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Why do employees stay with an organization? A qualitative study of key employee retention drivers in modern workplace settings

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1 Abstract

The purpose of this research is to find out why employees stay with an organization and what factors influence employee retention in changing work environments shaped by digital transformation and flexible work environments. Qualitative research has been carried out through eleven in-depth semi-structured interviews and two focus groups with HR professionals. The findings indicate that employees increasingly look for personalized treatment by employers in various dimensions including rewards, relationships, corporate culture, development possibilities and job content, leading to specific implication for organizations and managers to consider in order to keep talent engaged and retain high performers long-term.

Key words: Employee retention, modern workplace, retention drivers, retention strategies

2 Introduction

The modern place of work has changed significantly over the span of the last few years. Digital transformation, virtual and remote teamwork as well as a rise of contingent and alternative work models mirror these changes (Willis Towers Watson, 2016). One of the major challenge organizations are expected to face is retaining their employees in the era of increasingly fluid workforce (Wali and Zekeriya, 2013). Dysfunctional turnover of talent can be a huge risk for firms as it does not only imply a loss of talented workforce, but also related loss of expertise, firm-specific and tacit knowledge, but also puts additional strains of team members who have to take over additional tasks from people who left the company (Marsden, 2016). Certain variables including monetary rewards, recognition, learning opportunities and a supportive environment have been identified and analyzed by researchers on having an impact on employees' intention to stay at an organization (Joo and Park, 2010; Nazir et al., 2016; Savage, 2011). What has not been analyzed yet in the academic research is why employees stay

inside an organization which is characterized by modern work designs including remote working options, an increased use of virtual collaboration tools, agile processes and flexible work structures (Schwartz et al., 2016). As the workplace and its settings are constantly changing, it is essential to understand how employees' retention drivers have changed in order to avoid an undesired loss of highly valuable talent.

Although employee retention is one of the major challenges to be faced by many organizations it is still a field not very widely researched, especially considering the widespread changes in work and job design (Tlaiss et al, 2017). Therefore, this paper aims at trying to holistically understand why employees stay in an organization and if these factors reflect the changing work designs and settings. This work project has been conducted as part of an internship with the goal of using design thinking methods to understand the root causes of employee retention. The findings from the research contained within are aimed at increasing retention rates long-term and improving current practices. By understanding the retention drivers relevant in today's working environment, this paper can give valuable insights and practical implications for managers and modern organizations supporting them in retaining talent and reducing attrition.

3 Literature review

3.1. Identification of retention drivers

Incentives and rewards. A major area of focus within the topic of retention, is money and financial rewards and their respective correlation with employee retention. A fair and competitive base pay is one of the key factors in determining an employee's intention to stay with an organization (Willis Towers Watson, 2016). Base salary and competitive rewards including extrinsic rewards are still one of the best determinants of employees staying inside an organization long-term and impact employees' organizational commitment (Chiu et al, 2002,

Nazir et al, 2016). Especially in terms of performance-related pay, profit sharing appears to have a significant negative relationship with turnover intentions (O'Halloran, 2011). However, in times of recession, pay might not be the decisive factor. Instead, the extent of praise and recognition employees receive play a bigger role (Savage, 2011). Another aspect to consider is that although money can be a reason for employees to stay, it might not be an incentive to put higher effort into doing a good job (Sigler, 1999). An approach to increase employee retention through monetary strategies is by raising the employees' perceived costs of leaving by for example structuring a stock option plan for high performing employees which only pays off for long-term employed workforce members (Balsam et al, 2007).

Image, CSR and purpose. Moreover, another factor in determining an employee's intention to stay, highlighted by academic literature, is corporate social responsibility. Socially responsible organizations have an average of 3% lower attrition rate than companies weak on socially responsible practices (Vitaliano, 2010). This implies that a strong corporate social responsibility strategy and work design that employees perceive as meaningful is a strong and effective tool in recruitment as well as a key determinant in talent retention (Alexander, 2015).

Learning and development. Furthermore, academic literature also identifies learning and progression opportunities as a key retention driver. A well-structured training policy is a good tool for recruiting and retaining talent (Basterretxea and Albizu, 2011). Once candidates are inside an organization, a culture shaped by a strive for continuous learning and knowledge sharing can not only keep them engaged, but also be a driver to develop superior talent resulting in a key competitive advantage in the market. This strong learning culture approach is valued by many employees and seen as crucial for their personal and professional development, and thus encourages career satisfaction and increased retention intentions of individuals (Joo and Park, 2010). Other research has shown that employees within organizations that foster a

learning culture indicate higher job satisfaction and indirectly lower turnover rates (Lee-Kelley et al., 2007). Overall, employees who are offered the possibility to grow personally as well as professionally appear to be more satisfied with their work which in turn will make them more likely to stay with an organization (Lee-Kelley et al., 2007). Similarly, individual career development perception appears to be a strong predictor of employee turnover (Wali and Zekeriya, 2013). Firms who invest in HR practices that support learning and development opportunities, can achieve a competitive advantage by increasing and retaining internal knowledge and skills long-term, as well as preventing undesirable loss of talent (Wali and Zekeriya, 2013). However, high training and learning investments can also be an indicator of high turnover and a result of workforce fluctuations and onboarding needs (Forrier and Sels, 2003).

