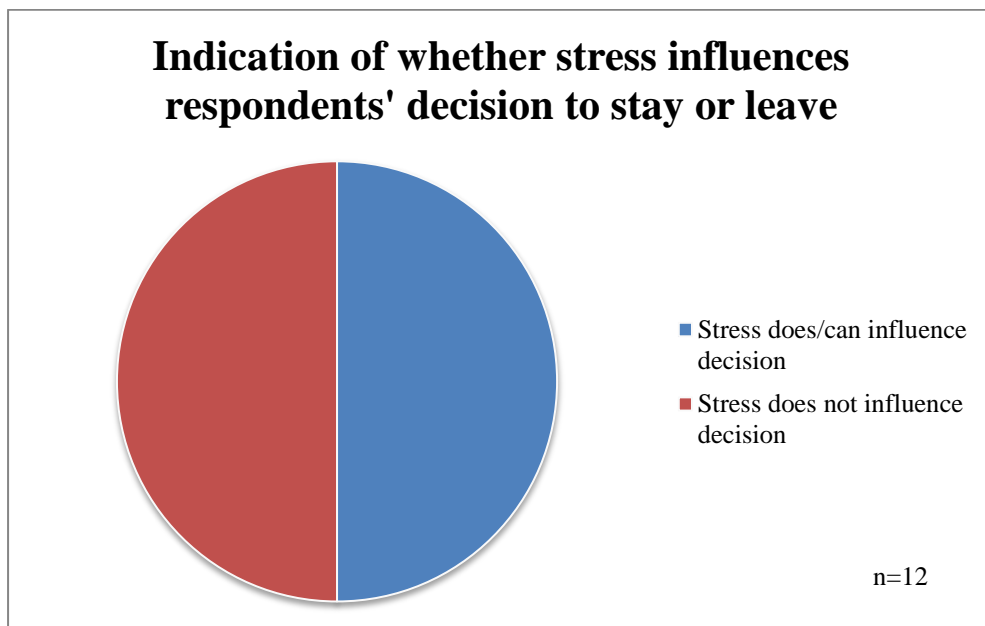
As shown in Figure 26, the majority of respondents, 10 out of 12, find aspects of their job stressful.

Figure 27: Indication of aspects of the job that cause job stress



Overall, the most reported factors causing job stress relate to constant deadlines and time pressure, the huge workload, working for a number of clients/managers at the same time, lack of guidance and overtime. 7 out of 12 respondents reported aspects relating to constant deadlines and time pressure as a factor causing job stress. Please see Appendix L and M for a comparison between people staying and leaving and a comparison between Company A and Company B.

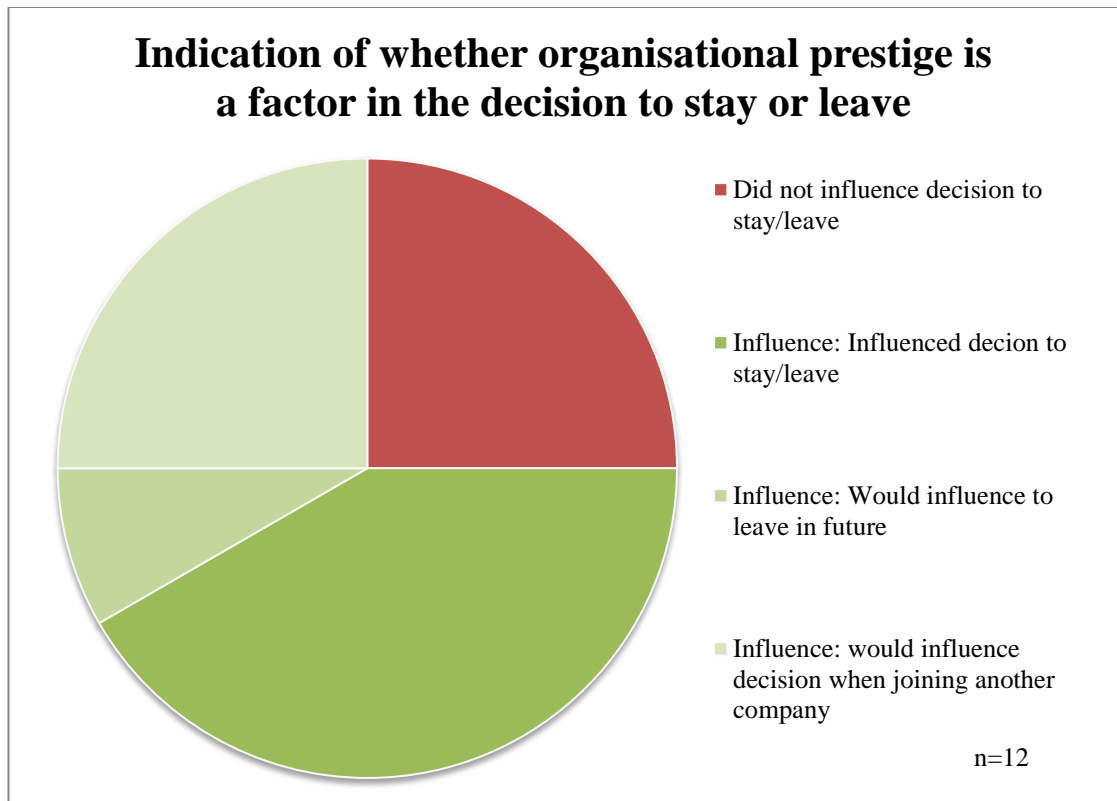
Figure 28: Indication of whether stress influences respondents' decision to stay or leave



There was a general acceptance that accounting is a stressful profession. Respondents revealed that people have taken time off with stress leave. Interviewee 9 disclosed that in the “*last three and a half years there has been a lot of people off with stress leave*”. However, as shown in Figure 28, half of the respondents commented that stress does have an influence on the decision to stay or leave while half of the respondents felt that stress does not have an influence. Therefore, while it has been acknowledged that accounting is a stressful profession, the findings are inconclusive on whether job stress influences individuals’ decision to stay or leave an organisation. Further research would be required.

Organisational Prestige

Figure 29: Indication of whether organisational prestige is a factor in the decision to stay or leave



Overall, the majority of respondents, 9 out of 12, felt that organisational prestige had some form of influence over their job or future job. This is an interesting finding. The remaining three respondents did not feel that it had an influence.

A positive reputation influenced three people from Company B to stay in their company. Interviewee 7 stated

“I think working for somewhere that you think is a good place to work, has a good brand name, has a good reputation, I think that’s important..... Company B are one of the leading companies in that area. So at least you know you are getting exposed to some of the best people and all you can do is try and learn from that”.

Alternatively, a negative perception and reputation influenced two people in Company A to leave their company. One respondent stated

“It influenced my decision to leave Company A. People feel like they are getting out at the right time. It confirms your decision when you hear what people are saying about the company not doing well. So that made me happier with my choice”. The other interviewee expressed that *“from a promotional point of view, career progression, if the firm isn’t doing well it’s obviously going to limit opportunities”.*

This again highlighted respondents’ desire for opportunities for progression. In addition, one individual who decided to stay in Company A stated that the organisational prestige would influence him to leave the company in the future as he doesn’t *“want to be working for a company that doesn’t have a good reputation or isn’t well respected”*. Furthermore, 3 out of the 12 respondents mentioned that although the organisational prestige did not influence their decision to stay or leave their current company, it would influence their decision when joining another company.

Overall, the prestige of the company had more of a positive influence over respondents from Company B and a negative influence over respondents from Company A. Therefore these findings would suggest that the prestige of a company is an important factor as it influences retention and turnover.

Recommendations

Table 4: Description of areas where recommendations were suggested by respondents to improve retention

<u>Description of areas where recommendations were suggested by respondents to improve retention</u>	<u>Company A</u>	<u>Company B</u>	<u>Total no. of respondents mentioned the factor (n=12)</u>
Communication	6	6	12
Work-life balance	4	5	9
Pay / Rewards	5	3	8
Promotion / progression	5	2	7
Organisational culture	3	4	7
Improve the management of jobs / Decrease workload/stress	3	3	6
Training	1	4	5
Appreciation	3	2	5
Mentoring / leadership	1	3	4

Respondents were asked what they believed should be improved within their company in order to improve employee retention. Table 4 highlights the main areas that respondents suggested to improve. All respondents mentioned that communication needs to be improved. In addition, 9 out of 12 respondents felt that companies need to improve the work-life balance of employees. This is unsurprising considering this was one of the main areas causing job dissatisfaction and influencing respondents to leave. In addition, over half of the employees suggested improving pay and rewards, the opportunities for promotion and progression and the organisational culture. Respondents also made recommendations on how to improve these areas. Please see Table 5 below.

Table 5: Description of recommendations suggested by respondents to improve retention

<u>Communication</u>	<u>Cost</u>
Monthly/bi-monthly meetings - informed about what's going on in the company	Low
Break down barriers/division between management and trainees	Low
Managers should touch base more during jobs not just at the end of jobs	Low
Bi-annual team meetings to voice opinion	Low
Make it more encouraging for juniors to communicate	Low
More status meetings / face-to-face meetings with your assigned manager	Low
Listen better to trainees	Low
Involve seniors in management team meetings	Low
Regular team meetings, department meetings and monthly updates email.	Low

Work-life balance	Cost
Allow to build up overtime to take time off	Low - Medium
Flexible work arrangements : allowed to start work early to finish early (eg 7am to 3.30pm)	Low
Informed about location of jobs well in advance	Low
Manage resources better: work should be shared out better so no one has to stay too late.	Low - Medium
During the summer let staff off work on time	Low - Medium
Increase resources	High
Better training so people get quicker/more efficient	Medium
Pay / Rewards	Cost
Increase pay - match people's progress to pay	High
Compensated overtime: Pay or time in lieu	High
Bring pay in line with industry average	High
Talk about prospects: promotion and pay	Low - Medium
Improve pay from assistant manager level up	High
Pay structure should be changed to incentivise to work really hard (currently all put on same salary once qualified regardless of what grade you achieved: Company A)	Medium - High
Healthcare	Medium - High
Promotion / progression	Cost
Promotion should be based on who deserves the promotion instead of who is there the longest	Low
Look at internal promotions before external hires	Low
Need feedback if not promoted to the next level	Low
Talk about prospects: promotion and pay	Low - Medium
Supervisor role once qualified: don't want to be doing the same thing	Low - Medium
Incentives for last year of contract to reach top grade - promoted if reach top grade	Medium
Once qualified - better jobs with higher profile clients, get more exposure, more experience	Low
Organisational culture	Cost
More social events	Low - Medium
Celebratory lunch / dinner after big audit	Low - Medium
Team building exercises	Low - Medium
Casual Friday	Low
More interaction between departments	Low
Establish a connection with the firm - improve relationships, build team environment	Low - Medium
Raise staff morale	Low
Put more time into staff	Low
Improve relationships with your manager - managers should show interest in trainees	Low
Get people together to have a tea break. Chill out time is very important.	Low
Improve culture comes with better communication, showing appreciation, being more flexible, breaking down division between management and trainees, and team building.	Low
Break down physical barriers between management and trainees - Management "sit miles away" (Company B)	Low

Improve the management of jobs / Decrease workload/stress	Cost
Hire more seniors and managers	High
Manage resources better (not everyone working late)	Low - Medium
Schedule time to allow tidy up jobs	Low - Medium
Involve trainees more at planning stage of jobs	Low
Keep informed about job deadlines - when audit being signed off	Low
Better training so people get quicker/more efficient	Medium
Training	Cost
More structure to training (a base of 50 / 60% structure)	Low - Medium
Training for trainees should be more practical (eg small audit for 3 or 4 days)	Low - Medium
Continuation training	Low - Medium
When new audit tests introduced need better training to make people more efficient	Low - Medium
Better training for new seniors hired from other firms	Low - Medium
Training should be during working hours not during personal time (eg training from 8am in Company B)	Medium
Mentoring / leadership	Cost
Briefed better before jobs	Low
Improve buddy system	Low
Appreciation	Cost
A simple "thank you"	Low
Celebratory lunch / dinner after audit	Low - Medium
Organise a night out after busy season	Low - Medium
Let people go early on a Friday to say thank you for working overtime on a job	Low

The majority of recommendations were either low or low to medium cost making these suggestions attractive to companies. Only 6 out of the 60 suggestions made by respondents were high in cost.

Summary of key findings

Summary of key findings

Retention is an issue and turnover is considered “dysfunctional” and “excessive” in Company A and Company B.

Poor retention is impacting the client relationship, the quality and efficiency of jobs and in some cases the retention of clients, all of which affect the profitability of companies.

An unexpected finding was uncovered in relation to the issue with retaining externally hired qualified accountants who have not completed their training contract within the company – “*approx 70% - 80% leave after just six months*”

It takes at least three to six months for a new employee to be trained and begin performing – “*approx 70% - 80% of those will leave just after six months*”, therefore providing minimal contribution which is a significant cost to companies.

The main factors for why respondents decided to stay included the post qualification experience (highlighting respondents’ desire for career progression), the people and pay.

The main factors for why respondents decided to leave included a change of job role, the 'lack of work-life balance and the long hours', a lack of career progression and travel.

The majority of factors influencing respondents’ decision to leave were push factors causing the individuals to want to leave the company rather than pull factors attracting them to another company. Therefore these are issues the company could control and improve in order to increase retention.

Better work-life balance, opportunities for promotion or progression, the type of job role and organisational prestige were the most cited factors which would attract the respondents to another job.

The most reported factors causing job satisfaction include the people and the experience.

The main factors causing job satisfaction were also mentioned as factors which influenced respondents’ decision to stay including the people, the experience, opportunities for promotion or progression, pay and organisational prestige.

The most reported factors causing job dissatisfaction relate to the ‘long hours, workload, the lack of reward for overtime or the lack of work-life balance’ and the lack of appreciation and the lack of opportunities for promotion or career progression.

The main factors causing job dissatisfaction were also mentioned as factors which influenced or would influence respondents’ decision to leave. These factors included the ‘long hours, workload, the lack of reward for overtime, the lack of work-life balance or flexible work arrangements. Additionally, the lack of career progression and promotion, the lack of appreciation and pay were all common factors.

Opportunities for promotion and progression and ‘regular hours, better work-life balance or flexible work arrangements’ were cited as factors that would attract respondents to another job. Therefore, these factors are commonly cited as factors influencing job satisfaction, job dissatisfaction and respondents’ decision to stay, leave or join another company. **This would suggest that these factors are key areas to examine in order to improve employee retention among newly qualified**

The majority of respondents did not think that pay was a significant influence over their decision to leave or not.

Organisational prestige influenced the majority of respondents to stay, leave or join another company making **it a key finding and an important factor for companies to consider.**

The main areas respondents suggested their companies should improve in order to better their employee retention included communication, work-life balance, the opportunities for promotion and progression and pay and rewards.

The majority of recommendations to improve employee retention were either low or low to medium cost making these suggestions attractive to companies.

4.2 Comparative Analysis

Literature review and empirical findings:

Is retention an issue?

Rappaport et al. (2003) highlighted that companies that fail to retain their high-quality employees will be left with an understaffed workforce which will ultimately affect their ability to stay competitive. The findings support this view as poor retention in Company A and Company B has impacted the client relationship, the quality and efficiency of jobs and in some cases the retention of clients, all of which affect the profitability of companies which in turn will affect the companies' ability to stay competitive. This highlights the importance of implementing effective retention strategies.

