

A Work Project, presented as part of the requirements for the Awards of a Masters Degree in Management from the Faculdade de Economia da Universidade Nova de Lisboa.

Retaining MBAs, from employees' point of view

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Abstract

The purpose of this study is to discuss retention strategies used by Human Resource Management to retain knowledge workers, particularly MBAs. This Work Project is a qualitative analysis taking into consideration MBAs point of view through semi-structured interviews. This document takes their opinions in order to discuss the possible gaps between the current HRM strategies used and the ones considered as effective by MBAs.

The interviews were conducted with a sample of 24 participants all of them with a MBA Degree which gave to the analysis heterogeneity because of their different backgrounds. The interviews were recorded and then transcribed. A master table with the results was then elaborated.

Concerning the findings, some of them confirmed the literature review. But new results arose from the interviews, which may be interesting for future research.

Key words: Retention strategies, Knowledge workers, MBAs, Human Resource Management.

1. Introduction

The motivation to execute this Work Project comes from an objective to better understand the career path of knowledge workers. In this changing world, organizational competitiveness comes from knowledge workers being able to adapt to unpredictable changes. These workers are seen as highly valuable resources. Consequently, maintaining them inside the company is seen as critical by Human Resource Managers. If employers want to retain their key knowledge workers they have to take into consideration what they want. People are not similar, which makes retention ever more complex. Some knowledge workers would stay in the organization due to perspectives of career development while others are driven by benefits offered by the firm. However, there are some general retention strategies seen as effective, which will be presented on the literature review part of this Work Project.

This Work Project will try to explain and discuss the retention strategies, which are considered to be more effective from the knowledge workers perspective. First, a literature framework will be presented, which summarizes the information from a wide range of articles and books selected from the Human Resource Management area. Secondly, through knowledge workers' interviews, most specifically MBAs, data was collected regarding this issue. Finally, a content analysis was carried out and the results obtained will be presented and discussed throughout this Work Project.

The purpose of the empirical approach was to collect information through a qualitative method in order to compare and ensure that the retention strategies proposed by the HRM theory are really effective. The goal was to understand the different professional choices that they faced during their career. To try to understand what kept them in the organization or what made them decide to pursue their career elsewhere? Why have they decided to stay in the same organization or leave? What are the reasons for their new career search?

A great number of definitions are found to characterize “knowledge workers”. I decided to focus my interviews on people having MBA degrees for two main reasons. First, diversity is important in this analysis in order to have a wide range of backgrounds. Choosing MBAs allows us to have interviews from people with degrees in Economics, Engineering, Sports and also Management. Focusing on people with an MBA allowed me to have the heterogeneity I was looking for. Second, choosing MBAs was also more convenient to gather information, through the help of the Nova Association of MBA (AMBA).

2. Brief literature review

2.1 Knowledge workers

Diverse authors studied the concept of knowledge worker, each one focusing on different characteristics. Knowledge worker is defined by Aliaga (2000) as an individual who works with information, rather than things. Peter Drucker (1999) affirmed that they are the ones holding vital information; tacit knowledge. Alvesson (2000) characterizes knowledge workers as individuals with high educational backgrounds and professional experience, involved in tasks with high degree of knowledge. Despres (1995) reinforces this idea defining knowledge worker as people using high knowledge to deal with problem solving. Lee (1997) identifies them as key players in organizations, explaining that because of what they know they are the ones that add value to the firm. Benson & Brown (2007) define them as working in more varied complex work. According to Kinnear and Sutherland (2000), knowledge workers are employees who have specialist knowledge and therefore more involved in activities of research.

2.2 Retention strategies

Knowledge workers are essential to the well being of firms. Furthermore, because of an increasingly tough labor market, firms are faced with difficult challenges to retain these employees. In order to obtain competitive advantage employers should retain their key human resources (Storey, 1995; Poole, 1999), because knowledge workers are relatively limited and they possess tangible and intangible knowledge, vital for firms' competitiveness.