Job content and impact. Not only learning opportunities are crucial, but also how jobs are designed and employees' responsibilities are managed. Employees appear to be most engaged if they perceive their work as meaningful and impactful (Nazir et al., 2016; Alexander, 2015). In order to become more agile, many organizations are increasingly set up in networks and team-centric, which also impacts the way employees want to work together and collaborate (Schwartz et al., 2016). Moreover, employees like to feel trusted and empowered by being given the opportunity to structure their own work and responsibilities, to a given extent (Jacobs et al. 2017). If employees are promised meaningful work, bearing impact and responsibility, but in their daily work-life this turns out not to be the case, the result is likely to be a distrusting and discouraged employee who is more likely to leave an organization (Kickul, 2001). Therefore, it is essential to deliver on the promises regarding work content made to the internal talent to prevent an irreparable breach of psychological contract (Kickul, 2001).

Supervisor relationship. According to the popular saying “People leave managers not companies”, good relationships with managers and peers as well as a high degree of psychological safety is another determinant of retention (Lipman, 2015). A supportive working environment can be a strong indicator in determining an employee’s intention to leave a company or not (Kundu and Lata, 2016). Research shows that about 80% of employees desire a better and more supportive work environment (Guchait and Cho, 2010). What is more, emotional support from managers increases self-esteem and job satisfaction, which helps cope with work-related stress and influences an employee’s likelihood to leave an organization (Firth et al, 2004). It is a manager’s responsibility to supervise the employee’s workload, communicate expectations and facilitate relationships with peers to reduce the employee’s stress levels and possible sources of dissatisfaction (Firth et al., 2004). Overall the research suggests that positive organizational support plus the already mentioned locus of control and work autonomy have a significant correlation with affective and normative commitment to an organization which in turn can result in lower attrition rates (Aubé et al., 2007).

Author and name	Method	Findings
Rewards & incentives and retention		
Nazir et al., 2016. "Influence of organizational rewards on organizational commitment and turnover intentions"	- 202 participants employed in China - Questionnaire - Quantitative	- perception of benefits, received support, development and autonomy impacts commitment - negative correlation with employee turnover
Chiu et al., 2002. "Retaining and motivating employees: Compensation preferences in Hong Kong and China."	- two studies - 583 participants in Hong Kong and 121 participants in China - Quantitative	- base salary, merit pay, year-end bonus, annual leave, mortgage loan, and profit sharing were the most important factors to retain and motivate employees
Savage, 2011. "Motivation Without Money: Retaining employees in difficult times is possible with concerted effort."	- Expert opinion - Article - Qualitative	- Recognition and appreciation as top motivators, group belonging as second - Financial rewards and benefits less important
Balsam, et al., 2007. "The effect of stock option grants on voluntary employee turnover."	- Logical analysis - Effect of stock option program on retention	- If people perceive a loss in case of leaving a company (eg missed stock options) they are less likely to leave
O'Halloran, 2011. "Performance pay and employee turnover."	- Frugal specification of attrition causes - longitudinal dataset	- negative correlation between turnover and performance related pay - especially profit sharing appears beneficial
Image/purpose and retention		
Vitaliano, 2010. "Corporate Social Responsibility and Labour Turnover."	- Regression analysis of turnover rate and CSR measures	- Reduced turnover rate of companies high on CSR measures