Furthermore, Hyndman (1994) acknowledged that although accounting firms expect a certain degree of turnover to make way for new trainees, excessive turnover is deemed wasteful. Parker et al. (2011) also considered turnover to be dysfunctional when high performing employees leave the organisation. The findings corroborated this literature as the newly qualified accountants commented that while a certain amount of staff turnover is built into the nature of the industry, the current turnover rates were "*excessive*" and "*dysfunctional*" in so far as, employees that the company would like to retain are leaving the organisation which is negatively impacting the companies as previously discussed.

Why newly qualified accountants decide to stay

Hausknecht al. (2009) and Musser (2001) observed that there was a lack of research examining what influences employees to stay in an organisation. This study contributed to the literature by finding that the most mentioned factors for why newly qualified accountants decide to stay in their company include the post qualification experience, the people, the pay and the organisational prestige. Post qualification experience was one of the main factors influencing retention highlighting respondents' desire for career progression. These findings support El-Ramly (2012, p.18) who stated that "*career development ranks as the top attraction factor and No. 2 retention factor for high potentials*". The respondents corroborated

El-Ramly's (2012) view that companies need to set out a career road map with employees.

Additionally a gap in literature was observed in relation to organisational prestige and retention in the accounting industry. While Hausknecht et al (2009) found that organisational prestige was one of the main reasons for employees staying with their organisation in the leisure and hospitality industry, little research has been conducted in this area in the accounting industry to the knowledge of the researcher. However, this study presents new findings that organisational prestige influences newly qualified accountants' decision to stay in their company. Working for a well-known and good company name was identified as important in their career. Alternatively, while organisational prestige research is limited in the field of turnover, this study found that organisational prestige also influenced newly qualified accountants to leave their company as respondents felt that if a firm isn't perceived to be doing well it will limit opportunities, again highlighting the desire for career progression among newly qualified accountants. Overall, this study found that organisational prestige influences retention and turnover making it an important factor for companies to consider if they want to retain quality employees. Additionally, these findings would encourage further research to be conducted in this area.

Why newly qualified accountants decide to leave

The literature proposes that there are many influences of turnover including job satisfaction, flexible work arrangements, organisational commitment, organisational culture, pay satisfaction and job stress.

As previously discussed, the basic ideology of traditional models of turnover was that job dissatisfaction caused turnover. While Rahman et al (2008) and Chatzoglou et al (2011) found a significant negative correlation between job satisfaction and turnover, the findings of this study support the views of Khatri and Fern (2001) and Sarminah (2006) that there is a moderate relationship between job satisfaction and turnover intentions.

The main factors causing job satisfaction among newly qualified accountants were also mentioned as factors which influenced respondents' decision to stay including the people, the experience, opportunities for promotion or progression, pay and

organisational prestige. Similarly, the main factors causing job dissatisfaction were also mentioned as factors which influenced or would influence respondents' decision to leave. These factors included the 'long hours, workload, the lack of reward for overtime, the lack of work-life balance or flexible work arrangements'. Additionally, the lack of career progression and promotion, the lack of appreciation and pay were all common factors. However, while a relationship is evident and the majority of newly qualified accountants agreed that job satisfaction is a strong indicator of turnover intention, it is also important to notice that more leavers reported that they were satisfied with the people and the experience, two of the main factors influencing job satisfaction and retention, yet still desired to leave. Therefore further research would be required to examine the relationship between job satisfaction and turnover intention among newly qualified accountants.

Hausknecht et al (2009) also proposed that employees are more likely to remain in their jobs when they are satisfied with their job and think that there are not many alternatives. The findings corroborate and add to this theory by alternatively discovering that the newly qualified accountants currently feel dissatisfied but feel they have many alternatives which is encouraging them to leave.

As previously mentioned, the inter-related factors of workload, long hours, the lack of reward for overtime, the lack of work-life balance or flexible work arrangements was the most reported factor influencing turnover and job dissatisfaction in this study. El-Ramly (2012) noted that flexible work arrangements are one of the main factors in maintaining work-life balance. Similarly, the newly qualified accountants commented that implementing flexible work arrangements to allow them to start and leave work earlier would make them happier and enable them to perform commitments outside of work which would enhance their work-life balance. This also supports the theory by Almer and Kaplan (2002) who found that accountants with flexible work arrangements demonstrate higher job satisfaction and in turn, lower turnover intentions than those who did not have a flexible work arrangement. Therefore flexible work arrangements would be an important retention tool for Company A and Company B to consider in order to address the biggest factor influencing turnover and job dissatisfaction.

Furthermore, Stallworth (2004) examined organisational commitment in the accounting environment and suggested that organizational commitment is the best predictor of turnover. Chatzoglou et al (2011) also reported that organisational commitment has a significant negative effect on accountants' turnover intention. However, the findings of this study refute these theories as the majority of respondents did not feel that organisational commitment was a significant factor in their decision to stay or leave. Interestingly, 5 out of 6 newly qualified accountants staying in their organisation do not feel committed to their company suggesting that organisational commitment did not influence their retention. In addition, while Hausknecht et al. (2009) proposed that committed employees are expected to stay in the organisation and are willing to apply effort on its behalf, there was a general acceptance among respondents in this study that those who are not committed still apply a lot of effort and work hard on behalf of the company. In addition, O'Reilly et al (1991) explored whether the fit between an employee's personal preferences and organisational culture influences employee's job satisfaction, organisational commitment and turnover intention in accounting firms. However, the majority of newly qualified accountants in this study did not feel that organisational culture influenced their decision to stay or leave.

As previously discussed, the accounting profession has been regarded as a stressful profession (Sanders and Fulks 1995). While this was generally accepted by the newly qualified accountants in this study and the majority of respondents found aspects of their job stressful, results remained inconclusive on whether job stress influences turnover as half of the respondents commented that stress does have an influence while half of the respondents felt that stress does not have an influence. However, academics such as Tinker and Moore (2001) and Podsakoff et al (2007) noticed that job stress can indirectly influence turnover intentions through variables such as job dissatisfaction. Furthermore, Kelly and Barrett (2011) examined job stress, job satisfaction and turnover intentions of Irish trainee accountants and found that job stress had a negative effect on job satisfaction. Corroborating these theories, many aspects reported to cause job stress in this study including the workload and overtime were also listed as the main factors causing job dissatisfaction.

In addition, while much research has been undertaken regarding the relationship between pay satisfaction, turnover and retention, results remain inconclusive.

Mobley et al (1979) concluded that pay as a factor of turnover often reported mixed results. Similarly, while more than half of the newly qualified accountants in this study reported that pay had no influence on their decision to stay, pay positively influenced three individuals to stay in their company but also negatively influenced two individuals to leave their company. However, while Boltax (2011) found that 9 out of 10 managers believe that employees stay or go because of pay, the findings of this research refute this study as 10 out of 12 newly qualified accountants disagreed with the managers and did not think that pay was a significant influence over their decision to leave or not. While five respondents previously confirmed that pay had an influence, three of these respondents later added that it was not a significant influence. Interestingly there was a general acceptance among these respondents that pay was not an important factor at this stage of their career and the experience and opportunities for progression were more important. This leads us to discuss the key finding of this study.

The significant finding in this study was reported in the area of career progression and development. As previously discussed, El-Ramly (2012) found that career development is a top attraction and retention factor. Kelly and Barrett (2011) also found that role ambiguity and career opportunities were found to have a combined negative effect on job satisfaction. Extending this literature, this study found that career progression and development also significantly influenced turnover as the opportunities for promotion and progression or the lack thereof is commonly cited as a key factor influencing job satisfaction, job dissatisfaction and newly qualified accountants' decision to stay, leave or join another company. This suggests that this is a significant factor which companies need to enhance in order to improve employee retention among newly qualified accountants. Parker et al (2011) also observed that most accounting firms have pyramid hierarchies and consequently promotions are seen as key to employee survival, making the perceptions of the fairness of promotions important. They found that employees who are dissatisfied with the promotion process and believe that their company does not promote employees fairly are likely to leave. While the accountants in this study were mainly dissatisfied and leaving their company due to the perceived lack of opportunities for progression rather than the perceived lack of fairness, some newly qualified accountants suggested that promotion should be based on who deserves the

promotion instead of who is there the longest. This could suggest that some newly qualified accountants perceive the promotion process to be unfair but this would require further investigation. As previously outlined, this study corroborated El-Ramly's (2012) view that companies need to set out a career road map with employees to retain high quality employees.

A further stage of analysis – assessment of findings and the Director and Partner interviews

As previously discussed a Director and Partner were interviewed for the purpose of this study. This involved presenting the main findings from the literature and from the respondents' interviews to the Director and Partner so that both the previous theoretical findings and the suggestions arising from this study would be subject to scrutiny by practitioners that could be in a position to assess their relevance and practicality. Please see the interview template in Appendix N.

Is retention an issue?

The Director and Partner also believed that retention is an issue. The Director stated that *"at the moment we're under significant strain both...at my level on the team, but also, the existing seniors and the juniors because we've lost three newly qualified members in the last three or four months."* The Partner also commented that retention is an issue as *"the firms don't necessarily retain as many newly qualified as they would like to"*. It was also recognised that despite the tough economy and recession, newly qualified accountants were not eager to be retained post qualification and they have not seen a significant reduction in those who desire to go travelling or leave.

There was a general acceptance by respondents that it is the nature of the industry that there is relatively high turnover, that it is natural progression for newly qualified accountants to leave to make way for new trainees. The Partner also described it as a *"rather surreal industry"* in that people coming into accounting firms are *"still students"*, they're still studying so *"when it comes to the end of the contract there is a natural, what am I going to do with my life, what am I going to do with my career?"*. The Director also agreed that the turnover was dysfunctional commenting

that they would definitely have liked to have retained another three newly qualified accountants. Conversely, the Partner felt that the turnover was “*closer to functional than to dysfunctional*”. However, he considered turnover to be dysfunctional if they lose people to a competitor. In addition, the Partner and Director both agreed with the newly qualified accountants that it takes at least three to six months for new employees to be trained and begin performing with the Director feeling that it is closer to a six months process.

As shown in Table 1, the newly qualified accountants believe that poor retention is having a negative effect on the accounting firms’ ability to remain competitive.

Table 1: Description of the impact of poor retention on the companies' ability to stay competitive / meet future business needs

<u>Description of the impact of poor retention on the companies' ability to stay competitive / meet future business needs</u>	<u>Company A</u>	<u>Company B</u>	<u>Total no. of respondents mentioned the factor (n=12)</u>
Impact on client - client frustrated / not happy	3	5	8
Lose knowledge - impacts quality & efficiency of jobs	3	4	7
Impact on client - might leave / already left firm	3	0	3
Externally hired seniors don't have the same knowledge or experience (Burden of training)	1	1	2
Can't attract high quality / calibre staff	2	0	2
When people leave, others don't want to stay	2	0	2

The factors raised by the respondents shown in Table 1 were highlighted to the Partner and the Director. The Partner agreed with all of these factors commenting that “*all of the points that you raised are absolutely valid, and that’s why it’s so important to have the right people retained*”. In addition, the Director felt that these factors are “*a very fair reflection of the reality*”.

Furthermore, the Director and Partner extended the findings and raised a very significant factor resulting from poor retention that being the significant cost involved with the need to hire externally qualified accountants. The Director confirmed that poor retention is a huge issue as “*the firm invests a huge amount in the progress of the students through their training contract and where [they] don’t*

retain the staff that investment goes out the window in a very short space of time". The second issue associated with this is trying to hire a replacement. The Director also commented that it is difficult to get the right calibre or suit for the business. She revealed that they are currently trying to recruit a qualified accountant and the quality of CV's received was extremely poor. The candidates had very little audit experience and consisted of people coming from smaller firms looking to move up into the top ten tier firms. The Partner also admitted the difficulty in recruiting the right person stating *"I doubt I get 50% of them right. And I think I'm pretty rigorous, but I'll get at least half of it wrong"*.

The Partner and Director also highlighted the *"non-financial cost of the disruption"* associated with the recruitment. The Director stated

"the time cost to review, the HR time cost to go and find the people, my time cost to review the CV's, my time cost to interview the people..... And then also probably the time cost of a director or manager or partner level trying to keep the jobs going over the summer, so our input would be at a much higher level at the moment because we're doingmanagers are doing the work that the senior should have been doing."

In addition to the non-financial costs, there are significant financial costs involved. The Director confirmed that to recruit from the market place they will generally have to pay more than what they pay their existing seniors commenting that *"that's supply and demand"*. Furthermore, they pay 15% commission on finds through recruitment agencies. The Director estimated that the overall cost of recruiting an externally qualified accountant is *"about 50% of the cost"*. She stated that *"if you take a qualified senior at 40k in the market place, I would say you'd burn 20k no problem"*.

Consequently, considering the problems associated with poor retention and the significant cost, it is easy to see why the Partner believes

"It's very difficult to recruit and the benefit of retention is you know what you're getting. They know our system, they know your clients, they know everything else, so it's an absolute no brainer. I'd much rather one of my own go through the ranks than go down the market, I don't care where they are coming from".

Why newly qualified accountants decide to stay

For the purpose of this study, the Director and Partner were asked why they believed they retained newly qualified accountants. The Director believed that job security has been a big factor for people staying but noted that is beginning to change. However, the findings refute this as no respondent mentioned this as a factor while the majority of respondents felt that they had job alternatives. In addition, the Director stated that people stay where they are challenged and have a good work-life balance, although she did note that it can also be a factor for not staying. Furthermore, she believed that people stay if they see career progression because if they don't it's definitely a reason for them to leave.

The Partner believed that newly qualified accountants stay because

“they want leadership, they want a challenge and they want to feel that what they are doing is going to be interesting, that they are going to make a difference in relation to what they are doing and that they are going to have a learning experience that at the end of the day....they are going to get a remuneration in the form of experience and more marketability by staying”.

The interviewer then highlighted the findings to both the Director and the Partner which revealed why respondents decided to stay. Please see Figure 6. The Director stated that they were *“probably some valid points that I hadn't thought of”*. She was surprised by the fact that respondents stayed to show on their CV that the company wanted to retain them but commented that *“actually it's a valid point”*. The Partner was surprised by the findings and believed that the findings indicated that people have decided to stay for the short term only stating *“what you're saying is, we'll stay here for a while and then we're going to move on”*. He acknowledged that there is a challenge for the profession to show that there are different stages in your career and that they need to explain that progression from trainees to newly qualified accountants to assistant manager and manager. This is a significant acknowledgement since the Partner is a key person who could implement such change and career progression was found to significantly influence newly qualified accountants.

Subsequently, the Partner believed that the push factors were probably stronger than the pull factors stating

“depending on the experience that you are getting, and depending on the level of training that you are getting as you go, it can be a pretty dull experience and so, very often there is a push factor for people wanting to leave, rather than a pull factor of where they want to go. And I don’t know, I’m very interested in what comes out of this because my feeling is that the push factor is considerably stronger than the pull factor.”

The findings corroborated the Partner’s belief as the majority of factors influencing the newly qualified accountants’ decision to leave were push factors causing the individuals to want to leave the company rather than pull factors attracting them to another company. Please see Table 3. Therefore, these are issues the companies could look to improve in order to retain these individuals long-term.

Why newly qualified accountants decide to leave

The Director believed that people left due to the long hours, the responsibility and the pay. She thought that pay would be a significant influence stating that

“the model by which accountancy firms work is... low pay, but high volumes. And so by its very nature, the low pay drives aggravation amongst the students throughout their training contract so I think it would be wrong to hide away from the pay element”.

She also acknowledged that they don’t fully understand the career progression or what’s coming next in terms of their job role. The Partner believed that people left due to disliking auditing, a desire to travel and the fact that “recruiters are very active” in highlighting opportunities.

