

ПРЕДИЗВИЦИТЕ НА ИТ СЕКТОРОТ ПРИ МЕНАЏИРАЊЕТО НА ЧОВЕЧКИТЕ РЕСУРСИ

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АПСТРАКТ

Вработените се препознаваат како критичен ресурс за стратешкиот успех и конкурентната предност на една компанија. Задоволни, високомотивирани и лојални вработени претставуваат сонот на секоја компанија. Често, менаџментот на компанијата не ги знае размислувањата на своите вработени и ја потценува зависноста помеѓу задоволството на вработените и нивната мотивираност и лојалност кон компанијата. Дополнително, начинот на кој функционира бизнисот и компаниите во рамките на информатичкото општество е променет. Модифицираните работни услови се препознаваат како екстремно динамичен екосистем кој дополнително креира нови предизвици поврзани со менаџирањето со човечките ресурси во компаниите. Задржувањето на вработените во компаниите, особено оние кои припаѓаат на секторот за информатички технологии (ИТ сектор), е со еден од најголемите проблеми. Големата флукуација на човечките ресурси со која се соочуваат овие компании ги дестабилизира и значајно влијае на нивното успешно работење. Оттука, воочувањето на причините за флукуацијата на вработените е главниот предизвик со кој се соочуваат менаџерите на човечки ресурси на компаниите во овој секторот. Во рамките на овој труд се прикажани резултати добиени од спроведена анкета со 58 вработени во ИТ секторот, во компании лоцирани на територијата на општина Битола. Фокусот на истражувањето се причините поради кои вработените во ИТ секторот остануваат или ја напуштаат компанијата. Креирањето профил на вработен во ИТ компанија и креирањето на пирамида на причини за: задоволство, останување, незадоволство и заминување од компанијата се главните цели на спроведената анкета. Анализата на добиените резултати посочува дека нематеријалните причини имаат подоминантна улога и имаат поголемо влијание врз одлуката на вработените да останат или да ја напуштат компанијата.

Клучни зборови: ИТ сектор, човечки ресурси, причини за флукуација.

IT SECTOR CHALLENGES IN MANAGING HUMAN RESOURCES

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ABSTRACT

Employees are recognized as a critical resource for the strategic success and competitive advantage of a company. Satisfied, highly motivated and loyal employees represent the dream of every company. Often, the company's management doesn't know how its employees think and underestimates the dependence between employee satisfaction and their motivation and loyalty to the company. Additionally, the way businesses and companies operate within the information society has changed. Modified working conditions are recognized as an extremely dynamic ecosystem that further creates new challenges related to human resource management in companies. The retention of employees in companies, especially those belonging to the information technology sector (IT sector), is one of the big problem. The big fluctuation of human resources that these companies face is destabilizing and significantly affecting their successful operations. Hence, perceiving the causes of employee fluctuations is the main challenge faced by human resource managers in companies in this sector. This paper presents results obtained from a survey conducted with 58 employees in the IT sector, in companies located on the territory of the municipality of Bitola. The focus of the research is the reasons that employees in the IT sector remain or leave the company. Creating a profile of an IT employee and creating a pyramid for reasons of: satisfaction, remainder, dissatisfaction and leaving the company are the main objectives of the conducted survey. The analysis of the obtained results suggests that non-material reasons have a dominant role and have a greater impact on the decision of employees to remain or leave the company.

Keywords: *IT sector, human resources, causes of fluctuation.*

INTRODUCTION

Information society creates modified working conditions recognized as extreme dynamic ecosystem. That ecosystem creates new challenges that addressed human resource management in the companies all over the world. In fact, through the various studies, it has been found that managing turnover is a great challenge for employers. However, some authors (Griffeth, Hom, & Gaertner, 2000), notes that “despite the vast literature on employee turnover which is aimed at identifying factors that cause employees to quit much less is known about the factors that compel employees to stay”. Further on, other authors (Steel, Griffeth, & Hom, 2002) point out that “the reasons people stay are not always the same as the reasons people

leave". But if there is overlapping of the reasons than human resource management needs to use it in direction to manage turnover of the employees.

The companies are always extremely interested to have loyal, proactive, ambitious, talented and committed workforce. According to Annand (1997) winning companies follow the essential philosophy of valuing and investing in their people, as a result of the fact that employee retention is a vital issue for their success.

There are number of factors which promote employees to stay or leave companies. These may be external factors, internal factors or combined effect of both; these are always changing with time.