	- 84 of top rated firms	- 25-30% reduced turnover compared to CSR-weak firms
Development, learning & progression and retention		
Basterretxea and Albizu, 2011. "Does Training Policy Help to Attract, Retain, and Develop Valuable Human Resources?"	- Empirical study - HR professionals of 66 Spanish companies - Quantitative	- Experts indicate a perceived impact of training policies on attraction and retention of talent - Training as a tool to reduce turnover
Forrier and Sels, 2003. "Flexibility, turnover and training."	- Questionnaire - 223 companies - Correlation training expenditure and turnover	- Positive correlation between turnover and training expenditure - More investments in onboarding and training, than learning practices
Joo and Park, 2010. "Career satisfaction, organizational commitment, and turnover intention."	- Regression and descriptive analysis - 4 companies in Korea - Quantitative	- Learning culture and clear development goals are positively related with career satisfaction - Feedback and learning culture impact employee commitment and turnover intentions
Wali and Zakeriya, 2013. "Employee development and turnover intention: theory validation"	- Survey - 329 participants from public universities - quantitative	- Employees' perception of career development significantly correlated with turnover retention - Development planning as a retention tool
Lee-Kelley et al., 2007. "An exploration of the relationship between learning organisations and the retention."	- Survey - IT industry - quantitative	- Learning organisation characteristics correlate with turnover intention and job satisfaction - Reward and challenges as top dimensions
Job design, support & work environment and retention		
Kundu and Lata, 2017. "Effects of SWE on employee retention - mediating role of organizational engagement."	- Survey - 211 participants from 67 firms - quantitative	- investments in a supportive workplace environment and leadership skills are positively correlation with retention - supervisory role as a predictor of turnover
Kickul, 2001. "Promises Made, Promises Broken: An Exploration of Employee Attraction and Retention Practices."	- Survey - 151 employees from small-sized organizations - quantitative	- Perceived breach of psychological contract impacts commitment, attitudes and turnover intention of employees

Table 1 - Overview of retention driver research

3.2. Modern workplace settings

Digital transformation and new trends in the workplace has changed how work is organized and done. In modern workplace setting employees and organizations are not bound to a specific place and time anymore (Jacobs et al., 2017). Digital technologies allow to get work done from remote places and connect with co-workers through collaboration technologies like Facebook and Slack, forcing HR to redesign jobs and processes (Jesuthasan, 2017). Over 70% of the Willis Towers Watson's 2016 Global Workforce study participants indicated that they use a lot more digital media for work-related purposes that they did only three years ago (Willis Towers Watson, 2016). Working in virtual teams is a lot more common than it used to be, especially in cloud platform applications (Lou, 2015). 37 % of today's workforce is mobile and 30 % work outside of their employer's premises (Redwood et al., 2016). In order for team work to be

efficient when employees are not being present in the same location, new ways of communicating and a well-organized use of suitable technologies is needed. Otherwise virtual team work lead to unsatisfactory results and a lack of team cohesion (Lou, 2015; Zuofa and Ochieng, 2017). The traditional hierarchical business model is not flexible and quick enough to adapt to rapidly changing market conditions, making many organizations set-up networking and team work structures instead, to remain more agile (Schwartz et al., 2016).

Moreover, automation and the use of different new technologies at work result in tasks being organized differently, leaving more room for tasks to be conducted by machines, chatbots or contingent workforce (Jesuthasan, 2017). This implies that routine jobs are increasingly becoming automated, freeing up time for employees to work on strategic tasks. As a result, existing processes and work designs are changing. More work is done in collaboration and dependent on team work and collaboration processes facilitated by digital technologies and collaboration applications (Schwartz et al., 2016).

This changing way of working is an indicator that the factors making employees stay in these modern settings have also evolved, making this the center focus of the following research. It is essential to understand the workers' expectations in the increasingly fluid workforce market to offer the right incentives to retain talent (Wali and Zekeriya, 2013). The present paper aims to add value to the current academic literature by allowing managers and organizations to better target retention strategies to employees' motivators through clearly understanding employee's retention drivers in modern workplace settings and boosting the retention of qualified talent.

4 Method and sample

In order to find out what exactly makes employees stay with a company in modern workplace settings, qualitative research has been conducted. Qualitative research methods have been chosen as they allow to get rich and in-depth insights into the root causes of employee retention

and find out what makes employees stay with an organization without being restricted to pre-defined factors. Eleven semi-structured interviews as well as two focus groups have been carried out. The participants of the interviews were all employed at the same international organization located in Germany at the time of the interview. All interviewees were full-time employees from different departments of whom the majority have indicated that they regularly receive offers outside the company to consider. The interviews consisted of very broad and open-ended questions regarding the interviewees' jobs, the company, corporate culture and individual wants and needs. On average, each interview lasted between 40 and 75 minutes. After conduction of the interviews the recordings were analyzed to draw common themes and findings which help organization to get a holistic understanding of what makes employees stay within a company which utilizes modern technology and collaboration techniques. The quotes which are shown in this paper have been translated from the original German version to English.

After the semi-structured interviews were analyzed, two focus groups with four and three HR professionals respectively were set-up. The goal of these focus groups was to validate the previous research findings and draw possible practical implications regarding these findings. In addition, current practices and policies within a German global player have been observed and employee's perception about them taken into account.