The interviewer then highlighted the findings to both the Director and the Partner which revealed why respondents decided to leave. Please see Figure 8. The Director agreed with the points raised but was surprised that the majority of respondents felt that pay was not a significant influence. However, the findings confirmed the

Director's belief that the newly qualified accountants don't see where their career progression lies. She commented that *"we're nearly afraid as an organisation to sit down and have the conversation with them and say well look where do you see yourself in 3 or 5 or 7 years time? We're reactive rather than proactive"*. She acknowledged that it is something that the profession needs to do more of to invest in newly qualified accountants. In addition, the Director corroborated the findings that overtime and lack of work-life balance was an issue stating *"we tend to burn to the ground our best people, which then actually drives them out of the business"*.

The Partner also believed that the findings were *"true"* but commented that *"the work-life balance one is a very interesting one"*. The Partner mentioned that they have looked at this area already and believed that the lack of work-life balance was due to not exiting people or not bringing them up to speed or coaching them affectively. This corroborates one of the suggestions by respondents that training should be improved so that they can become more efficient at the job which would ultimately improve their work-life balance. This leads us to discuss the Director's and Partner's view on the recommendations made by the respondents on how to improve retention. This will assess their relevance and practicality.

Recommendations

The respondents' recommendations on how to improve employee retention were presented to the Director and Partner to assess their relevance, practicality and feasibility. Their assessment was significant considering they are key practitioners with the potential to implement such changes. The following assessments were made:

Table 6: A further analysis of the recommendations suggested by the newly qualified accountants to improve retention

Recommendations by respondents to improve:	Director's assessment of recommendations	Partner's assessment of recommendations	Recommendations feasible?
Communication			
Monthly/bi-monthly meetings - informed about what's going on in the	<i>"I absolutely agree with everything".</i>	Agrees with all suggestions	Yes
Break down barriers/division between management and trainees	<i>"I can see why they want to break down the barrier between them and us"</i>	<i>"There's no place for them and us in this business. You're all equals doing the job. You're paid differently by virtue of your experience, but that's really all it is".</i>	Director and Partner both agree.
Managers should touch base more during jobs not just at the end of jobs	<i>"I absolutely agree that engagement and team meetings are important"</i>	Wants to create a culture that <i>"encourages questions, that encourages somebody saying I don't agree, or I don't understand, or that doesn't"</i>	
Bi-annual team meetings to voice opinion	<i>"Communication is absolutely critical".</i>	<i>"Communication...I'm glad to see there's practical tips on how to achieve it"</i>	
Make it more encouraging for juniors to communicate	<i>"It's so important that they understand the vision, the goals and they understand where the organisation is going, so that they can align themselves to that. That happens through communication".</i>		
More status meetings / face-to-face meetings with your assigned manager			
Listen better to trainees			
Involve seniors in management team			
Regular team meetings, department meetings and monthly updates email.			

Recommendations by respondents to improve: Work-life balance	Director's assessment of recommendations	Partner's assessment of recommendations	Recommendations feasible?
Allow to build up overtime to take time off	"Absolutely agree" with suggestions	Suggestions are "reasonable" and "practical"	Yes
Flexible work arrangements : allowed to start work early to finish early (eg 7am to 3.30pm)	Not informing employees of location of jobs well in advance is "due to inefficiency of the clients"		Director and Partner both agree.
Informed about location of jobs well in advance	"100% advocate" flexible work arrangements - "the goodwill that you get out of that is mountains"		
Manage resources better: work should be shared out better so no one has to stay too late.	Not sure why flexible work arrangements haven't been adopted.		
During the summer let staff off work on time			
Increase resources			
Better training so people get quicker/more efficient			

Recommendations by respondents to improve: Pay / Rewards	Director's assessment of recommendations	Partner's assessment of recommendations	Recommendations feasible?
Increase pay - match people's progress to pay	Agrees with suggestions	The Partner believes that true overtime only occurs for example where they "are trying to do a four week job in three" and that should be paid for and the client should be billed for it.	Disagreement with some recommendations - Director agrees whereas the Partner disagrees
Compensated overtime: Pay or time in lieu	Surprised pay is not a significant factor	Believes pay should not be a main factor at this stage of respondents' careers	Director believes pay will be increased and overtime should be rewarded
Bring pay in line with industry average	Think pay will increase		Partner believes pay is not a main priority and "the real question is "what is overtime?" "
Talk about prospects: promotion and pay	"Definitely there should be some sort of a reward for overtime" - "I think that there should be some sort of a process that if you worked 10 hours overtime you got 50% of it back"		
Improve pay from assistant manager level up	"Providing days toil as a reward for hard efforts, small little things that actually cost the firm so little, but mean so much to them, actually pays off"		
Pay structure should be changed to incentivise to work really hard (currently all put on same salary once qualified regardless of what grade)			
Healthcare			

Recommendations by respondents to improve: Promotion / progression	Director's assessment of recommendations	Partner's assessment of recommendations	Recommendations feasible?
Promotion should be based on who deserves the promotion instead of who is there the longest	Career progression - <i>"profession needs to do more of it to invest in newly qualified accountants"</i>	<i>"I don't know how you can argue with any of those suggestions".</i>	Yes
Look at internal promotions before external hires	A career roadmap should be put in place that says <i>"this is your career progression and here are the key milestones along that career progression and here's the firms contribution to your career progression"</i> so that people know what they are getting.	<i>"If you're a qualified senior, you should be sitting down and talking about what your plans are and what you would like to do".</i>	Significant finding - Director and Partner agree that a career plan should be put in place for newly qualified accountants.
Need feedback if not promoted to the next level	<i>"I agree where somebody doesn't get promoted it should be very clear, ahead of the announcement of that promotion why they are not getting it"</i>	<i>"Appraisals have got to be open and honest and regular so that if people are sitting down and they are hearing something on a relatively timely basis, if there's an issue there they've plenty of time to correct it before it affects promotion or pay"</i>	Newly qualified accountants need to be made aware of what their job role involves once qualified and what experience they will get.
Talk about prospects: promotion and pay	<i>"I wouldn't have seen people get promoted because they are here the longest"</i>	<i>"I think anybody who promotes people on a time basis as against merit is a fool because I think that comes back and bites you. I think the good people will leave"</i>	
Supervisor role once qualified: don't want to be doing the same thing	Newly qualified accountants don't realise the change in their job and the responsibility they will get once they are qualified	<i>"In our profession people get hungry for the title. They want to be an assistant manager six months after they come out of contract. And I just refuse. And the reason I refuse is... if you put some kind of manager in someone's title that means that you are doing file reviews and stuff like that. And newly qualified accountants are not ready to do the file reviews six months after their contract ends. They don't have enough experience. They haven't seen enough stuff... ask anybody who did their two years, or one to two years post qualification."</i>	
Incentives for last year of contract to reach top grade - promoted if reach top grade		Newly qualified accountants need to be made aware of the shift in job role once they are qualified – <i>"they are approaching a job in a completely different manner as a qualified senior than as a trainee. Now they are responsible for the whole job, planning, the execution, liaising with the manager and partner on the sign off, going to the client meetings and organising and making sure the file is archived. There's a period of time and experience that you need so that when you are then promoted into the management team, you can ensure those standards are maintained in the team in the company going forward."</i>	
Once qualified - better jobs with higher profile clients, get more exposure, more experience		<i>"There's an important part of people understanding that don't chase a title, chase experience. It's about what you're doing, it's not about what your title is."</i>	

Recommendations by respondents to improve: Organisational culture	Director's assessment of recommendations	Partner's assessment of recommendations	Recommendations feasible?
More social events	Agrees with suggestions	"Can't argue with	Yes
Celebratory lunch / dinner after big audit	<i>"A bit of banter around the place can actually go a long way instead of being regimental and structured"</i>	The Partner believes the issue lies with "who drives it".	Director and Partner both agree.
Team building exercises	<i>"It's probably just the need of management at more senior level to say look, this is what we're going to do and this is our budget, you've 10k a year or 5k a year to spend on the team, this is how we are going to spend it."</i>	<i>"The cost of these things is bugger all. What actually is the difficulty is to organise it. And who better to organise it than the people who want it. "</i> The Partner also acknowledged that the culture needs to be improved in order for that to	Partner believes cost would be low.
Casual Friday			
More interaction between			
Establish a connection with the firm - improve relationships, build team			
Raise staff morale			
Put more time into staff			
Improve relationships with your manager - managers should show			
Get people together to have a tea break. Chill out time is very			
Improve culture comes with better communication, showing appreciation, being more flexible, breaking down division between management and			
Break down physical barriers between management and trainees - Management "sit miles away"			

Recommendations by respondents to improve: the management of jobs / decrease workload/stress	Director's assessment of recommendations	Partner's assessment of recommendations	Recommendations feasible?
Hire more seniors and managers	<i>"Totally agree with everything on the page"</i>	Disagrees that the company should hire more seniors and managers - <i>"I completely disagree with that one. Now on some occasions it is needed. But mostly it isn't"</i>	Disagreement with some recommendations - Director agrees whereas the Partner disagrees
Manage resources better (not everyone working late)	<i>"Burnout is a big issue at senior level for very competent people, so again we need to manage that and try to give people sufficient time and resources and planning".</i>	<i>"What everybody has got to understand is we have our revenue line, our gross profit line, which is our revenue line less direct salaries for all of us in the team, me included, the margin has got to be X%. I'm open to how we cut that up, if we hire more managers that's fine...as long as X% is</i>	Partner disagrees with the high cost option of hiring more employees - concerned with gross profit margin.
Schedule time to allow tidy up jobs	<i>"I can understand the partnership stresses around gross profit margin because they are running a business at the end of the day, but actually how much time you give to a senior has no reflection on the books profit margin because your gross profit margin is your revenue minus your salaries, that's your GP line. Fact is if you're trying to squeeze more into that revenue period, or to earn revenue in the shorter period, but you actually pay long term for it".</i>	<i>"The best way to achieve what they want to is to work more efficiently. That's where you get work-life balance from". Comes back to training.</i>	Feasible options agreed by both Director and Partner: improve training to make employees more efficient and involve trainees more at the planning stage of jobs.
Involve trainees more at planning stage of jobs	<i>"I would love to have more people on my team...but the GP margin is the reason why they won't hire more seniors and managers"</i>	Believes the "most important" suggestion they made was to involve trainees more at planning stage of jobs - <i>"Their voice needs to be heard.....they should be involved in the planning at a very early stage</i>	
Keep informed about job deadlines - when audit being signed off			
Better training so people get			

Recommendations by respondents to improve: Training	Director's assessment of recommendations	Partner's assessment of recommendations	Recommendations feasible?
More structure to training (a base of 50 / 60% structure)	Agrees with all suggestions	Suggestions are "absolutely feasible. And it's absolutely right, it is all about training".	Yes
Training for trainees should be more practical (eg small audit for 3 or 4	"Written on that page is what I try to bring into existence"		Director and Partner both agree.
Continuation training	Employees will benefit from having high quality training materials provided up front that they can always refer to		Director noted that more buy in is needed at partnership level.
When new audit tests introduced need better training to make people more efficient	"I totally agree, training should be structured, communicated up front and comprise not only of technical training, but soft skills and inter-personal skills as well"		
Better training for new seniors hired from other firms	Struggle to implement those changes "from the point of view of not having buy in at partnership level". Need to influence Partners and get "them to understand that an investment today is a gain tomorrow".		
Training should be during working hours not during personal time (eg			

Recommendations by respondents to improve: Mentoring / leadership	Director's assessment of recommendations	Partner's assessment of recommendations	Recommendations feasible?
Briefed better before jobs	Agree with suggestions	Agree - planning is very important	Yes
Improve buddy system			Director and Partner both agree.

Recommendations by respondents to improve: Appreciation	Director's assessment of recommendations	Partner's assessment of recommendations	Recommendations feasible?
A simple "thank you"	Agree with suggestions - "a bit of appreciation goes a long way".	"Completely agree"	Yes
Celebratory lunch / dinner after audit	"I've a phrase in life that manners are for free so use them"	"We're crap at it, and it's so easy.....we've all come up through the system. We don't know anything else."	Director and Partner both agree.
Organise a night out after busy season	"I don't know why we don't do it as a profession. I actually think it's an Irish thing as well, we criticise so much, but forget to actually say to someone well done when they do a good job".	"The system needs to get better and it can only get better when we break the moulds ourselves and there's more emphasis on us the more senior we are to break the moulds because we've got more ability to do it. So	
Let people go early on a Friday to say thank you for working overtime on a			

As shown in the tables above, the Director and Partner commented that the majority of suggestions made by the respondents were feasible to implement. They commented that many of the recommendations were “practical” and “reasonable”. The significant assessment was found in the area of promotion and progression. Both the Director and Partner acknowledged that a career plan needs to be put in

place for accountants and they need to be informed about the changes to their job role and the experience they will receive once they are qualified. It was acknowledged that as a profession, they need to pay more attention to career progression to invest in newly qualified accountants.

However, the Partner disagreed with some of the recommendations made in relation to pay and reward, and decreasing workload and stress. While the Director agreed with the recommendations, the Partner was more concerned with the cost and the gross profit margin. The Partner argued that overtime should only be rewarded where a job is being completed in a shorter space of time than is realistic such as completing a four week job in three weeks. He also completely refuted that more senior accountants or managers should be hired to decrease the workload or stress but proposed that the real way to achieve those targets is through efficiency which comes back to training.

However, in concluding the interview the Partner commented that overall they need to address the issue of retention and the recommendations to do so were “*practical*”. He stated that

“From the firm’s position, we need to be more organised, we need to be those mentors, we need to be those people, that people want to work with. We need people to be disappointed when we say I’m sorry, there’s six of you and we can only keep four. We need to be making those decisions and implementing those changes. We need the people to be our people.....And if we can get that as a firm, and then maybe even as a profession, aren’t we in a very different place?”

Chapter 5

Conclusion and Recommendations

5.1 Conclusion

The purpose of this study was to gain insights into the factors that influence newly qualified accountants to stay or leave their organisation in order to improve retention strategies in accounting firms. As initially outlined, retention is reported as a critical component of organisational performance (Dey 2009). Corroborating this, the respondents and the Director and Partner interviewed for the purpose of this study all confirmed that retention is an issue in accounting firms and it is having a significant impact on the business needs of the organisation. Poor retention has impacted the client relationship, the quality and efficiency of jobs and in some cases the retention of clients, all of which affect the profitability of companies which in turn will affect the companies' ability to stay competitive. In addition, the Director commented that poor retention adds a significant cost to the company and estimated that the overall cost of recruiting an externally qualified accountant is *"about 50% of the cost"*. Therefore, the need to address this retention issue was evident.

Summary of main findings and discussion

Addressing the main aim of the study, the researcher conducted semi-structured interviews in order to gain insights into what factors influence newly qualified accountants to stay or leave their organisation. As Musser (2001) observed that there was a lack of research examining what influences employees to stay in an organisation, this study adds to the theoretical body of knowledge by providing insights into why newly qualified accountants stay in their organisation. This is significant as it was previously advised that in order to implement an effective retention strategy, companies must understand why employees stay (Hausknecht al. 2009). Furthermore, referring back to Maertz and Campion's (1998, p.65) observation, *"retention processes should be studied along with quitting processes"*. Subsequently, the findings of this study provided the following key insights into why newly qualified accountants decide to stay or leave their company:

Summary of key findings: Why newly qualified accountants decide to stay or leave their company

The main factors for why respondents decided to stay included the post qualification experience (highlighting respondents' desire for career progression), the people and pay.