2.2.1 Non-financial

There is evidence that non-financial facets can substitute for wages (Coff, 1997; Noe *et al.*, 2007) in terms of job satisfaction. Coff argued that some specific non-financial strategies limit employee mobility. The possible non-financial rewards are described below:

Development and Job experiences. It has been shown that *"if training is cut off, turnover begins"* (Jamrog, 2005: 30). It also means job enrichment and job rotation (Horwitz *et al.* 2003): rotation of people to different areas can result in better communication and work relations (Coff, 1997). Employees need to feel that they are learning new things, gaining experience in different fields and increasing visibility inside the company through special assignments (Jamrog, 2005). Finally, promotion must be cited, once *"firms can enhance satisfaction with promotion by structuring career paths so that assignments are offered as rewards"* (Coff, 1997: 383).

Supervisors: Supervisors must be good coaches and mentors (Jamrog, 2005; Chambers *et al.*, 1998). They are seen as the most important people by Kinnear and Sutherland (2000) and an essential factor (Chambers *et al.*, 1998).

Co-workers: (Horwitz *et al.*, 2003): It is important to offer to knowledge workers programs that connect them: mentoring, set up teams, providing project teams, activities... (Mitchell, 2001). Its absence makes them less committed to remain in a working environment that is not employee-friendly (Ehrlich, 1997).

Autonomy and development opportunities are also important points focused by Kinnear and Sutherland (2000).

Challenging work. Knowledge workers are motivated by challenges (Coff, 1997; Jamrog, 2005; Chambers *et al.*, 1998). They need continuous challenges and want to see results. The best way to deal with key performers is to use their strengths and their knowledge rather than putting them into molds (Drucker, 1998).

2.2.2 Financial

Different financial rewards appear to retain employees with different personality traits and values (Noe *et al.*, 2007).

Pay/Salary: Monetary rewards, such as salary should be taken seriously by HRM to retain knowledge workers (Locke *et al.*, 1980). Some people might value money and satisfy the need for a good reward. However, usually money is not viewed as a useful retention tool in the long run (Slater, 1980).

Benefits: Some authors as Bratton and Gold (2003) state that benefits can be used in order to show employees that companies care about them. The firm may try to provide benefits linked to seniority in the company, or access to beach houses, payment for college tuition fees (Mitchell, 2001), amongst others.

Bonus: Bonuses linked to a system of meritocracy improves the retention of key employees (Noe *et al.*, 2007).

2.2.3 Corporate culture

Organizations must enhance employees' commitment to be competitive in this globalized world (Porter, 1990). Because highly related with turnover, employees need to be committed to the organization (Miller, 1996). It was shown that employees with personal values that fit with the

firm's cultural values present higher levels of intention to stay within the organization (Chatman, 1991 and Mitchell 2001). This fit has consequently a large impact on employee retention (O'Reilly, Chatman & Caldwell, 1991; Schneider, 1987). The decision to remain into a firm is thus determined by employees' commitment (Buck, 2002) and it is essential to reinforce social identities associated with corporate membership to increase employee's loyalty (Alvesson 2000).

Those retention strategies are summarized in the Appendix 1 of this Work Project.

3. Methodology

Semi-structured interviews were conducted. A script (See Appendix 2) was used with the different topics, divided into two different parts: open questions like "Why did you leave your previous company", "What are the reasons to stay in the current firm" or " Did you feel at par with the company's values" as well as a closed question, in order to summarize the interview and be able to compare those answers later on. This in-depth interview allowed me to gather very important and valuable information. It was important, for my understanding, to let interviewees explain their career path. So, the interview was like a "conversation", in a relaxed and informal environment.

The interviews were taped and then transcribed. The duration of the interview was not predefined and ranged from 20 minutes to almost 2 hours. Although there was this time difference in the interviews, all the topics used in the script were covered. Profiles of the interviewees were asked in order to be able to find some patterns.

Despite the fact that this Work Project is written in English, the interviews were conducted in Portuguese, once again with the intention of gathering more in-depth information.