5 Findings

5.1 Interviews

Although the interviews highlighted that retention drivers are very varied and different for every individual depending on their life stage, personal priorities and future aspirations, the input that has been given by the interviewees can be grouped into six broad categories to facilitate a better understanding of why employees stay within an organization. These six categories have been visualized in *Appendix 1*. The five center pillars represent the key retention

drivers, namely a distinct and authentic corporate culture, good development and progression opportunities, appropriate and challenging job content, incentives and rewards and lastly relationships with managers and peers. Interestingly, what appears to be very important is the notion of flexibility and personalization in all the above-mentioned categories which is not yet reflected like this in previous research. The interviewees communicated how important it is for them that their employer designs their work and work environment to fit individual's wants and needs instead of one-size-fits-all HR practices. *Table 1* gives a quick overview of the key employee retention factors, its sub-categories and a few sample quotes picked from the semi-structured interviews. These factors will be looked at in more detail in the following paragraphs.

Main factors	Sub-categories	Sample quotes (translated)
Flexibility and Personal Consideration	Influencing all the following categories	<p>"I have a lot of autonomy, I also have a lot of responsibilities. Which I like."</p> <p>„well the opportunity to work from home has helped me a lot. [...] I will also go home for 2 weeks now, and I can work from there the same way as being [<i>physically</i>] here."</p> <p>"[...] and definitely the flexible working hours. That is super helpful."</p> <p>"I started in a different department then I am in now. I had many different roles within that company. It's nice that you can try out new things."</p>
Corporate Culture	Open and inclusive culture Trust Strong and authentic corporate values/vision/mission Corporate image	<p>„[...] on the one hand this open culture. Also, that this is incorporated like 100% like this globally. Everybody addresses each other informally. [...] you can approach everyone at any time without [<i>having to face</i>] any barriers."</p> <p>"[...] also that internationality as part of our corporate culture. There is just no homogeneous group anywhere and all that interconnected and virtual work. And it still works. I like this. I really do."</p>
Development and Progression	Learning opportunities Traditional career progression Alternative and experimental approaches	<p>"[...] would I be stuck in a position right now, in which I cannot move forward or backward, I would look for another job."</p> <p>"[...] a person in which I receive trainings, in which I can progress, where I can learn new things."</p> <p>"There is a lot of options like fellowships, job-shadowing or rotation programs also to consider."</p>
Job Content	Perceived impact Visible impact Meaningful work	<p>"You get asked all the time for help [<i>from employees from different departments</i>], at the same time you get asked for support all the time as well."</p> <p>"[...] this agile way of working is definitely unique."</p> <p>"[...] I just really like the work that I am doing [...] I really see the impact I am having."</p> <p>"Right now, I just don't see the impact I am producing. I would like to change that."</p>
Incentives and Rewards	Distributive justice Base pay Other benefits	<p>"If the pay was better, all other factors being equal, I would take the alternative offer... let's be honest."</p> <p>"it's not just the base pay, but free lunches, coffee and perks like a company car"</p>

		“it’s also about being fair compared to others, otherwise you just feel unfairly treated.”
Relationships	Relationship with manager Relationship with peers Multicultural collaboration	“All-hands Meetings and Coffee Corners, it means that you see the [<i>higher level</i>] managers regularly. Even if it is just for a coffee.” “I really like my team. They are this super creative bunch of people, that impressed me.”
Personal Factors	Family and friends Fixed assets Location	“I have lived in ‘ <i>location</i> ’ for 15 years... I have a house here and my family, moving is just not an option.”

Table 2 - Representative quotes

Flexibility and personalized consideration. The main dimension all the participants mentioned to value over many other things is the amount of flexibility and control they are given over the five key retention drivers detailed in the following paragraphs. In modern workplace settings employees want to be given sufficient autonomy and control to design their work content, development plans, rewards and work arrangements as convenient to them (“[...] the flexibility is the best part, [...] my child got sick, but I would have had to give a training that day, I called [*my team member*] and five minutes later, everything was settled and I could work from home”). The interviewees want to feel that their employer makes a lot of efforts into designing their work, benefits and rewards to reflect individual preferences (“I have a family to look after now [...]. It is already great that we get child care if needed, but having the option to bring my kids to work sometimes or reducing my working hours for a while, is just great”). This finding is also highlighted by Jesuthasan (2017) in her article on the digital changes in the modern workplace. She indicates that around 60 % of employees expect to be treated in a very personalized way by their employers, similarly how they are expected to treat their customers. This desire for a very personalized treatment by employers and flexibility for employees to design their own work, rewards and development tracks is not yet covered by academics.

Corporate culture. A re-occurring theme in all conducted interviews was the corporate culture and the organizational values. The participants state that they want to feel valued and appreciated inside their organization and want to believe that “I can be who I am and it’s fine”.