The main factors for why respondents decided to leave included a change of job role, the 'lack of work-life balance and the long hours', a lack of career progression.

The majority of factors influencing respondents' decision to leave were push factors causing the individuals to want to leave the company rather than pull factors attracting them to another company. Therefore these are issues the company could control and improve in order to increase retention.

At the outset of this study, the following sub-objectives were outlined:

1. To gain insights into what aspects of their jobs newly qualified accountants are satisfied and dissatisfied with.
2. To examine what attracts newly qualified accountants to choose another company.
3. To identify what changes accounting firms can make to help retain their employees.

The study addressed each of these sub-objectives and found the following:

1. To gain insights into what aspects of their jobs newly qualified accountants are satisfied and dissatisfied with.

Summary of key findings: Job satisfaction and job dissatisfaction

The most reported factors causing job satisfaction include the people and the experience.

The main factors causing job satisfaction were also mentioned as factors which influenced respondents' decision to stay including the people, the experience, opportunities for promotion or progression, pay and organisational prestige.

The most reported factors causing job dissatisfaction relate to the 'long hours, workload, the lack of reward for overtime or the lack of work-life balance' and the lack of appreciation and the lack of opportunities for promotion or career progression.

The main factors causing job dissatisfaction were also mentioned as factors which influenced or would influence respondents' decision to leave. These factors included the 'long hours, workload, the lack of reward for overtime, the lack of work-life balance or flexible work arrangements. Additionally, the lack of career progression and promotion, the lack of appreciation and pay were all common factors.

2. To examine what attracts newly qualified accountants to choose another company

Summary of key findings: Factors that would attract newly qualified accountants to another job

Better work-life balance, opportunities for promotion or progression, the type of job role and organisational prestige were the most cited factors which would attract the respondents to another job.

3. To identify what changes accounting firms can make to help retain their employees.

Summary of key findings: Recommendations to improve employee retention
The main areas respondents suggested their companies should improve in order to improve their employee retention included communication, work-life balance, the opportunities for promotion and progression and pay and rewards.
Monthly/bi-monthly meetings, flexible work arrangements and a career plan to communicate career progression were examples of some of the " <i>practical</i> " suggestions to improve these areas.
The majority of recommendations to improve employee retention were either low or low to medium cost making these suggestions attractive to companies.
The Director and Partner commented that the majority of suggestions made by the respondents were feasible to implement. They commented that many of the recommendations were " <i>practical</i> " and " <i>reasonable</i> ".
The significant assessment was found in the area of promotion and progression. Both the Director and Partner acknowledged that a career plan needs to be put in place for accountants and they need to be informed about the changes to their job role and the experience they will receive once they are qualified.
The Partner disagreed with some of the recommendations made in relation to pay and reward, and decreasing workload and stress. While the Director agreed with the recommendations, the Partner was more concerned with the cost and the gross profit margin.

In addition and as previously evidenced, a further stage of analysis was carried out in this study which involved presenting the main findings from the literature and from the respondents' interviews to a Director and Partner in a medium sized accounting firm. This was done so that both the previous theoretical findings and the suggestions arising from this study would be subject to scrutiny by practitioners that could be in a position to assess their relevance and practicality. The key findings and analysis of this study are summarised below:

Key findings and discussion

Opportunities for promotion and progression and ‘regular hours, better work-life balance or flexible work arrangements’ were commonly cited as factors influencing job satisfaction, job dissatisfaction and respondents’ decision to stay, leave or join another company. This would suggest that these factors are key areas to examine in order to improve employee retention among newly qualified accountants.

These findings support El-Ramly (2012, p.18) who stated that “*career development ranks as the top attraction factor and No. 2 retention factor for high potentials*”

The Director and Partner also acknowledged that there is a challenge for the profession to show that there are different stages in the accounting career and they need to provide a career plan and explain that progression.

There was a general acceptance that flexible work arrangements would allow respondents to have a better work-life balance. This corroborated El-Ramly's (2012) view that flexible work arrangements are one of the main factors in maintaining work-life balance. Both the Director and Partner commented that flexible work arrangements were feasible.

The majority of respondents did not think that pay was a significant influence over their decision to leave or not.

While Boltax (2011) found that 9 out of 10 managers believe that employees stay or go because of pay, the findings of this research refute this study as 10 out of 12 newly qualified accountants disagreed with the managers and did not think that pay was a significant influence over their decision to leave or not.

Organisational prestige influenced the majority of respondents to stay, leave or join another company making it a key finding and an important factor for companies to consider.

A gap in literature was observed in relation to organisational prestige and retention in the accounting industry. This study presents new findings that organisational prestige influences newly qualified accountants’ decision to stay in their company. Alternatively, while organisational prestige research is limited in the field of turnover, this study found that organisational prestige also influenced newly qualified accountants to leave their company as respondents felt that if a firm isn’t perceived to be doing well it will limit opportunities, again highlighting the desire for career progression among newly qualified accountants.

By addressing the main aim and sub-objectives, this study has provided insights on the topic of employee retention in accounting firms. Therefore, these findings should help accounting firms improve employee retention. Referring back to Lockwood’s (2006) description of employee retention, this would help to develop, retain and utilize the best people in the organisation to meet their current and future business needs.

5.2 Recommendations for Future Research

As previously discussed, the main limitation of this research lies in the fact that the sample is of a small number of newly qualified accountants from two medium sized accounting firms and therefore it may not be possible to generalise these findings across firms of other sizes or sectors. Consequently, there is scope for further research to examine the generalisability of the results found in this study to other firms of other sizes or sectors.

This study also uncovered an unexpected finding which is the issue retaining externally hired qualified accountants who have not completed their training contract

within the accounting firm. A recommendation for future research is to gain insights into the factors that influence turnover among externally hired accountants.

In addition, while the respondents in this study acknowledged that accounting is a stressful profession, the findings are inconclusive on whether job stress influences individuals' decision to stay or leave an organisation. Further research would be required.

Finally, while a relationship between job satisfaction and retention was evident in this study and the majority of newly qualified accountants agreed that job satisfaction is a strong indicator of turnover intention, it was also important to notice that more leavers reported that they were satisfied with the people and the experience, two of the main factors influencing job satisfaction and retention, yet still desired to leave. Therefore further research would be required to examine the relationship between job satisfaction and turnover intention among newly qualified accountants in the form of quantitative research and regression analysis.

Appendices

Appendix A: Interview template

Interview Template	Interviewee Details
Interviewee No:	
Date:	
Time:	
Opening Questions	Answers
Why did you choose to work for your company to complete your training contract?	
Did it meet your expectations?	
When an individual's expectations are not largely met, their tendency to leave is increased. Would you agree?	
Have you decided to stay or leave your company once your training contract is complete?	
If leaving, do you think your company would have offered you a contract to stay? (were there positions available)(feel free not to answer)	
Can you tell me about why you have decided to stay in / leave your company?	
What is your main reason for staying / leaving?	

<u>If staying:</u>	
Why would you consider leaving in the future?	
Do you want to stay in your company long term?	
What would attract you to another job?	
<u>If leaving:</u>	
Have you found another job?	
What attracted you to this new job? / What would attract you to another job?	
What could have kept you (compelled you to stay) at your company?	
<u>Themes</u>	<u>Answers</u>
Retention & Turnover perception / attitudes:	Answers
Do you feel retention of employees is an issue in your company?	
Prompts:	
Research shows that companies that fail to retain their high-quality employees will be left with a less qualified and understaffed workforce which will ultimately affect their ability to stay competitive / meet future business needs. What is your view on this?	
It is important to retain the knowledge of employees, particularly as studies show that it can take three to six months for a new employee to be trained and begin performing. Would you agree?	

A certain degree of turnover is necessary to make way for new trainees but excessive turnover is deemed wasteful. Would you agree? What do you think about the turnover at your company?	
Turnover can be functional or dysfunctional depending on who is leaving the organisation. It is considered dysfunctional when high performing employees leave the organisation as this has negative consequences for the company. In this context, how would you describe turnover at your company?	
Job satisfaction / dissatisfaction:	Answers
What aspects of your job are you satisfied with?	
Prompts:	
Job satisfaction factors include:	
organization-wide factors (e.g. pay and promotion, job-security and organisational size),	
Immediate work group and environment factors (e.g. supervisory style, work unit size, and peer group relations),	
Job content factors (e.g. nature of work, job stress and repetitiveness, job autonomy, and role ambiguity and conflict)	
Personal factors (e.g. age, length of service, personality characteristics and family considerations).	
Supervisory actions including mentoring, leadership and working conditions, are considerably positively related to job satisfaction. Agree?	
What aspects of your job are you dissatisfied with?	

Job satisfaction has been reported as one of the strongest indicators of turnover intention? What do you think?	
Job satisfaction & alternatives: Research suggests that employees are more likely to remain in their jobs when they are satisfied with their job and think that there are not many alternatives. What do you think?	
Probe: Do you feel like you have many alternatives?	
Organisational Commitment:	Answers
How committed to your company do you feel?	
Prompt:	
Commitment can be described as an “individual’s identification with and involvement in a particular organization”	
Studies have shown that if someone is highly committed to an org, they are less likely to leave and vice versa. Also if highly committed, more willing to apply effort on behalf of the company. Would you agree with this?	
Probe: Is it a very significant factor / are other factors more important?	
Organisational Culture & Person-Org Fit:	Answers
How would you describe the culture or 'feel' of the organization?	
Power distance, Uncertainty avoidance, Individualism vs. collectivism, Masculinity vs. femininity, Long-Versus Short-Term Orientation (Power, Role, Task, Person)	
Did this influence your decision to stay / leave?	
A person’s fit within an organisation, that being personal values close to that of the organisation / culture, has been linked to job satisfaction and their commitment, what do you think about this?	
Pay satisfaction / Compensation packages:	Answers
Were you happy with your pay, benefits and other incentives?	
Did the compensation package influence your decision to stay / leave?	

Prompt:	
Recent studies demonstrate that 9 out of 10 managers believe that employees stay or go because of pay. However, other research among accountants in the UK showed that 75% of respondents felt “that they were paid either in line with or above the average market rate for a similar role” yet still desired to leave. What do you think about this? Do you think pay has a significant influence or will people stay or leave regardless?	
Job Stress:	Answers
Do you find any aspects of your job stressful?	
What aspects of your job causes job stress? (hours, people, management style, lack of guidance etc)	
Prompts:	
Job stressors include role stress (role ambiguity and role conflict), job qualities (role overload and role underload), work relations, lack of challenges and career progress.	
Do you think this influenced your decision to stay or leave your organisation?	
Job stress has been examined in an abundance of studies and the accounting profession has been regarded as a stressful profession. Would you agree? Is it a main factor in deciding to leave / take a job?	
Organisational Justice:	Answers
It has been found that employees who believe that their company does not promote / reward employees fairly are likely to leave in the long run. What do you think about this?	
Flexible work arrangements:	Answers
Were flexible work arrangements a factor in your decision to stay or leave?	
It has been found that accountants with flexible work arrangements report lower levels of burnout and higher levels of job satisfaction. In turn, they are less likely to leave than those who did not have a flexible work arrangement. What do you think about this?	

Organisational Prestige:	Answers
Organisational prestige, the “degree to which the organisation is perceived to be reputable and well regarded”, has been found to influence a person’s reason to stay or leave an organisation. Would you agree with this?	
Do you think this influenced your decision to stay/leave your company?	
Concluding Questions	Answers
How do you generally feel about your company?	
What do you think your company could do to retain its best people?	
Prompts:	
What suggestion would you make to improve... (any problem/issue identified during interview - working conditions, hours, etc)?	
If don’t have ideas, prompt with, would you agree/disagree that any of the following retention strategies could help retain employees at your company:	
competitive compensation packages	
improved organisational culture	
better work-life balance	
mentoring and leadership	
better communication	
training and opportunities for growth or promotion	
Anything additional you would like to say/add?	
Recap	

Appendix B: Analysing data - Key responses from respondents

Retention:

Is retention an issue in your Company? - Responses from people staying in their company

Company:	A	A	B	B	B
Interviewee No:	3	11	6	7	9
Sex:	F	M	F	M	M
	Yes - Definitely	Yes. Definitely	Yes.	Yes	Yes. Most certainly.
	Since started (3.5 yrs ago) total turnover of management	Started off with 18 people on the audit team - out of the people that signed to stay on, there's only 3 people (of that 3, 1 person has handed in notice since this interview), and then out of that, only 1 that could really see staying long-term.	Massive turnover in the last 6 months - senior accountant level (newly qualified).	In tax - hadn't been a major issue over the last couple of years but in last 6 to 8 months - has been quite a turnover and change in personnel.	When most people finish their contract they leave or want to leave soon after their contract.
	Every few months there's another person leaving - there are ppl you expect to stay that end up leaving - mgrs want them to stay & promote them but they get fed up & leave		Most people enter the training contract to do the exams and get out once they are finished	Other depts. - hours long - if no end to that & not moving on - that's generally why ppl leave.	Seniors that come in from other firms generally don't last more than 6 months (70% leave after 6 months)
			Understaffed - putting more pressure on the people there		Why?
					Workload
					New seniors not given sufficient training

Is retention an issue in your Company? - Responses from leaving their company

Company:	A	A	A	A	B
Interviewee No:	1	2	4	5	8
Sex:	F	F	M	F	M
	Yes. Definitely	No	Yes	Yes	Yes - big issue
	A lot of ppl leaving in comparison to other years	Last years intake a good few stayed on - now in supervisor roles.	Huge lack of resources in COMPANY A	Wouldn't have said so before this year	No. of seniors in the last three years that have lasted less than six months - New seniors coming in - leave in a few months
	Not treating staff well	Exception - this year 5 leaving on one day which is unusual	(Factors outside Co. control) Nature of the business - natural progression. Also down to market conditions	6 of leaving on the one day where as last year maybe 1 or 2 would have left	Qualified trainees - 60% or 70% of people leave, anyone that doesn't leave it's just short term - they stay for a year or two, don't progress to management - stay to get a couple of years experience after contract
	Keep everything quiet - don't share information about the Co.	Don't know whether teams actually need people - don't have the clients - have enough where they want	At the moment Co. A are losing more staff than they would like to - due to pressure on business / lack of promotion / salary lower than other firms	Nature of the business as opposed to them having problems with people	
	Rumours - ppl think true & want to leave	Issue with promotion (no space to promote once qualified) - If you're not going to let people move on to a different level or challenge them, you are going to lose your top people.	Lack of resources = increased working hours = increased pressure = ppl leave	Depends on the individual people	
	People don't want to stay	Losing some key ppl they would have liked to have retained - surprised she was leaving - they invest a lot of time in ppl - frustrated when they go	Increased pressure from clients - more work involved in clients now due to increased regulation and struggling clients - going concern issues add another 30% workload - increased workload but reduced fees	Some people had a lot of work & pressure - understand why they are leaving.	
	Don't know if managers care - work still going to get done		Training contract is like 4th level university - get qualification & leave - next step is getting into the real life	Some people who had a lot of pressure staying	
			A lot of people that stay on don't stay on because they like it - stay because they don't know what they want to do - they hold on		

Does retention impact on ability to stay competitive / meet future business needs? -
Responses from people staying in their company

Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
	Yes	Yes. Massively.	No. Don't think so.	Yes	Agree. Has to be an issue.	Yes.
	Lack of knowledge when people have left - impacts the clients - have to tell someone else the same stuff - makes them annoyed and frustrated	A lot of burden on Partner level down	The job will always get done - staff not given an option	When ppl leave that know a client well - good relationship built up and gone - difficult to get up to speed - under more pressure (lack of knowledge)	Affect how quickly things get done and the quality (efficiency)	Bringing in new people that aren't up to the speed of what way we audit companies (training new hires)
	Clients annoyed - might try and go to another firm.	Spiral affect: Not retaining trainees (seniors) = less managers (trainees not getting promoted). Fewer managers = managers busy & pushing work onto seniors = seniors getting overworked, overtime = seniors leaving.	Focus heavily on making sure that they still meet the deadlines	Deadlines have been just about made - sometimes things would not be perfect - situation where a client was quite stressed and definitely not overly happy with it.	Clients look for people who did job last year (Clients not happy)	Clients are not happy - getting a new senior coming in & they don't know anything about the company - clients spend hours and hours reiterating stuff that they told in the prior year - companies are dissatisfied because they have to go through the whole process year in, year out.
	Inefficient to have to ask the same stuff again, that impacts on your business	Client current considering leaving - they have new senior on job for third year in a row - not happy - want continuity of staff which Co. can't provide.		situation where a client was quite stressed and definitely not overly happy with it. (As above)		
	A lot of work trying to train people up to take over - big gap in our intake now with so many people leaving - lack of knowledge , lose that experience when they go so there is more work to do for the people left behind. (mentioned at end of interview)					
	Hiring external seniors can be a hindrance- have to train them up because they're not at the same level of experience.					