Each generation of employees (in the period in which it dominates as a work force in the society) is characterized by its specific factors associated with staying or leaving companies. The literature recognizes three different generations that work together now-a-days (Ivanovic and Ivancevic, 2018): Baby Boomers, Generation X and Generation Y or so called Millennial. Each of those generations have some specific attributes that have influence on the work retention. According to Zemke et al. (2000) Baby Boomers characterize themselves with extremely committed to their work, disciplined and tries hard to reach their goals enjoying the rewards afterwards most often stay with one company throughout their entire career, while Generation X are self-sufficient, skeptical, well-educated and independent but remarkably adaptable to diverse experiences; while Millennial as a generation are leaving jobs sooner and more frequently than the previous generations (Baby Boomers, Generation X) and they are with job expectation and business culture totally different than the culture created by the Baby-Boomer (Meier & Crocker, 2010; Twenge, 2010).

American Management Association (1999) point out at high salary or an authoritative designation as a factor that is not always a tool to make employees stick to the organization; while Craisman's in his research (2002) notes that many different things can motivate and keep talented workers in the company: relation and communication between managers and workers, clear career path, managing performance with proper feedback and team work.

The trends in modern information society covers IT industry, dynamics of working force and macroeconomic conditions. IT industry is recognized as fast-growing industry: CompTIA's IT Industry Business Confidence Index projected „5.0 percent growth, one of highest ratings ever heading into the first quarter of 2018“. So, the demand of working force in this sector has a tendency of continuously growing, often it is bigger than the supply (SMMRI, 2009). This is the challenge that this industry faces, but as the biggest problem that is addressed is retention of talented employees because „a high turnover rate costs the company money in recruitment and training expenses, in addition to the time wasted on finding and training new staff members“ (Shelley Frost). Even more, employee retention plays a significant role in development and accomplishment of organizations objectives and goals; and it is a vital source of competitive edge for an organization.

In order to fully understand the retention issues within the IT companies, we conducted online survey with employee in IT industry in Bitola. This research study is aimed at exploring the key factors that contribute to retaining employees in IT companies.

This paper is organized as follows: literature overview, research methodology, results and analysis. The paper ends with conclusions.

LITERATURE OVERVIEW

There is no unique recipe for keeping employees with a company. The retention is quite complex challenge that in the literature is define as continuing relation between employees and their companies. Many researches are conducted with intention to identify factors that can influence on the employees decision to stay with a company.

In general, research shows trends of redefining of the traditional to modern retention strategies. Gale Group (2006) suggest moving focus from salary and benefits package; and compensation (Feldman, 2000); while Thomas (2000) embracing employee motivation as one of the key factors to cater to the diversity and long stay of the workforce in the company. Agrela, et al (2008) states the need to focus on the factors that affects retention leading to growth and success of organizations. According to Boomer Authority (2009) retention factors incorporating the needs and desires of employees at any age enhance levels of individual job satisfaction, loyalty, and commitment. Cunningham (2002) states that employees rank employee recognition, flexibility and training as top priorities for prolonging individual employment, while Walker (2001) and others call for establishing a supportive learning and working climate for employee retention. Also, there is additional list of factors well known for prolonged stay of the employees in the organization that includes: career development (Boomer Authority 2009), organizational commitment (Patrick Owens, 2006), communication (Gopinath and Becker, 2000) and superior-subordinate relationship (Zenger, Ulrich, Smallwood, 2000)²⁷.

Logan (2000)²⁸ recognizes several key factors that drives retention, which ought to be managed congruently: organizational culture, communication, strategy, pay and benefits, flexible work schedule and career development systems.

Denton (2000) states that the literature on employee retention clearly explains that satisfied employees who are happy with their jobs are more devoted for doing a good job and look forward to improve their organizational customers' satisfaction. This is only confirmation that Mobley et al. (1979) notes, that "employees who are satisfied have higher intentions of persisting with their organization, which results in a decreased turnover rate". Abundant studies have hypothesized and empirically validated the link between satisfaction and behavioral intentions and behaviors such as employee's retention (Anderson & Sullivan, 1993). Further, numerous studies explain the importance of high employees' involvement and how it could enhance their retention (Arthur 1994).

RESEARCH METHODOLOGY

The research for this paper was done by collection of data through primary resources. The online conducted questionnaire was created in Google drive. The groundwork of this research rely on the employees responses. Study participants were the employees working in different IT companies in Bitola. The survey covers a total of 17 questions, of which 8 questions are of closed type with offered answers, 5 questions are open type with a possibility for a written answer, 4 questions in the form of a statement with the possibility of choosing 5 of the offered options. The survey itself is structured in 3 parts. In the first part, the questions refer to the general data of the respondent, the second part covers issues directly related to the topic that is the subject of research, ie the reasons for the satisfaction / dissatisfaction of the employees, as well as the reasons for leaving / staying in the companies. The third part of the survey gives the interviewer the opportunity to address directly to the employer with regard to a referral council - what is to be done in order to keep the employees.