Employees want to feel safe in terms of being able to openly share their opinions and ideas (“[...] you can just tell it like it is as long as you are respectful and vice versa.”). One interviewee also said, that just defining a clear corporate culture is not enough, it has to be lived in all managerial levels (“,[...] on the one hand this open culture. Also, that this is incorporated like 100% like this globally. Everybody addresses each other informally. [...] you can approach everyone at any time without [having to face] any barriers.”). What is more, the interviewees indicated that they prefer the organization they are working for to have a strong purpose and values that are authentic and they personally can believe in. But not only the internally communicated culture is important, also the firm’s image outside the corporate boundaries. The majority of interviewees stated that they want to feel proud of the company they work for and want to be able to identify with its values ([...] now I really can say, that yes, I am proud to be working here if someone asks me. And it feels nice to be able to do so.”). This reinforces Vitaliano’s (2010) research findings that firms with a strong corporate social responsibility policy have a significant lower attrition rate. Adding to this, the conducted research indicated the perceived high importance of feeling valued and considered in a very personalized manner by the employers, which is hugely affected by an open and trusting corporate culture.

Development and Progression. Another key aspect is visible development and tangible progression. Part of this dimension is learning opportunities offered to employees including on-the-job trainings, workshops, peer learning offerings, coaching sessions, MOOCs and eLearning possibilities. The learning offerings should be tailored to the employee’s interests and development needs while being easily accessible and flexible in terms of when and how the offerings can be consumed (“There are so many possibilities to learn and develop, starting from the learning offerings in the portal or external trainings. To be offered all that is great. [...] Sometimes there’s just not enough time to make use of it ... or it is impractical at the

moment”). It is essential that the learning content is to be perceived as useful by the audience and one interviewee highlighted that the training must help him in doing his job better, otherwise it would not be appropriate for him (“[...] we are also very flexible about trying something new internally [...] learning something new on-the-job and experimenting”). While the interviewees really value learning opportunities, a few also indicated that they want to progress their career in regular intervals. According to the interviewees, employers should try to really understand the individual’s aspirations and facilitate internal growth as much as possible to retain their talents (“[...] would I be stuck in a position right now, in which I cannot move forward or backward, I would look for another job“). But not just the traditional development tracks are valued, but also increasingly alternative development opportunities including stretch assignments, fellowships, job shadowing and job rotation assignments (“Fellowships are great, you can just work for a few months in another department. [...] Afterwards you can just return to your job”). Overall, many interviewees value learning offerings that are tailored to their needs, flexible in consumption, useful for their day-to-day business and equip them with the necessary skillset to progress their careers. Although perceived career progression has been identified in previous research, the notion of personalization of learning offerings and development programs has not been a focus of attention yet (Wali and Zekeriya, 2013). One interviewee also raised the importance of a corporate strategy which welcomes employees back who have left the organization in the past, which reflects the trend of increasingly fluid and flexible work arrangements (“[...] you go to another company and acquire new skills, knowledge, everything. Important is, that you are welcome to return, because then even your employer can somewhat benefit from you having left in the first place.”).

Job Content. During the interview, one of the major dimensions the employees focused on was the job content, work design and the extent to which they could use their skills on a daily basis. Some interviewees indicated to enjoy being challenged and to work in a fast-moving and agile designed environment (“[...] this agile way of working is definitely unique and I would not want to miss it”). The job tasks should be varied and goals should be challenging, but realistic to be achieved by the employees (“I can set my own goals, I don’t receive them, [my manager and I] just then review them together to check if there are realistic, but still, I’d say challenging”). Another dimension that has been raised is the notion of perceived impact. The perception of not creating any real value, appears to be a source of dissatisfaction (“[...] right now, I also just do not see any impact that I am creating.”) Employees like to feel empowered to decide themselves, how, where and when they work (“The possibility to work from home has helped me a lot, [...] it is great that the employer trusts us enough to let us do that”). Flexible work arrangements and times, have been brought up as a good incentive, although one interviewee also implied that this flexibility also has downsides (“[...] I have a flexible time schedule, which mostly means I come early and leave late”). This implies that the flexible work times are a good incentive for some, but can be a negative arrangement for others if not managed properly. Going beyond the discussed literature on modern workplace settings, the flexibility offered through collaboration technologies and flexible work arrangements, can put the employees at a disadvantage if managed poorly and should be a focus point of organizations.