Does retention impact on ability to stay competitive / meet future business needs? -
Responses from people leaving their company

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
	Agree. Definitely	Yes	(Yes) - based on answers	Agree. Makes sense.	Yes - agree	Yes. Agree
	Not as many ppl will apply for jobs - (sister and others hear things about Co.)	Impacts clients relationships - frustrated at lack of consistency	Aren't attracting high quality staff because of competition from the big four	Don't think it's an issue in COMPANY A	Clients not happy - new staff on the job every year - they have to get people up to date with how the business runs - they get	Clients get frustrated - want same ppl on job - can't provide consistency
	Can't get right staff - high calibre		Numbers game: taking on 20 staff, the chances are that maybe 2 of them will stay on, exceeding their contract.	Still some very good employees there	Quality of work is not as good because new person on job doesn't know the business	Affects quality & efficiency of job - should be able to build on knowledge from doing the job prior yr - if new senior on the job, client has to repeat same information, job takes longer, ultimately affects profitability of job.
	When others leave - don't want to stay		So many changes, re-structuring the teams - clients dealing with different staff each year - no continuity and	If the management above were to leave would walk out the door and a lot of people would walk out the door (Importance of retaining management)		
	Lost clients - they want same ppl		Clients feel some staff not competent enough - increases			
	No continuity - no guidance - job takes longer					

Research indicates that it can take 3-6 months for a new employee to be trained and begin performing. Would you agree? - Responses from people staying in their company

Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
	Definitely agree	Agree	(Agree based on answers throughout interview)	Agree.	Yes. Definitely take at least that time.	Takes longer.
	Can take even longer sometimes depending on role	Audit standards the same but approach and the application is different.	Issues with new seniors	Takes at least 6 months to learn things.	Accounting standards are the same everywhere but the systems used, the lines of reporting, getting to know managers take at least 3 months & probably more.	3 to 6 months very short period - used to using different software, the standard of seniors at the moment, takes an awful lot of time to get to.
	If new senior hired - might have to take on more responsibility on certain jobs because new person still learning	External hires - lack of training (1 day). Ringing other seniors looking for advice	Thrown straight on a job and don't know how to use the systems. On a job for a week or two and they're not getting the job done.			Probably doing 12 hour days because they have to get up to speed

Research indicates that it can take 3-6 months for a new employee to be trained and begin performing. Would you agree? - Responses from people leaving their company

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
				(Agree based on answers provided)	Agree - definitely an issue	At least 6 months
				Don't have same network of support	Quite specific softwares in COMPANY B / quite complex - would take at least six months for someone to get up to scratch on it	6 months just to get use to systems etc - takes longer to start performing well.
				Outsider	Juniors working for a year showing new seniors how to use packages - seniors struggle	
				Takes ppl longer to associate with them - Takes ppl longer to ask them Q's.		

Why respondents decided to stay in their company

Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
	Like the job - haven't grown tired of it like a lot of people do	Post qualification experience - expand knowledge, told a year out of contract quite valuable in terms of knowledge you pick up.	Good salary package in the form of a good bonus to stay on - bonus at the end (don't get if leave before then)	Originally wasn't a 100% sure	Staying on post qualification advantage - proves Co. wanted to keep you	No time during busy season to look for a new job. Co. pushing to sign on for six months, or else to leave straight away.
	Like the team (people)	Afraid to leave - not great with uncertainty, fear the unknown	Post qualification experience. First year post qualified is important for career - offered better jobs and more responsibility	Out of loyalty - people supportive when didn't originally pass exams - didn't want to be seen to be jumping ship straight after passing exams.	Not good time to look for job when everyone completing contracts at the same time.	Don't want to just step over from one job to another for the sake of it - time to find right job
	Potential for promotion and to grow within team - don't think will be stuck in the same position for years on end	To get on CV that Co. wanted to keep him on (mentioned under JS&alternatives)	The people (mentioned in conclusion)	Quite happy in COMPANY B. Get on well with people	Hard to look for job when working full-time (time to find job)	Salary at the moment - unless I find a job with the same salary - not going to take a pay cut. (mentioned under main reason for staying)
	Like the people			(New Experience/Role): Partners in tax very supportive - offered if wanted to move department they'd be happy to help - took up offer 8 weeks ago.	As mentioned under Org Prestige Section : Org prestige influenced to stay	As mentioned under Org Prestige Section : Org prestige influenced to stay
	Org culture (from org culture section): Very friendly environment & have a good relationship with everyone which is			As mentioned under Org Prestige Section : Org prestige influenced to stay		
	Mentioned in org com - org commitment was a sig			The Pay - mentioned in Pay sat section		

Why respondents decided to leave their company

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
	To get out of audit (job role)	Job role - Don't want to stay in audit long term - would like industry based role	Looked to get out for a role that would progress career	Travel	Staying short term - Co. short staffed - Planner asked him to stay - didn't want to stay long term - decided to give them a hand for two months - Leave after two months - sometimes regrets decision to stay	The workload and not getting any reward for the overtime
	The job itself	Personal reasons - would like to move to Cork (Move outside of Dublin)	More commercial experience - long term didn't want audit (change of job role) - prefer to be involved in driving a business forward and making more money	Mentioned under org culture: There are certain people that would refuse to work with and if had to work with them would leave.	The working hours / big issue with ot / working wksends - no social balance (work/life balance) - workload is the biggest thing	Lack of appreciation - no thank you
	Long hours	The long hours ,	Pay influence (mentioned under Pay section - Yes absolutely influencing decision. 40k and 40 hours a week is fine, but 40k and 60 hours a week isn't.		(Workload - as above)	Little chance for promotion or career progression
	No appreciation	pressure & juggling so many jobs (mentioned later in interview)			(Lack of work/life balance - as above)	Co. does nothing to provide a good work-life balance
	As mentioned under Org Prestige section: Org prestige influenced to leave - It confirms your decision when you hear what people are saying about the company not doing well. So that made me happier with my choice	Top 3 factors mentioned in recap: job role, workload and work/life balance. Work/life balance big issue	As mentioned under Org Prestige section: Org prestige influenced to leave - Yes - if firm not doing well it limits opportunities (wanted career progression).		Working away from home - works out of country for first two months after Christmas	not getting any reward for the overtime (as mentioned above)

Why respondents decided to leave their company continued....

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
		(Lack of Work/life balance - as above)			Can't plan anything / give up your life for it / no routine - haven't played football in three and a half years / no time for friends and family (work/life balance)	Under Org Culture : If working where low morale, division between mgt & trainees - impacts your job satisfaction - make you want to leave
	Stress: (mentioned under job stress) influencing? Yes. Workload too much.	Stress: (mentioned under job stress) influencing? Yes - definitely. Number one is work/life balance. Want a job that can leave at 5:30 - audit can never offer that.			Pay is not great - under the industry average - researched and found when leave probably go up in salary by 20% plus	
		Lack of flexible work arrangements (mentioned under flexible work arr section) - influence? Yes, most definitely			Job itself is monotonous - hit a stage where been exposed to everything&find it very repetitive	
					Stress: (mentioned under job stress) influencing? Yes - high up in decision to leave - a lot of stress in the job	
					Lack of flexible work arrangements (mentioned under flexible work arr section) - influence? Yes definitely (would influence to leave). Don't mind doing long hours within reason if you can still plan your life around that - would be a big thing.	Lack of flexible work arrangements (mentioned under flexible work arr section) - influence? Not directly but it did have an influence. Didn't think "I don't have flexi time so I want to leave" - but if had flexi time would allow to plan life around long hours which would improve work-life balance - happier
					Under Org Culture - Would influence to leave	

What would attract you to another job? - Responses from people staying in their company

Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
		Mentioned outside of interview wants to work somewhere that have better work life balance	Better work life balance	If wasn't getting the opportunities needed in terms of experience and promotion would look for those elsewhere.	Better work life balance	Somewhere with better work/life balance - less hours
		Mentioned outside of interview would like to work somewhere that he feels he has opportunities to progress more / promotion	Opportunities for promotion but that you can also have a life			Will be looking for a new job as soon as have CV done and met recruiters (Mentioned under JS)
			Mentioned under Org Prestige section: Important for her to have a top 10 company on CV.			Don't want to take a new job for the sake of taking a new one - make a career move where can rise through the ranks (promotion)

What would attract you to another job? - Responses from people leaving their company

Company:	A	A	A	B	B	A
Interviewee No:	1	2	5	8	12	4
Sex:	F	F	F	M	M	M
	The role – like financial accounting & financial reporting	The type of role - wants industry role	Good holidays	Better work/life balance	Good reputable Co - Co doing well (Prestige)	The type of role - commercial finance analyst role - wasn't accounting function, something a bit different
	A good company – multinational, recognisable brand, good on CV (Prestige)	To feel more in control - at the moment put on jobs in Wexford, Galway etc	Good wage	Mentioned under Org Prestige section: Influence when joining a company - wouldn't want to join Co. with bad reputation	Chance for career progression (Promotion/progression)	No 1 key requirement was wanted a business that was doing well (Prestige)
	Size of the company – big co – somewhere you can work your way up and grow (promotion)	The hours - work regular hours like 9 - 5.30 instead of 8-8 (that has become her norm & what is now expected) (Work regular hours)	Flexi-time		More flexibility or better work-life balance	if Co. struggling - not going to be opportunities to progress
	Not interested in Big 4	Work/life balance	Good location - not isolated			
	Nice	Mentioned under stress " my number one is the work/life balance ".	Age profile of people you're working with		Mentioned under Org Prestige section: Co. B does have a good reputation - didn't influence decision to leave - will influence decision when choosing another Co.	Effectively what attracted to the role is, it's a large organisation and it's a commercial position (job role) .
	Don't have to work mad hours (important) - (Work regular hours)					
	Job that enjoy					
	Found job?: No (interviewee has since found a job)	Found job?: No (interviewee has since found a job)	Found job?: n/a - travelling	Found job?: Not yet (stayed on 2 months) leaving with no job lined up.	Found job?: No	Found job?: Yes found another job. (industry based role)

Job Satisfaction:

What aspects of the job are you satisfied with? – Responses from people staying in their company

Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
	The responsibility - get the responsibility that deserve	The trainees (people) - everyone looks out for each other, all in same boat, support each other.	Noted that it's a hard question	Interested in learning - like new things and getting exposed to new things - big driver for moving dept. (good experience)	Good experience	Noted not too many satisfaction elements
	Peer groups (People)	Good broad experience - comes at cost	Working with the trainees (people)	Pay - offered around what felt was appropriate at the time so was happy - if wasn't - would have got him thinking about leaving.	Co. Look good on CV	Pay rise when signed on for another 6 months because pushed for it - if didn't get it, would have left
	Supervisory style	"Not much more".	Working out, client-facing (people person)		Got exams	Good social aspect to work - a couple of events throughout the year - brings people together.
	[struggled with question] - "That's kind of a hard one."		Good relationships is one of the most important ones for job satisfaction		The people - get on very well.	
	[didn't struggle to answer job dissatisfaction]					

What aspects of the job are you satisfied with? – Responses from people leaving their company

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
	Pay ok	The clients - talking to people, meeting ppl & getting to know their business (client interaction)	Like dealing with people / working with young people - peer group relations - good buzz around the office	Hours - don't do much overtime	Good experience - exposed to big, medium and small clients. Exp working with very senior people in companies - see how the companies operate / in-depth knowledge in businesses	Good broad experience
	People - the trainees	Never bored - day flies by. Variety of clients - worked on jobs in most industries (good experience)	(Exposure): Like dealing with different clients , different industries, variety (can be good & bad) (client interaction)	The people	Get to travel (also dissatisfied with travel)	Enjoyed working with trainees - good social life with trainees.
		The management - director, manager great - Supervising, leadership - very good - good support	Good social life	Progression - each year move up level	Training - an Academy - great resource to help through exams	good social life with trainees. (as above)
		The intake of trainees (people)	Good learning curve / good foundation (good experience)	Range of clients and industries (experience)	Social side very good - a lot of events	Struggling to think of other aspects

What aspects of the job are you dissatisfied with? – Responses from people staying in their company

Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
	Pay	Unpaid overtime	Hours / overtime	Long hours going	The workload	Working weekends (overtime)
	Hours - set belief that you have to stay late - notion that if you walk out the door at half 5 that you're not doing your job properly or you're not doing enough work - pressure to stay late (overtime)	Quite stressful	Intense pressure	"Passing the book" - mgrs push a lot of the risk and responsibility on your head when not appropriate	Not knowing when you're going to be busy - (eg can't plan concert) (unpredictability)	Extra demands - dropping in files at the weekend - no credit, no appreciation for the extra effort
	Repetitiveness - bit boring sometimes	Management have a tendency to delegate too much of their own work down to seniors - comes from a lack of retention of staff	Holding back promoting - staff morale is low and people aren't happy. Don't want to stay there if you feel you're not getting on well.	Office politics - office promotions may be knocked back due to something that's out of your control	Very stressful and pressurised	Promotion: going nowhere at the moment because management tier above are going nowhere because all of a young age
		Lack of social events to show appreciation like other accountancy firms do			Under appreciated	Working for a lot of managers at same time - intense pressure - lead to stress
		Lack of social events to show appreciation				

What aspects of the job are you dissatisfied with? – Responses from people leaving their company

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
	Hours	The hours	Promotion: No / slow career progression	No issues - no job perfect.	Job monotonous - not exposed to anything new	Workload
	Management's communication	Overtime - when joined told didn't do overtime, now loads of ot and no reward (compared to Big 4 who get compensated for ot) - going forward Co. A will have to do something	Supervisory style: very school like - pet hate - would work better as a team - it's trainees against the management - not efficient - Mgt correcting work providing review points rather than working together as a team	Not satisfied but not dissatisfied either	Pay - under the industry average - keep pay low when you're a trainee, jump when you qualify isn't as high as in other companies. Researched and found when leave probably go up in salary by 20% plus	No life outside work due to overtime (no work-life balance)
	Huge workload	Juggling clients - responsible for that client interface - managing clients expectations	Job not challenging enough / monotonous - high work load but learning plateaus after 2 / 2.5 yrs		Long hours / overtime	Mgt show no respect or appreciation - look down on you like school kids - should show some respect
	Lack of appreciation for hours and work	No real promotion opportunity - team top heavy	Not commercial enough - for effort that's put in not enough rewards . Once qualified it's limited.		Travel - good for first while, now getting sick of it.	Little chance of career progression - if stay, don't want to be doing the same thing
			Pay: below industry standards			(no work-life balance) mentioned above

Job satisfaction has been reported as one of the strongest indicators of turnover intention.
What do you think? – Responses from people staying in their company

Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
	Definitely agree	Agree definitely.	Unclear answer (see below) - Agree? Based on answers if "unhappy" (dissatisfied) with promotion	Yes. Agree.	Agree. True where we are	Yes
	Overall if wasn't satisfied would leave	People that left are the people that are most p/off with the amount of overtime, the lack of thanks butpeople that are staying on are almost people that can put up with it most.	If you're career driven and you want to progress, promotion is going to be important to you and if you're unhappy with that you're going to leave.		Majority of people that leave, leave because they are not happy, they don't like the jobs, actually it's not even the job, it's the hours and getting completely unrealistic deadlines	If people are happy they'll stay but people are not happy - More and more often everyone is leaving
						One person said going travelling - excuse to get out the door - only travelling for one month, now free to look for new job

Job satisfaction has been reported as one of the strongest indicators of turnover intention.
What do you think? – Responses from people leaving their company

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
	Yes agree. (if happy probably stay)	Agree	Agree	Disagree.	Yes. Definitely	100% agree
		JS very important - at the end of the day, you do want to go into a place that you actually like	Long hours driving ppl out	Some people dissatisfied but get stuck in a rut	Can put up with things in the short term, but long term need JS.	If not satisfied, start to question what you are getting out of job
			If people can get a 9am to 5.30pm job for more money and actually learn more - more satisfied	Same people complaining - don't do anything about it		If the pros don't outweigh the cons, then overall you're not satisfied and that will push you out of the Co.
			When everyone else leaving, feels like the next step	[job satisfaction] not always necessary.		