The conduct of the survey was preceded by testing, and as a result, the identified omissions in the survey were later corrected. The survey was carried out in the second half of September 2018.

Target group of the survey were employees in companies belonging to the IT sector, located on the territory of the Municipality of Bitola. A survey was completed after a prior direct contact with the

²⁷ Chandranshu Sinha and Ruchi Sinha. 2012. Factors Affecting Employee Retention: A Comparative Analysis of two Organizations from Heavy Engineering Industry. European Journal of Business and Management www.iiste.org ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online). Vol 4, No.3, 2012

²⁸ Logan, J. K. (2000). Retention tangibles and intangibles: More meaning in work is essential, but good chair massages won't hurt. *Training & Development*, 54 (4), 48-50.

respondents explaining the purpose of the research and the importance of honesty in the answers. Precisely this was the reason why the channel for carrying out research by announcement by the management and / or human resources department in companies was deliberately avoided. The total number of completed polls is 58. The statistics are taken from the processing provided by Google Drive, and later analyzed and reviewed by the authors.

RESULTS AND ANALYSIS

As previously mentioned in the part of the description of the methodology, the survey contained three sets of questions, hence the display of the results and their analysis in the work was made according to that structure in three parts.

The first part of the survey focused on general questions whose answers were aimed at obtaining an employee profile in the IT sector in Bitola. Thus, the survey covered almost identical gender representation of surveyed men and women (57% of men and 43% of women). According to their *age*, 88% of those surveyed are in the category of 35 years (28% of those surveyed are under the age of 25, 40% are aged 25-30, 20% are aged 30-35 years, 9% are aged 35-40 years, and only 3% are polled for 40-45 years of age). The *education structure* of the surveyed points to a high level of respondents with higher education (70%), 18% of the respondents have completed secondary education, while only 10% of the respondents have a master's degree, and only one person, ie 2% of the respondents have a doctorate. With a *profession* that could be counted under the general term "informaticians" or "employee in IT", half of the respondents (50%) are covered, while the other half refers to people from different professions who work in the IT sector but have another educational background. The most represented profession among the surveyed whose professions are under the name "informaticians" are the software developers with 50% of the representation. In terms of *work experience*, most of the respondents, 75% of them are in the category to have work experience between 1 and 10 years: 18% up to 1 year, 31% 1-3 years, 21% 3-5 years, 23% with work experience of 5-10 years, and 7% of respondents had experience of 10-15 years. As regards *work experience* gained in different companies (to have at least two companies), 80% of respondents answered affirmatively, with the largest number (41%) being those who changed 3 companies, those who worked at least in 2 companies are represented by 30%, and even 20% worked in 4 companies, 7% of the respondents worked in 5 companies, and 2% of the respondents worked in many companies without specifying how much. The shortest period of retention in a company is the period of 1 to 3 months, and as the longest retention period in a company is 2 to 3 years. Interestingly, the percentage of respondents (77%) who did not have any change in position within a company is high, and even 64% have never been promoted to a higher position in a company.

As a result of the analyzed data included in the first part of the survey, the profile of one employee in the IT sector in the companies in the territory of the municipality of Bitola was obtained: young persons of both sexes, aged up to 35 years of age, faculty educators²⁹, most often at the workplace - programmer, dominant with working experience from 3 to 5 years, who have changed at least 2 or 3 companies in their working experience and most often have not experienced advancement in within a company.

The second part of the survey focused on issues that were based on Herzberg's two factor theory. Various determinants for retaining staff were investigated that includes both intrinsic factors (leadership, distributive justice, salary, and work environment) and extrinsic ones (promotional opportunities, training and development). The data obtained from this part of the survey for greater visibility are placed in two tables. Напоменуваме дека во табелите се прикажани само по 5 искази. The selection of the presented

²⁹This is in line with the recommendations of MASIT 2006 that companies prefer faculty educated persons versus those who have received knowledge and certification with certificates (section 8 - Recommendations, Figure 26, page 35)

statements in the tables shown below is made on the basis of the ranking of all the statements that were given to the respondents. The statements placed in the tables are shown in sequence, starting with the statement that received the highest percentage as a result of its choice by the respondents, such as: reasons for satisfaction and stay in the company (Table 1), or reasons for discontent and departure from the company (Table 2). According to each of the statements, the percentage of representation of answers by the respondents is given.

Table no. 1: View the reasons for satisfaction and stay in the company

Reasons for satisfaction of working in the company	%	Reasons for staying in the company	%
Feeling relaxed at work	57%	Advancement (Career Development)	61%
The feeling that an employee is valued by colleagues and management	55%	Increase of salary, but in the same position	61%
Good working atmosphere	55%	Good working conditions	47%
Flexible working hours	51%	Good organizational climate	45%
The possibility of advancement	39%	There is no mobbing	39%

Source: authors (survey data)

As shown in Table no. 1 it is easy to see that the reasons for work satisfaction and staying in the company are more of an intangible nature, ie they refer to the organizational climate, organizational culture, company values and working conditions (8 out of 10 statements) and to a lesser extent of material nature - salary (2 of 10 statements: Advancement and salary increase).