Incentives and rewards. As highlighted by previous research, an external offer including a higher salary can be a reason for people leaving an organization. One interviewee indicated clearly that “If the pay was better, all other factors being equal, I would take the alternative offer... let’s be honest”. The offered salary should clearly reflect an employee’s contribution towards business success and more importantly be fairly set in comparison to internal

colleague's compensation in an equal job category. But for many interviewees incentives and rewards goes beyond the base salary and bonus payments ("It starts with free lunches and coffee [...], but also programs like converting bonus payments into time off instead"). Another interviewee raised again the importance of having control over the individual's reward design ("[...] the possibility to transfer bonuses into additional free time is cool"; "[...] you can choose between having a company car, a regional train pass or an equal allowance to be spend freely to suit whatever you like best"). But not only monetary rewards and benefits have been raised as being important, also non-financial recognition like praise from the managers, being nominated a high performing employee and receiving continuous and constructive feedback on progress and development. The importance of individual control over reward and incentive structures and personalized appreciation is a factor to consider beyond the effectiveness of financial rewards and stock options highlighted in the previously discussed research papers.

Relationships. A good working climate and a respectful relationship with managers and peers appears to be an essential contributor to employees feeling comfortable and at ease at work. Especially in times of virtual team work the interviewees still perceive a good relationship and regular exchange with their manager as important ("My direct boss I can always approach, because he is sitting next to me. [...] One level higher is not as easy, as [*manager name*] is sitting in North America. Sometimes it takes a really long time to be able to speak to her if needed, which really troubles some of my colleagues"). A supportive relationship is also perceived as important between peers as it facilitates a good collaboration process ("You are asked all the time [*from employees from different departments*] for help, but at the same time there is always someone available if you need support"; "The team is great. A very creative and chaotic bunch of people, which really impressed me"). Although the interviewees indicated to enjoy having the possibility to work remotely due to online collaboration tools like Skype or

Slack, it was highlighted that virtual teamwork also comprises disadvantages. Connecting emotionally and communicating effectively through social media and online tools is more difficult than collaborating face-to-face (“[*because I am not physically at the same location as my colleagues...*] I sometimes feel, let’s say a bit out of the loop. There is information you just won’t receive like this”). Misunderstandings are more common and knowledge exchange can be challenging, making collaboration prone to be less effective and less fulfilling for the team members involved in the process. This increasingly difficult communication and different needs to ensure smooth teamwork is a new dimension firms should put focus on to retain their talent.

Personal Factors. Another important dimension, which should not be neglected are personal and private factors shaping the employee’s lives. A lack of alternative offers in the region could be one reason making people more inclined to stay (“[...] to be fair, there is also not many other companies around here, I would really consider working for”). Furthermore, real estate or family members to consider has been brought up during the interviews (“I have lived here for nearly 15 years, I have a house and family [...] moving somewhere else is just not an option for me”). Some characteristics of people like age have also been highlighted by two interviewees to affect people’s intentions to stay at a company (“I have been here for a long time, and at my age I have to say I am looking for a safe workplace, which I probably couldn’t find at most start-ups”). This is also reflected in different academic literature, implying that age has a positive correlation with retention (Govaerts et al., 2010). This could be due to the fact that mature workers might feel more connected and loyal to a single firm if age correlates with a longer tenure as well. Alternatively, mature employees might perceive to be offered fewer alternative work offerings and value job security more than younger generations (Govaerts et al., 2010). Although it is difficult for firms to directly influencing this factors, personal factors including places of residences in the firm’s area is a factor still neglected in research.

5.2 *Focus groups insights*

The two focus groups which have been set up with 7 HR professionals reinforced the findings of the qualitative interviews as well as the grouping into the various categories. The participants of the focus group were selected due to their familiarity with working in an organization characterized by the various factors indicating a modern workplace environment as previously discussed. The participants were all HR professionals from different areas of specialization and experiences including HR Business Partners, pay roll experts, diversity and inclusion professionals and HR project management officers. After discussing the findings of the interview in a group and getting their opinion on those, it was tried to draw implications for organizations and managers. The focus groups have been recorded and analyzed afterwards. The main themes to have emerged were concerned about efficient communication of opportunities and offerings available to talent as well as about fostering a strong, inclusive and authentic corporate culture. As flexibility has been identified as one of the major retention drivers, all HR processes, work designs and development possibilities should reflect this to be best suited to individual's values. While offering flexible options to employees, there needs to be a balance between costs of customizing offerings and refraining from unconsciously discriminating employees by tailoring work and benefits to specific characteristics including age, marital status or managerial levels. The input from the focus groups has been incorporated into the following section about key implication for organizations and strategies to be recommended based on the presented findings. Moreover, a range of possible limitations and suggestions for further research has been identified through the conducted expert interviews.

6 Implications for organizations

There is a number of possible implications to be drawn from the previously discussed findings, but also some factors organizations and managers in modern workplaces need to be

cautious about. As the main finding of the previous research highlights the importance of flexibility for the employees in various contexts, the majority of the following implications are focused on this aspect of flexibility in the modern and virtual workplace. As this aspect has not been a point of focus in other academic research yet, managers might want to consider implementing some of these recommendations in order to retain talent in the evolving work environments.