Research suggests that employees are more likely to remain in their jobs when they are satisfied with their job and think that there are not many alternatives. What do you think? – Responses from people staying in their company

Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
	Agree - would impact. Safe where you are so less likely to leave. But seeing others getting jobs makes you realise there are options out there.	Good few alternatives/ Definitely opportunities - went to recruitment agent. Main reason staying is just to get that out of contract experience	Not a factor in audit. Not an issue given the economy. If want to audit, could do it somewhere else. Feel many alternatives.	Yes agree. Would have impact but not massive influence. In accountancy in general, there are job alternatives although they can be difficult to get	Don't think it's great out there at the moment so think it's better to stay on for the short term and get some experience	

Research suggests that employees are more likely to remain in their jobs when they are satisfied with their job and think that there are not many alternatives. What do you think? – Responses from people leaving their company

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
		Agree. A lot of audit jobs, harder to get into industry. Recruiters try to sell audit jobs. Not as many alternatives outside of audit, encouraging ppl to stay - ppl biding time for industry job. If like audit, might as well stay in Co. A.	No.1 qualification - most career directions - opportunities out there at the moment - a lot of contract work / employment available in the industry. Also a lot more money to be earned in Canada and Australia - firms under more pressure to keep staff in Ireland because of the pressure the country is under	Suppose. think unless you want to change profession, there's no point leaving to do accounting somewhere else	More job alternatives help you leave. One of the industries at the moment where there is a lot of jobs. Thinking of leaving& don't have a job lined up yet, but know will find one. Would leave even if didn't have job lined up - confident would get something.	Yes, makes sense. At the moment, ppl unsatisfied but feel they do have alternatives - that encourages to leave. Spoke to recruiters - feel I have alternatives

Flexible work arrangements:

Do you have flexible work arrangements? - Responses from people staying in their company

Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
	No	No. Very rigid	No. Not really	Semi flexible	No. Probably inflexible.	No
		Lunch 1-2. Not even a case that you can move your lunch by a quarter of an hour without getting pre-approval	Not allowed to take holidays from January to May	Play football in another county - travel couple of nights a week and weekends to train - for most part Co. is understanding	Told when you are free and when you can have your holidays	Not that accommodating to staff to get time off.
		Don't have the capability of being flexible because there is such a lack of staff	If take a day off, still have to get the job done in less time	Partners understanding of football commitments - mgrs and those down the line less understanding - just want their work done - develop relationships with some people which may not be great because of that	Depends on what manager you're working for	If take day off, punished the following week because you have to catch up with the work that you missed

Do you have flexible work arrangements? - Responses from people leaving their company

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
	No	No - no flexibility	No	No	No	No - very rigid
		Have to be there between 9 and 5.30 regardless, and then to get your work done going to have to stay later.	Look after own jobs / once job gets done - arrive in late / leave early but can't leave before		Out on client site you can be a bit flexible but on your own back.	Work well above normal working hours yet they wouldn't let you leave ten minutes early - not accommodating at all
		It's very routine - everyone has to go on lunch between 1 and 2. There's no taking lunch at different times - no flexibility			Partner wondered why he was leaving at 6 o'clock (when attending this interview). If left 5 minutes early for lunch Co. would be looking/wondering. Hard to get time off even for funeral.	

People with flexible work arrangements report lower levels of burnout, higher levels of job satisfaction and are less likely to leave. What do you think? - Responses from people staying in their company

Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
	Agree - times when would like to come in at 7 so that you could leave early or work from home - they have a perception that if you leave before half 5 (or at half 5) you're not working - not fair - can't enjoy your evening	Would be good. Another accountancy firm work 8.30 to 5.30 during the winter six months & during the summer six months finish every Friday a half day. Summer want time off - no one minds working extra half hour when dark outside.	More important for women with families - for them, deciding factor.	Agree. secondment for 6 months - their hours were relatively flexible - when it was more flexible you probably found that most people took shorter breaks and worked a little bit harder. (mentioned previously - Where as, getting the backing of people/ flexibility in terms of trying to achieve other things in your life would encourage a person to stay.(plays county football))	Would make much happier	Yes. Would like to start work at 7am if it was possible & leave at 4/ 5pm to enjoy evening (play golf etc).

People with flexible work arrangements report lower levels of burnout, higher levels of job satisfaction and are less likely to leave. What do you think? - Responses from people leaving their company

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
		Agree. It's a personal thing as well - stressful person / put a lot of pressure on herself / nearly in tears sometimes / felt worn down / wondered would she get on top of things - affects her. Others might find it easier	Agree. Ppl willing to be flexible adapt better.	Flexi time would be great. Added bonus. (Had flexi time on secondment - found it great)	Agree - would be a big thing / play football again.	Agree - could plan things outside of work if had flexi time - would be happier

Organisational Commitment:

How committed to your company do you feel? - Responses from people staying in their company

Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
	Very committed to Co.	Don't feel committed. Don't think Co. show loyalty - shown by lack of respect. They expect everything, but give nothing in return	(Loyal to the people). Get on quite well with people work with so feel loyal to them. Work hard for them because of the good relationship	Pretty committed - committed as long as happy / benefitting but not so committed that would feel a huge sense of loyalty to put himself massively out	Pretty committed - have to be - get the door otherwise (see below - committed to career rather than Co.)	Committed to the job (not company) - in nature to fulfil all jobs to the best of ability
	Got offered a job by a client but turned it down so that shows that I'm committed		There's one person if he left - wouldn't stay	Sense of loyalty to ppl who gave opportunity to train & learn but may come a point - is loyalty strong enough or is the call somewhere else	Agree. To work the hours - have to be pretty committed	Not 100% committed - if got a new offer in the morning from a different company, probably hand in months notice
			If don't get on well with the people you're working with, you're not going to work hard or put yourself out of your way to	Like most of the people that work with	It's more commitment to career than commitment to the company. Wouldn't feel owe them much at this stage.	All about taking the right opportunity
				Proud of working in COMPANY B		

How committed to your company do you feel? - Responses from people leaving their company

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
	Don't feel committed at all.	Feel highly committed to them	Not very committed - they just see you as somebody that potentially will leave	(Not very - opinion based on answer)	Committed for the three and a half years , but it doesn't go beyond that (not committed)	Not committed to company but committed to career - they're not committed to us so why should we commit to them
	"They don't commit to us so why should I commit to them"	Exam fees paid, 135 study leave days - got a lot in return but gave a lot too	The commitment they give you & the respect they give you - why would you give back	Comm. enough to work overtime & weekends when I have to (a job that is going to be on CV, otherwise won't do it)	Not a whole lot of involvement in the company to make you feel part of it - not involved in making decisions, don't know the things that are going on.	Co. expect trainees to leave anyway
	Don't organise nights out	Still working late even though leaving in 2 weeks - always be rooting for Co.A. Loyal person		Not enough to stay		
	Don't offer extra study support	Still committed because understand it's not their fault.		Should get paid for overtime		
	Don't put time into staff					

Organisational Culture:

How would you describe the culture or 'feel' of your company? - Responses from people staying in their company

Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
	Very friendly environment	Decline in the culture and the camaraderie.	(Morale needs improving) - social evenings in the last couple of weeks to try and bond the department and increase staff morale	Varies department to department	Morale not good	Downbeat / Not a happy environment - people moan about Co. on nights out (low morale)
	Very integrated - Everyone mixes well between the trainees and management	Divide between the trainees and management - disheartening	Can feel tension	Some depts - Tetchy enough relationships	Ppl fee overworked - no credit for it	Spirals - filters down through team if people not happy / tired - affects whole team. Pass orders down through team to junior who might not know how to complete task.
		Step from being a trainee to a non-trainee like two different worlds	Too structured - work better in an easy going atmosphere	Tax dept - relationships are fairly good - generally a decent team atmosphere	Good morale between trainees - divide between trainees and management	Suppose some people enjoy it
			Communication barriers		Poor communication	
			Female managers - find it hard to communicate with you on a professional level			
			In the last 6 months - open plan spaces, removed the partners offices. The partners are sitting out on the floor with staff - to open up communication.			

How would you describe the culture or 'feel' of your company? - Responses from people leaving their company

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
	Low staff morale - ppl aren't happy	Friendly - not very formal	Great camaraderie between trainees	Depends on the day	Not great - divide between the trainees and seniors and management	Everyone unhappy, low morale
	Friendly environment	Trainees against management. Yet feel management are very approachable	Trainees against management kind of philosophy - no team work	Some days - nice atmosphere, people are joking and teams bring in cakes	Poor communication - things go on in the background & don't find out about. If more involved would help Eg Co. opening an office in Cork found out by reading a newspaper in a client's office	Division - Mgt Vs trainees.
	Get on well - the trainees, good team	Trainees click - solidarity - bit like close family (camaraderie)		Other days - don't even want to make eye contact.	Culture - school like. Look / talk down to trainees	V. poor communication - always hearsay & rumours
	Mgt relationship - "they try to be your friend but I'd prefer if they didn't try to be your best friend so you know where you actually stand with them".	Comfortable, relaxed, openness		Depends on time of year - busy season, no eye contact. No everyday vibe.	Management sit miles away - does nothing to improve the culture	

Did the culture influence your decision? - Responses from people staying in their company

Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
	Yes	Yes	No	Yes it could (but didn't influence him)	Not really	No.
	Very friendly environment & have a good relationship with everyone which is important to me	Not many of my friends left (trainees left) - no loyalty or no friendship with the management that's currently there	Knowing plan is short term it wouldn't be a huge factor. Also, not in the office environment a lot	"If culture isn't good, not happy in place eventually have to make the decision to leave" - However didn't influence him - Tax dept - relationships are fairly good - generally a decent team atmosphere	Would get p / off. Not good for building relationships	Have friends in work and socialise with them at the weekend as well - close knit group - would still have same friends if left.
		They do nothing to help you make that step to integrate into management		Friend handed in her notice 3 weeks ago because the culture of the department she was working in was very difficult - lack of appreciation for the work and other personal interests - having an effect on her personal life and affecting her health		Culture in work isn't holding him to stay.

Did the culture influence your decision? - Responses from people leaving their company

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
	No (Did not mention as an issue)	Yes - did think about it	No	Yes. It could.	Yes	Yes
		Culture was a positive thing that contributes to job satisfaction - It's not strong enough to make you stay. Still want to leave but would hope would have a similar work environment in next job	Decision ultimately down to job role	There are certain people that I would refuse to work with and if I had to work with them I would leave.	Would influence to leave	If working where low morale, division between mgt & trainees - impacts your job satisfaction - make you want to leave
		(Did think about Culture but was not a factor in decision to leave)		(Yes it could - but didn't influence her decision - so no influence)		

Pay Satisfaction:

Pay satisfaction - Responses from people staying in their company

Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
	Pay for the first three years wasn't great - pay alright now	Competitive at best. Staying for experience	No	Yes. Pay at the minute is fair	On par with expectation	Yes.
	Bonus for passing your exams was good	Pay not a big influence	Don't think appropriate pay scale for progressing through the 3 and half years - too rigid	Pay - offered around what felt was appropriate at the time so was happy - if wasn't would have got him thinking about leaving.		Happy with pay at the moment - probably one of the higher paid seniors - fought for it.
	Aren't really any other benefits.		Based on two things, performance and exams. Can't progress performance wise without the exams - not encouraging	Other more important things to consider like what are you doing, what experience are you getting, what opportunities are you getting		
			Women managers are more bitchy and hold a grudge. Male managers tend to base it on your performance			
			Need to be appreciated			

Pay satisfaction - Responses from people leaving their company

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
	Okay with it - Not the best but not the worst.	Happy. Pay standardised - not motivated by money . However, still lives at home - circumstances easier - don't have to pay bills etc. For friends or ppl paying rent is harder.	No. Okay. Mentioned under JS dissatisfied.	Last pay increase great	No	Pay ok - not happy but not dissatisfied either
		Would like to be compensated for overtime - could see other friends getting benefits of overtime in other firms .	It's the hours, no paid overtime, no benefits outside hours. No rewards for the level putting in.	Not happy with pay coming up through years - need to improve that.	Pay - recruitment agent told under the industry average - Researched and found when leave probably go up in salary by 20% plus	No other benefits of incentives - don't get paid, time in lieu for overtime
		Since finished exams replaced college work with overtime - no benefit at all (no work-life balance)	40k and 40 hours a week is fine, but 40k and 60 hours a week isn't.	(Overall - categorising as pay okay)	Keep pay low when you're a trainee, jump when you qualify isn't as high as in other companies.	Would be happy with pay if 9 - 5.30 job with even small few hours overtime but current pay doesn't reflect hours worked - working 60 - 65 hour week
		Suggested time in lieu - work 4 hours get 1 hour back, half day on Friday of a bank hol to acknowledge hard work				If rewarded overtime with time in lieu would be happy

Did the compensation package influence decision to stay/leave? - Responses from people staying in their company

Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
	No	No	Yes. Bonus influenced to stay	Yes absolutely.	No. Didn't influence to stay.	Yes. Main reason for staying.
	Not the most important thing - if going to stay in audit might as well stay	Pay not a big influence		Only one factor it's still an important factor.		
				Pay - offered around what felt was appropriate at the time so was happy - if wasn't - would have got him thinking about leaving.	Would nearly convince to leave	
				Pay might have been a top 5 thing		

Did the compensation package influence decision to stay/leave? - Responses from people leaving their company

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
	No	No	Yes - Absolutely	No - probably for others.	Yes. Influencing to leave in	No - not really
		Wasn't a motivating factor to leave. If stayed, pay would increase & would have been happy with pay increase	40k and 40 hours a week is fine, but 40k and 60 hours a week isn't.		Hours bigger influence	Pay not main priority at this stage of career
	Work you're doing far more important - if offered more money wouldn't stay	From talking with the recruiters, pay increase seems pretty decent enough but wouldn't be enough to make want to stay. Probably going to have take a pay cut moving into industry.			If work out how much getting paid an hour, it's a huge difference - someone getting paid 40k doing 9-5 Vs you're getting paid 30k doing 9-9.	For pay that was on - should have better work-life balance
		Didn't influence to stay or leave.				