Table no. 2: Display of reasons for discontent and possible departure from the company

Reasons for dissatisfaction with work in the company	%	Reasons for leaving the company	%
No career information	37%	Offer for a better position	62%
Wage	37%	Same position but increased salary	60%
Absence of a transparent remuneration system	22%	Benefits like (food ...	36%
Lack of opportunity for flexible working hours	19%	The situation in the country (for those who decided to go abroad)	36%
There is no challenge Stress I do not feel that my workplace position is safe for me	17% ³⁰	Better working conditions	34%

Source: data from a survey conducted by the authors

From the display in Table no. 2 it is obvious that reasons for dissatisfaction at work and reasons for leaving the company are dominated by reasons of material nature: 7 out of 12 reasons (reward and career development system, wages compared with other companies in the city, benefits) or; while 5 out of 12 reasons are of intangible nature such as working conditions, stress, job security, situation in the country. The done crossing of the obtained results from the two tables in which the same statements occur as a reason for staying in the company and as a reason for leaving the company are those we consider to be the most important at the moment for the management of the company, and that their provision / satisfaction can greatly reduce the turnover of the employees ie to keep the employee in the company. In fact, the findings indicate that 1) transparency in terms of career development and remuneration

³⁰each of the three listed reasons shown in a separate row received an identical percentage (17%) and is therefore indicated

system, 2) organizational climate and culture, and 3) flexibility in terms of working time are the top factors that directly affect the retention of employees.

Such findings through the statements of the respondents agree with the third part of the survey. Namely, in this part of the survey, the interviewees gave them the opportunity for free and direct referral of advice to the management in terms of what management should do regarding the retention of employees. In this section, only 50% of the respondents recorded their own ideas or needs, and the received records were consistently referring to recommendations for investment in human resources, as follows: 1) motivation through wage, benefits, and fair reward; introduction of a system for promotion and reward; monitoring, perceiving and rewarding the progress of employees; tracking the wage trend in competing companies; 2) Care for employees: greater attention to small things, organizing events with social component-team building activities; training and retraining; respect for employees, reducing unnecessary pressure; continuous investment to improve working conditions; 3) Communication of the management-employee relationship: Enhancing and improving the communication with the employees, listening and accepting proposals received from the employees; introducing monthly reports and undertaking actions arising from a conversation, positive energy by management; locating the goal of the employees in terms of what they want to achieve in the company.

The three analyzes made on the basis of the obtained results from the conducted survey are summarized in the conclusions given in the last part of this paper entitled Conclusions. But in this section we provide guidance for possible further research.

CONCLUSION

Employee retention is one of the important issues that companies should focus on as employee retention plays a significant role in development and accomplishment of organizations objectives and goals. Finding out the influencing factors and hence moving strategically towards the implementation of necessary policies that efficiently will contribute for their employees retention is not such an easy task. Our idea was to meet the human resource management challenges in IT industry regarding the employees retention. Bearing in mind the results of the research once, the main conclusions goes in direction of connecting profile of the dominant employees in IT companies with general characteristics and expectations regarding the job that this generation has.

According to the results of the first part of the survey, the profile of the dominant group employees in IT industry belongs to Millennial Generation. As Millennial ...

... have unique concerns about their career and tend to hold stronger career anchors; and they leave their jobs early and more frequently; our recommendation for retaining those workers is developing clear and defined career system for promotion on every one to one and half year, also making the professional lives more diverse.

...are born in the Internet age (meeting people virtually, creating networks and use them for new jobs finding as well as being well informed for wages; our suggestion to human resource is to always keep in mind the wages- to correspond to those of the competition.

discipline is not one of the priority of this generation, so flexible working time is compulsory advice for the human resource management.

good organizational climate and culture is something that is integral part and it is expected from companies, having in mind the big global companies, the suggestion goes to human resource managers just to follow their lead.

'helicopter parenting' they need their managers to be their mentors who will guide them patiently and giving them feedback on a daily basis (Ivancevic & Ratkovic, 2018). This point out the need for initiating communication with the managers, but also change ideas and feedback about the ideas.

So, taking into consideration the specific characteristics of this generation it is easy to understand the answers that we get from the survey and consequently on it challenges that need to meet human resources managers because acquisition, maintenance and retaining of employees is very important in the IT companies.

In the era of Millennial, retaining the employee is quite different than before, mostly as a result of their characteristics where loyalty is not the foundation stone for employee and employer relationship any more.

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