Promote individual skill management and development possibilities. In order to retain employees long-term, the interviews highlight that if people feel that there is always enough room to develop and try out something new within the organization, they are more inclined to stay. There are different ways employees can acquire new skills through on-the-job experiences including initiatives like fellowships in a different department, job shadowing of experienced or managerial staff as well as short-term job rotations in different job areas. While this is a great way to promote inter-company learning, it can boost knowledge exchange and facilitate networking between employees. Furthermore, long-term transfers to alternative departments or global mobility assignments can be a great way for employees to develop without having to leave the organization. Offerings should reflect career flexibility, purposeful on-the-job trainings and an opportunity to share ideas freely (Redwood et al., 2016). In terms of designing learning offerings, they should be as flexible and easy to consume as possible. As new skillsets are needed at quicker intervals due to constant changes of technologies and processes, a flexible learning structure can make an organization more agile and thus competitive (Schwartz et al., 2017). The trend of digitalization offers many opportunities to do this, by offering employees to-go learning content through apps, eLearning classes and online MOOCs. By embracing new trends like Machine Learning, tailored learning and development plans can be generated for employees taking into account their currently needed skillset, future aspirations, past learning

efforts and development plans (Jacobs et al., 2017). These tailored development plans tie back to the interviewees' expressed desire for personally designed offerings.

Provide flexible work time and location arrangements. Through collaboration tools like Slack and Skype as well as the increasing use of cloud applications, it is easier now than ever to work remotely (Schwartz et al., 2016). Sharing the same physical space is no longer a requirement to work as a team, allowing employees to be more flexible in working where, when and how they want. As the interviews highlighted flexibility can be a major retention driver as it allows people to better combine work and personal life. Offering flexible work time arrangements and the possibility to work remotely can improve the employees' experience, as identified in the interviews. It is important, however, that all the corporate processes and the corporate culture support virtual team work (Willis Towers Watson, 2016). Just having the tools to collaborate virtually is not enough. Virtual team work requires clear and continuous communication to avoid people feeling out of the loop and a lack of knowledge and information sharing (Willis Towers Watson, 2016).

Facilitate continuous dialogue with managers. Increasingly HR practices shift from a traditional annually performance review to regular and continuous developmental coaching for employees (Redwood et al., 2016). As the interviewees highlighted, personalized development packages are very much valued. Therefore, one of the greatest tasks of managers should be to clearly understand their direct reports' aspirations and support needs in order to promote an environment that fosters exactly these. As goals are frequently changing, an annual performance review and a discussion of goals for the consecutive year might not be sufficient to motivate employees, as also indicated by the interviewees (Schwartz et al., 2016). Managers are the first point-of-contact for most employees and should be enabled by HR to communicate all the different possibilities available to employees. This includes all the development and learning

possibilities, rewards and incentives and connecting the employees with valuable resources. Leaders can also make use of digital technologies to facilitate connecting with employees from all job areas and levels. Blogs are a great way to ensure a two-way communication instead of traditional rather one-way communication processes (Jesuthasan, 2017).

Provide personalized rewards, benefits and recognition options. The base pay of employees should be fairly set in comparison to internal colleagues and external market situations, which has been suggested through different academic studies as well as reinforced through the conducted interviews as part of this paper. According to a study done by Willis Towers Watson (2016) only 50 % of employees feel that there are paid fairly, therefore setting a fair base salary structure and communicating this transparently should be a key concern for corporate leaders. However, a good base pay structure might not be sufficient to keep talent engaged. Jesuthasan (2017) highlights in her paper on the digital changes in the modern workplace that around 60 % of employees expected to be treated in a very personalized way by their employers, similarly how they are expected to treat their customers. This includes a reward package which reflects individual's motivations and life situations. While some employees might be more attracted by a high bonus pay, other might be more interested in turning this bonus into additional free time. Some may prefer a company car, while others value a regional train ticket. By giving the employee's the choice how to influence their own reward package, employees can be best motivated. This ties back to the previously discussed importance of having continuous dialogue between managers and leaders, to find out what the individual wants are and reflecting changes regularly. But not only direct monetary rewards are important. Online appreciation tools and using rewards points connecting to possible bonuses or additional incentives are another strategy to consider (Willis Towers Watson, 2016). It might encourage people to offer praise and recognition more frequently and openly, resulting in an engaging and motivating climate.