Job Stress:

What aspects of your job (if any) causes job stress? - Responses from people staying in their company

Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
	Constant deadlines	Managements' high expectations	Time pressure (deadlines)	Don't see stress as stress until afterwards - Stress and pressure are different things	Workload	Not knowing the answer as a junior
	Huge workload - hard to balance all the jobs	Lack of guidance - no such thing as getting a good briefing re job / client	Juggling jobs	Late nights/ long hours (overtime)	Deadlines / running behind on jobs	(Time pressure) - Have to work long hours or your behind which causes stress
	They always schedule jobs for a shorter length of time than they actually take so jobs follow you around and you are trying to balance a couple of clients at the same time .	Quality of the clients - losing some of the bigger clients, and as a result taking on smaller clients (for a smaller fee) - which are more difficult (not as well prepared) - job probably takes as long - client's don't know what they are doing - you get frustrated trying to deal with them	Deadlines / overtime	Never been the type of person to take work home with him / panicing	Working for clients / managers that are not nice	Satisfying client and manager to get job done
	Management style - some managers were very aggressive & demeaning - those mgrs since left but if those people were still there it definitely would have influenced decision to leave	Probe about why losing clients?: in one instance, client left because deemed one of the externally hired managers inefficient - he was still learning the COMPANY A way. In addition, a more senior manager left & one of the clients followed him.				Indecision by management - Management pushing responsibility of making decision on him (no support by mgt) - under more intense stress because the partner will look for him directly - more pressure when talking to the highest authority people in the firm

What aspects of your job (if any) causes job stress? - Responses from people leaving their company

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
	Workload	Juggling clients / workload	Can't control workload / flow of work - depending on client	Managing people. (No training provided on how to manage ppl)	Time pressure / working on a number of jobs	Workload
	Lack of guidance	No one has ever told her to stay late but to keep on top of emails and meet client expectations - have to stay late. (overtime)		Timeline of work - a lot of work and not enough time to do it	Working for a number of different managers - working for five managers, getting phone calls all day - adds to stress	Learned to deal with it better - suppose came with confidence that will get the job done
		Spend day reacting to new emails, rather than getting to list of tasks - have to stay late to get to list of tasks - finds that stressful			working on a number of jobs (as above)	Working on a number of jobs at the same time
		Ppl or management did NOT cause stress - found them quite supportive - always made feel that can ask them questions and they always had a very good manner about them				Not enough time to complete jobs (time pressure)
		Juggling clients (as above)				
		Juggling work and exams contributed to stress				

Did job stress influence your decision to stay or leave? - Responses from people staying in their company

Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
	The management style would influence to leave but since mgrs left - No.	Yes - get sick of it. People that are after leaving - they hit the ceiling, they couldn't handle it any more. Won't be there for too much longer because reaching that peak now.	Could be a factor - in audit,same issues everywhere, going to be under pressure anyway - depends how well the rest of the team can help you out or manage or spread the resources to ease the pressure (but didn't influence decision now so categorising as "not a factor")	It's definitely a factor - if was going to be stressed everyday and working 8 to 8, and constantly under pressure - wouldn't want that.	Main thing encouraging to leave	No. Learn to deal with stress, try and balance it.

Did job stress influence your decision to stay or leave? - Responses from people leaving their company

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
	Yes. Workload too much.	Yes - definitely . Number one is work/life balance. Want a job that can leave at 5:30. audit can never offer that.	No	No. wouldn't have been that bad to influence decision	Yes - high up in decision to leave - a lot of stress in the job	The stress itself - No

Organisational Prestige:

Do you think organisational prestige influenced your decision to stay/leave? - Responses from people staying in their company

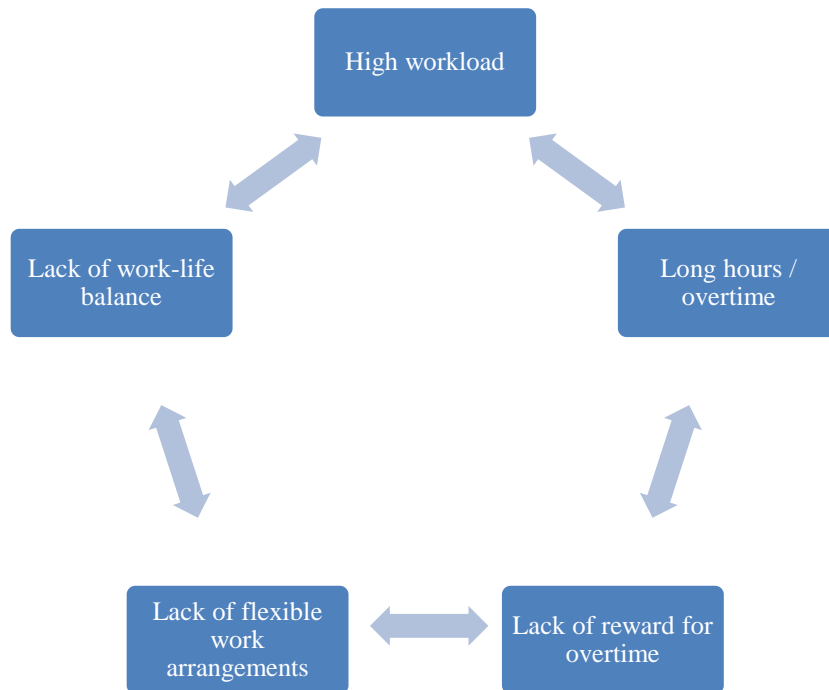
Company:	A	A	B	B	B	B
Interviewee No:	3	11	6	7	9	10
Sex:	F	M	F	M	M	M
	Agree that some people would want to work for the top companies like Big 4 but doesn't bother me.	Yes.	Wouldn't influence to stay.	Yes	Yes	Yes.
	No it didn't influence me and it wouldn't in the future either.	Yes - would influence to leave.	No. (Wouldn't influence to stay)	Yes - comes back to aligning your values with the place that you work	Yes.	Yes - Company B recognised - "it's got a name" - nice to have worked with one of the bigger companies
	Heard good and bad reputations for COMPANY A - happy there anyway	Don't want to be working for a company that doesn't have a good reputation or isn't well respected-	Important for her to have a top 10 company on CV.	Wants to be proud of where they work, proud of what they do. Nobody wants to work somewhere that's not respected. Respect is probably an issue.	Co. grown a lot recently. It's pretty well known so that looks good on your CV.	Would like to work for a large company, but not significant factor (not be all and end all).
		Everyone wants to work for the best company that has a good reputation and that's thought of well around the accountancy world.	Don't think prestige would matter (contradicting???)	Important to work for somewhere that you think is a good place to work, has a good brand name, has a good reputation	Looks good the fact they were willing to keep me on.	Have to balance it up - could work for smaller Co and be happier. Want more balanced lifestyle rather than the firm name
			Depends if stay in Dublin or move home - wouldn't matter to anyone at home. But ppl who know industry probably judge it more.	In Company B - one of the leading companies in their area - feel getting exposed to some of the best people and all you can do is try and learn from that	Prestige would definitely influence when joining another Co. Would definitely be more willing to join a bigger company	

Do you think organisational prestige influenced your decision to stay/leave? - Responses from people leaving their company

Company:	A	A	A	A	B	B
Interviewee No:	1	2	4	5	8	12
Sex:	F	F	M	F	M	M
	Yes	Yes - might impact your decision if you want to stay in audit - easier to get jobs if big four on your CV	Yes.	Yes (definitely agree)	Yes & No	Yes - agree.
	Yes	No - might impact your decision if you want to stay in audit, want to get out of audit anyway so doesn't impact on my decision	Yes - if firm not doing well it limits opportunities (wanted career progression).	No. Wanted to travel. (would influence in future)	Influence when joining a company - wouldn't want to join Co. with bad reputation	Don't want to work for Co. that doesn't have a good reputation
	It confirms your decision when you hear what people are saying about the company not doing well. So that made me happier with my choice	Wouldn't care if the big four offered a job	Because resources reduced - clients will see COMPANY A as having less prestige	In future - would look for a well regarded firm. Wouldn't have to be a big firm, could be a small firm - just no negative press around it.	Wouldn't influence to leave when in a Co. - not a huge factor - didn't come into mind when deciding to leave	Co. B does have a good reputation - didn't influence decision to leave - will influence decision when choosing another Co.
		The recruiters have told her it's easier to get a job after big four experience	Calibre of recruitments in Company A has reduced significantly over the last number of years			If Co. doing well more likely to attract higher calibre of ppl, better chance to learn from those ppl, better chance of progression
			Co. on CV stands for a lot - the quality of candidate you are			Looks good on CV when work for top Co.

Appendix C:

The inter-related factors of workload, long hours, lack of reward for overtime, lack of flexible work arrangements and lack of work-life balance



Appendix D: Description of factors that influenced respondents' decision to leave

<u>Description of factors that influenced respondents' decision to leave</u>	<u>Company A</u>	<u>Company B</u>	<u>Total no. of respondents mentioned the factor (n=6)</u>
Long hours / workload / lack of reward for overtime / lack of work-life balance / lack of flexible work arrangements (factors inter related)	2	2	4
Change of job role - don't want to stay in audit role	3	0	3
Stress / Pressure	2	1	3
Lack of appreciation	1	1	2
Lack of opportunities for promotion / progression	1	1	2
Pay	1	1	2
Organisational Culture	0	2	2
Organisational Prestige	2	0	2
To move outside of Dublin	1	0	1
Want to travel	1	0	1
Refuse to work with certain people	1	0	1
Works away from home (travel)	0	1	1
Job repetition / monotonous	0	1	1

Appendix E: Description of factors that would attract respondents to another job

<u>Description of factors that would attract respondents to another job</u>	<u>Company A</u>	<u>Company B</u>	<u>Total no. of respondents mentioned the factor (n=12)</u>
Regular hours / better work-life balance / flexible work arrangements (factors inter- related)	4	5	9
Opportunities for promotion / progression	3	4	7
Organisational Prestige	2	3	5
Change of job role	3	0	3
Good holidays	1	0	1
Pay	1	0	1
Good location	1	0	1
Age profile of employees	1	0	1
To feel more in control	1	0	1

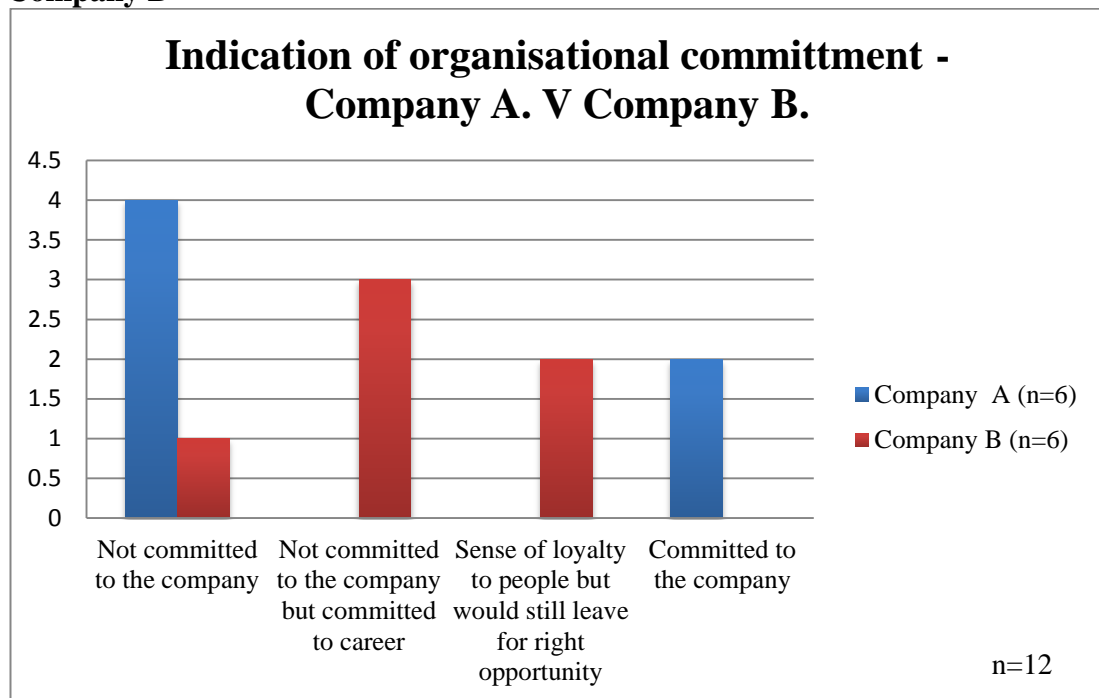
Appendix F: Description of factors causing job satisfaction

<u>Description of factors causing job satisfaction</u>	<u>Company A</u>	<u>Company B</u>	<u>Total no. of respondents mentioned the factor (n=12)</u>
The people	6	3	9
Good experience	4	4	8
Good social life	1	3	4
Interacting with clients	2	1	3
Pay	1	2	3
Supervisory style	2	0	2
Get responsibility	1	0	1
Organisational Prestige: Co. name good on CV	0	1	1
Passed exams	0	1	1
Hours	1	0	1
Progression through training contract	1	0	1
Got to travel	0	1	1
Training	0	1	1

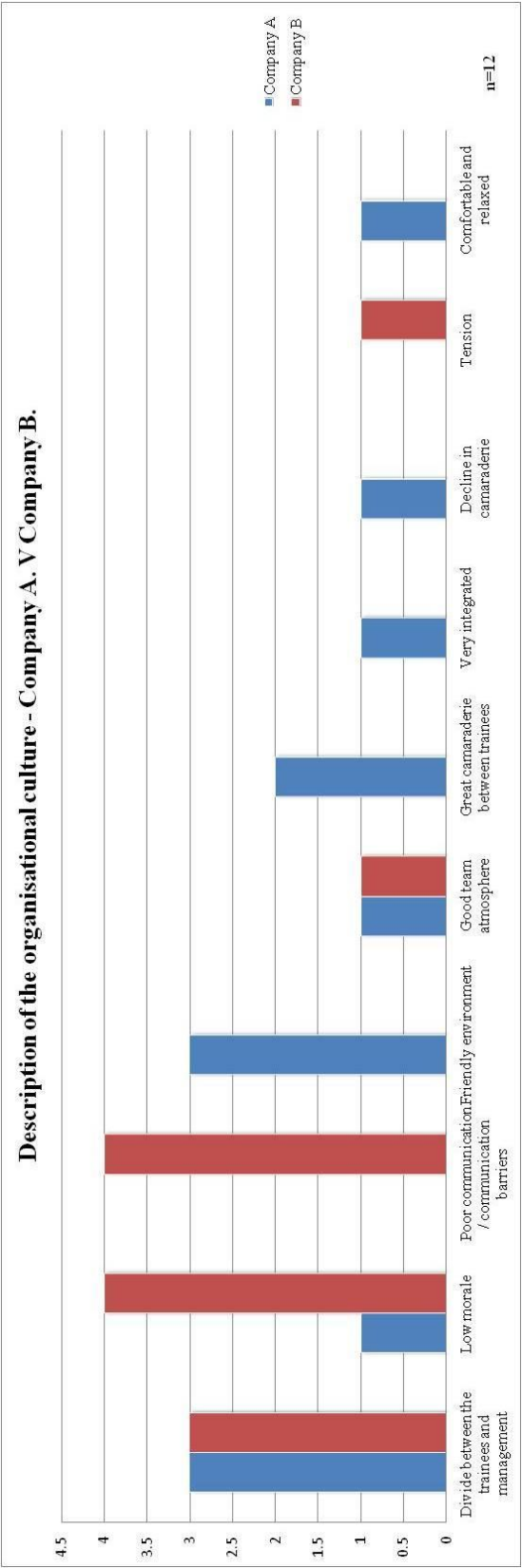
Appendix G: Description of factors causing job dissatisfaction