Promote a distinct and authentic corporate culture. A modern organization's culture should be authentic, promote learning, collaboration and transparent communication amongst all hierarchical levels (Redwood et al., 2016). The conducted interviews also suggest that employees want to feel part of a supportive community in which they can exchange ideas and knowledge freely. A strong corporate culture can foster a sense of community and cohesiveness in a workforce which is increasingly fluid, contingent and mobile (Schwartz et al., 2016). In order to create a corporate culture like this, it is essential that the corporate values are not only specified and communicated, but also followed through especially by the corporate leaders. In Deloitte's study on the Future of Workplace only 14 % of managers indicated that there are satisfied with how their culture is communicated and the extend of internal collaboration (Redwood et al., 2016). Internal blogs, virtual workshops, coffee-corners with the managerial teams and cross-departmental projects are a great way to strengthen a corporate culture and distance from the traditional top-down communication channels.

Teambuilding. Besides the relationships with managers, the relationships with peers and colleagues has also been identified by the interviewees as a major factor influencing employees' intention to stay with an organization. However, the increasing use of virtual team work can make it more difficult for employees to connect and build relationships. Therefore, it is essential to also provide team building opportunities and fostering team cohesiveness virtually. In the interviews, it became apparent that clear and continuous communication and trust is essential, especially for remote working colleagues. While in modern workplace settings you might not see your direct colleagues face-to-face every day, good relationships are still valued and can impact the overall quality of work processes and results.

Communicate purpose, value and impact. As the interview findings also highlight, having a clear and distinct purpose which is communicated frequently and effectively can make

employees feel more engaged and committed to a company (Vitaliano, 2010). Corporate leaders can use blogs on social media or internal corporate portals to reinforce key values, but even more importantly is that they act as role models for other employees (Redwood et al. 2016). As communicated by some of the interviewees, visible impact of their work is also perceived as important. Communicating frequently, not just at the year-end review, what impact each department has on the overall business success might just be a small gestures from the management team, but can have a great impact in motivating employees to stay engaged.

Prevent discrimination when providing flexibility. One area of concern to be raised when offering employee flexibility in all the above discussed dimension, is possible unconscious bias and discrimination due to certain personal characteristics. For example, offering a parent a paid leave option and not the possibility of doing a part-time MBA which that person would maybe rather take, can result in a breach of trust perceived by the employee. While certain personal characteristics might correlate with specific key retention drivers, there is certainly no golden rule employers can stick to. It is still necessary for managers to communicate all the available options to the employees in order to create an engaging environment.

What is more there is also negative aspects of flexibility to be taken into account. One interviewee also indicated some downsides of flexibility which have to be managed properly (“I have always been approached by my former boss to help out with various video productions. To be approached means in that case that she just made me stop working on my current tasks. [...] She always said it will only be limited effort and a very small project to to be done, but it was always a lot more work than expected. Which in the end led me to doing my own job not properly. There was just insufficient communication”). While certain tools to increase flexibility like flexible work time arrangements, can create value for the employees, they should not be misused to make employees work more as working hours are not tracked.

7 Limitations and further research

A few limitations of this presented paper need to be highlighted. As this paper is based on qualitative research approaches, further research might be valuable to assess the correlation and impact of flexibility and personal consideration on intention to stay in quantitative terms. This qualitative research can be used as a basis for further research on exactly this matter. Due to the research methods including qualitative interviews and focus groups, only a small sample size could be used and analyzed. A bigger sample might be needed to further generalize the results. What is more, all the interviewees were employed within a single international organization located in Germany, which could imply that the findings might reflect the national and corporate culture to a high degree. Further research is needed to filter the effects of national culture on the findings. Additional research on differences between key retention drivers of contingent, full-time and remotely working employees could add valuable insights to the topic.

8 Conclusion

Many findings as part of this research, reinforce already existing findings of academic literature in terms of the importance of rewards, development opportunities and a supportive environment. The interviewees part of the qualitative research, value different factors which can be grouped into six dimension, namely corporate culture, development and progression opportunities, job content, incentives and rewards, relationships with managers and colleagues, as well as personal factors. The notion of a very personalized approach to work design and offerings as well as the flexibility offered by embracing new technologies has not been widely researched yet. Employees are looking for a work design and offerings tailored to their needs and want to be treated in a personalized manner by their employers. One-size-fits-all approaches are not suitable anymore to meet the expectation of the workforce. Employees increasingly expect to be treated as customers with individualized and tailored solutions offered to them

(Jacobs et al, 2017). The corporate culture, development and progression opportunities, work content, rewards and incentives as well as relationships with managers and peers should reflect this. There is a range of implications for organizations and managers that can be drawn from the findings. These entail flexible development and progression options, a well-communicated purpose and authentic corporate culture, virtual team building and personalized rewards and benefits which can be facilitated by the use of digital technologies. Further research on the correlation between the amount of flexibility offered and employee retention is needed to further generalize the presented findings.

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Appendix 1 – Graphical representation of interview findings