Description of factors causing job dissatisfaction	Company A	Company B	Total no. of respondents mentioned the factor (n=12)
Long hours / workload / lack of reward for overtime / lack of work-life balance / lack of flexible work arrangements (factors inter related)	5	6	11
Lack of appreciation	2	3	5
Lack of opportunities for promotion / progression	2	3	5
Stress / pressure	1	3	4
Pay	2	1	3
Job Repetiveness / not challenging	2	1	3
Management delegate too much work / responsibility to seniors	1	1	2
Lack of social events	1	0	1
Office Politics	0	1	1
Unpredictability	0	1	1
Management's communication	1	0	1
Supervisory style school-like: trainees v management	1	0	1
Travel	0	1	1
Juggling clients / managing their expectations	1	0	1

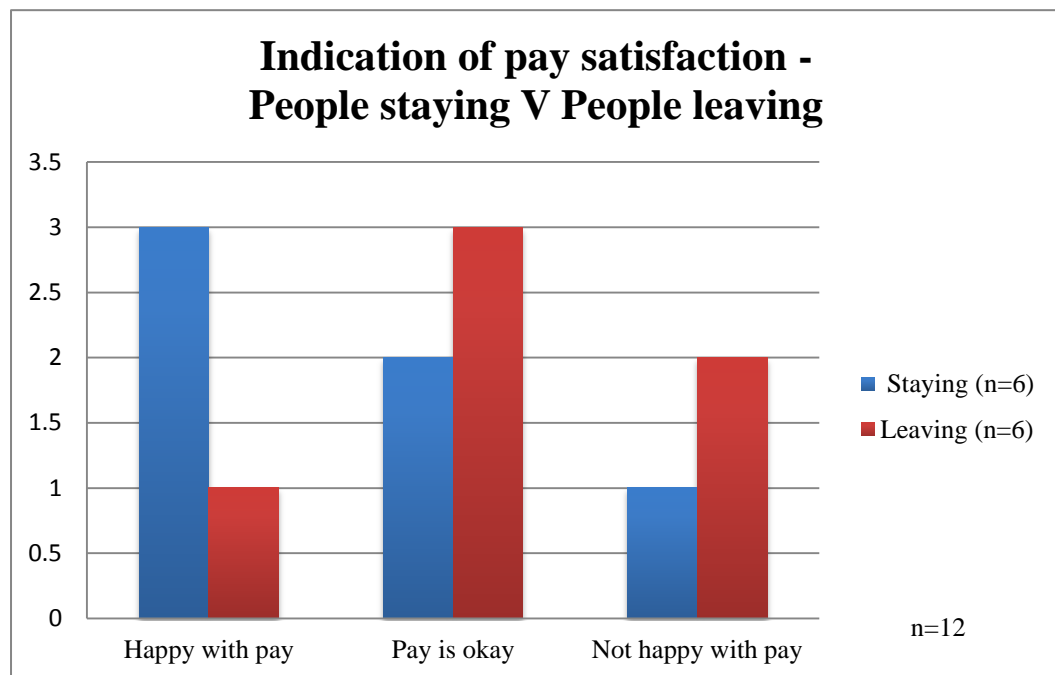
Appendix H: Description of organisational commitment - Company A and Company B



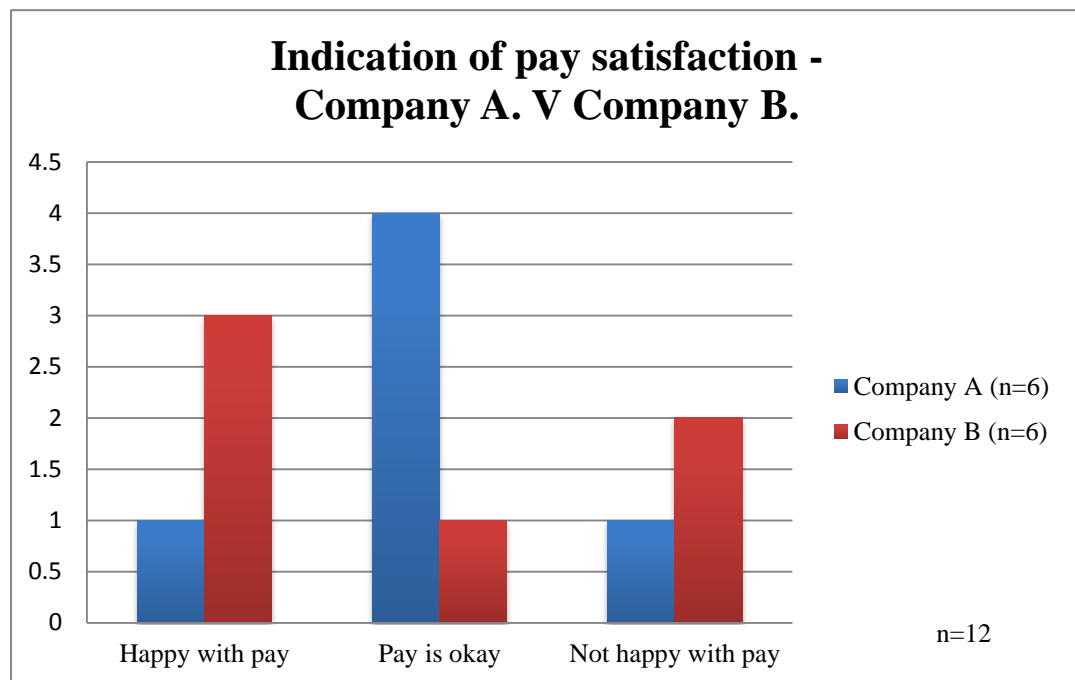
Appendix I: Description of the organisational culture - Company A. V Company B.



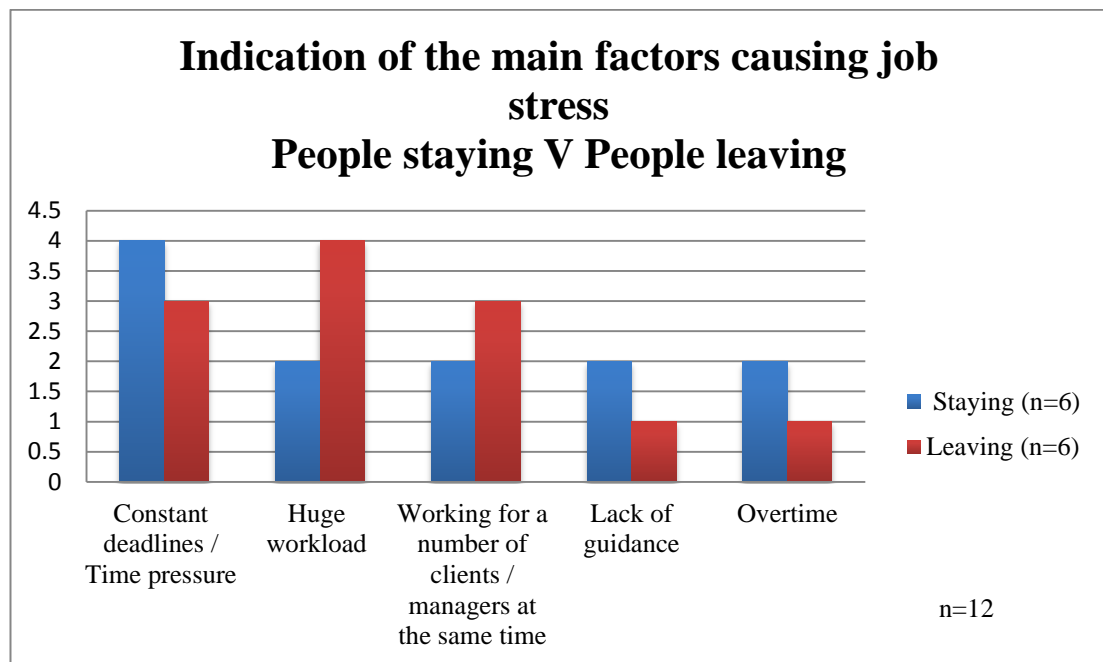
Appendix J: Indication of pay satisfaction - People staying V People leaving



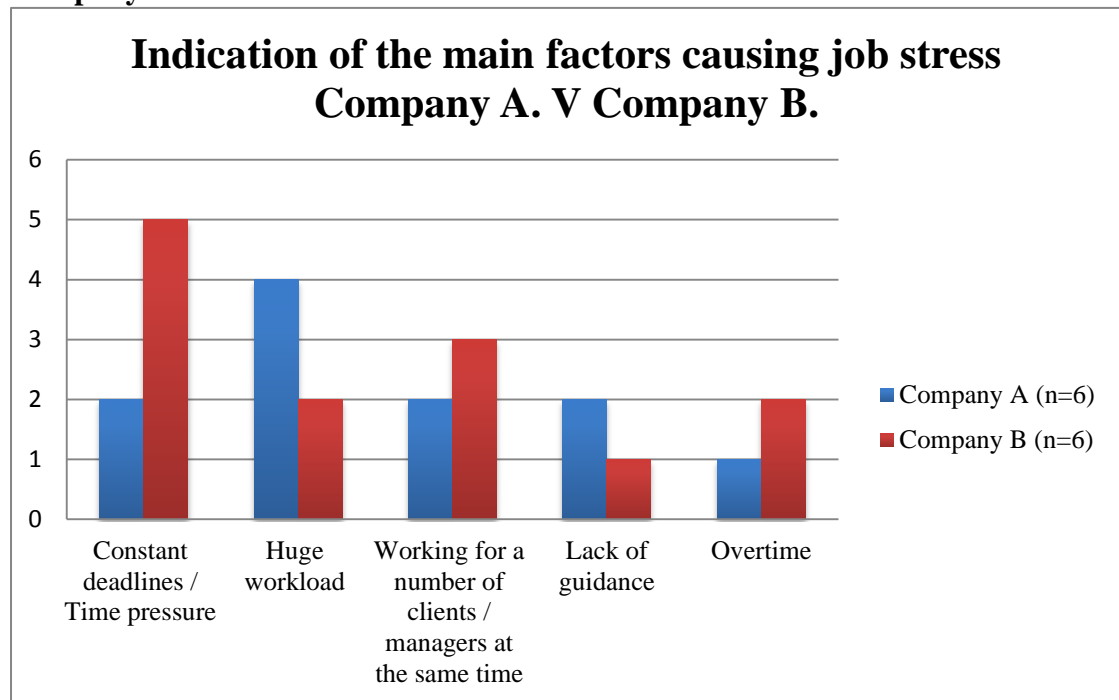
Appendix K: Indication of pay satisfaction - Company A. V Company B.



**Appendix L: Indication of the main factors causing job stress - People staying
V People leaving**



Appendix M: Indication of the main factors causing job stress Company A. V Company B.



Appendix N: Interview template for Director and Partner

Interview Template	Interviewee Details
Interviewee No:	
Date:	
Time:	
Questions	Answers
Do you think the retention of newly qualified accountants is an issue?	
Do you think the turnover is functional or dysfunctional in your company?	
In interviews, newly qualified accountants were asked do they think that companies that fail to retain their high-quality employees will be left with a less qualified and understaffed workforce which will ultimately affect their ability to remain competitive / meet future business needs. The majority of respondents believed that it did have an impact. They found the following:	
<i>Affects how quickly jobs get done</i>	
<i>Quality of work not as good / under pressure when new person takes over job</i>	
<i>Main finding: Clients look for person on job prior year - clients not happy / frustrated</i>	
<i>One case: client followed person that left</i>	
<i>One case: client considering leaving due to lack of consistency</i>	
What do you think about this?	
If trainees are leaving once qualified and you have to recruit new seniors, do you think this is a significant cost to the company?	
Research shows that it can take 3-6 months for a new employee to be trained and begin performing. What do you think?	

Why do you think people stay?	
<u>Reasons found for why people stay</u>	
<i>Post qualification experience</i>	
<i>Didn't have time to look for new job</i>	
<i>Not good time to look for new job when everyone qualifying at the same time</i>	
<i>Wanted to show on CV that Co. wanted to retain them</i>	
<i>Fear of unknown / don't know what they want yet</i>	
<i>Co. short staffed - only staying sort term</i>	
<i>I person getting new exp & loyalty to ppl in firm (only want to stay short term)</i>	
What do you think of these reasons? / Are you surprised?	
Do you think there are any other reasons?	
Why do you think people leave?	
<u>Reasons found for why people leave / would leave</u>	
<i>The job role - want to get out of audit / something new & challenging</i>	
<i>The long hours / workload</i>	
<i>Lack of work/life balance</i>	
<i>No appreciation in current company</i>	
<i>Wanted career progression - felt they would not achieve in current Co.</i>	
<i>Pressure</i>	
What do you think of these reasons? / Are you surprised?	
Do you think there are any other reasons?	

In interviews, newly qualified accountants were asked about what they think their company could do to retain people. The following suggestions were provided:	
Improve training:	
<i>better training for new seniors hired</i>	
<i>training for trainees more practical</i>	
<i>continuation training</i>	
<i>bit haphazard - more structure</i>	
Improve communication:	
<i>monthly / bi-monthly meetings - informed about what's going on in company</i>	
<i>break down barriers/division between management and trainees</i>	
<i>Mgrs should touch base more during jobs - not just at the end of job</i>	
<i>Bi-annual team meetings to voice opinion</i>	
Decrease workload / stress:	
<i>hire more seniors & managers</i>	
<i>manage resources better (not everyone working late)</i>	
<i>Schedule time to allow tidy up jobs</i>	
<i>Involve more at planning stages of jobs</i>	
Improve work-life balance:	
<i>Flexible work arrangements - build up time to take half day Friday</i>	
<i>Build up overtime to take time off</i>	
<i>Informed about where going to be on jobs well in advance</i>	

Promotion:	
<i>Should be based on who deserves promotion instead of who is there the longest</i>	
<i>Look at internal promotions before external hires</i>	
<i>Need feedback if not promoted to next level</i>	
Pay:	
<i>Increase pay - match people's progress to pay</i>	
<i>Paid overtime</i>	
Improve culture:	
<i>More social events / celebratory lunch / dinner after big audit</i>	
<i>Team building exercises</i>	
<i>Proper casual Friday</i>	
<i>More interaction between depts, create "buzz"</i>	
<i>Establish connection with the firm - improve relationships, build team environment</i>	
<i>Raise staff morale</i>	
<i>Put more time into staff</i>	
Mentoring / leadership:	
<i>Briefed better before jobs</i>	
<i>Improve buddy system</i>	
Show more appreciation / recognition to staff	
<i>Thank you</i>	
<i>Celebratory lunch / dinner after audit</i>	
What do you think of these suggestions? Are they feasible?	
Do you have any other suggestions to improve retention?	

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