The objective was to interview 20 MBAs. But after almost 6 weeks, 24 interviews were conducted. The majority of them were done during lunchtime at the Palacete of Nova whereas the other ones were conducted in their own offices. In order to find MBAs interviewees, the association of Nova, AMBA, helped me by sending a request to their alumni, out of which 24 people replied positively. From those who replied, fourteen were available and interviewed. The other ten were found by personal contacts or by Internet social Network (The Star Tracker and Facebook). Thus, the majority completed their MBA in Nova and the others in other well know schools such as INSEAD, ESADE, IESE or Católica. All the interviewees were Portuguese working for national or multinational companies. Different backgrounds were represented from Economics to Engineering or Management. This diversity of backgrounds led to a more heterogeneous sample instead of focusing on a particular area. Interviewees are not identified by names, for reasons of confidentiality, but described by age, career stage and activity sector. Quotes from the interviews will be characterized by a code (See Appendix 3).

The written transcriptions were divided into themes and organized into a master table. All the important phrases and feelings of the interviewees were put into this master table, which was then reduced through a data reduction method. The table was organized by activity sector and also by age (See Appendix 4). The next phase was to identify patterns, leading to a last table, containing the conclusions (See Appendix 5).

To a better understanding, a chart of the methodology process can be found in appendix 6.

4. Results

Some patterns emerged from the interviews. Although they are not totally separate from each other, for reasons of clarity they will be reported as separate themes.

4.1 General factors

Findings considered as general came out of those interviews. It was found that all the interviewed MBAs agreed with the importance of some non-financial strategies stated on the literature review, specifically challenging work, training, job rotation, promotion and autonomy. They all approved that in order to retain knowledge workers, organizations need to offer them these conditions.

Challenging work was the most important factor for all of them. It was the first thing that came to their mind when they were asked what retains them into their current firm. They need to feel engaged and challenged. They are motivated by challenges and if they do not feel challenged they would begin look for it elsewhere. A challenging work is the most important and the crucial factor that runs knowledge workers' career. *"I like challenges (...) I need to be challenged. I think that it is very important"* – E(55).

Training and the feeling of being able to learn and being updated in the changing marketplace was also valued by all interviewees, although not as a motivator. *"For me, training is part of those hygienic factors (...) things that are never too much but if they are not they are missing"* – E-C-PT(29).

Another general factor was job rotation, which allows knowledge workers to have diversified tasks in the company. *"You do not have routine. You are always changing"* – E-C-MNC(33).

Promotion was the only one of those non-financial strategies that was not considered key by everybody. Two interviewees, both of them entrepreneurs, did not consider promotions a retention factor. It can be understandable giving the fact that their purpose is not to be promoted in the organization but to run their own company. All the other interviewees agreed that promotion is an important factor for retention. Each interviewee, however, was giving a different importance to the fact of being promoted, but they all agreed that, in the end, it is an important

factor. *“It is something important and maybe in 1 or 2 years, this will be critical to decide whether I stay or leave”* – E-B-PT(34).

Freedom to act independently was stated in the literature review as necessary to retain knowledge workers. They need to feel that they have autonomy at work, and they all agree with the importance of this variable. *“It is one of the most important thing”* – L-B-PT(41).

Despite the relevance of having a coach or mentor, in the literature, only one interviewee spoke about it. *“It is important to have good coaching, good leaders... The big problem is that often these employees have bad bosses”* – L-B-PT(50).

Working environment, in general, was considered important by some interviewees, but only one mentioned the importance that good supervisors play.

Another non-financial factor, which was not mentioned in the literature review, but which the interviews pointed out, was the importance of the geographical localization of the company. Transportation, underground, and garage... all those commodities were found to be important for them. Being located in the central business district (CBD) was also important. In conclusion, transportation facilities and the CBD were important factors for these interviewees. Being in the CBD enhances the creation of external networks, for example lunch with different people every day – simply to be where everything happens. This geographical localization was not found in the literature review as a retention strategy, whereas interviewees considered it as an important factor that it should be taken into consideration. *“It is where are all your friends, all your colleagues, the rivals, where everything happens. There are shops, restaurants, interesting people, beautiful women (...) and this worth at least 1000 euros a month. Clearly”* – L-B-PT(41).

With respect to the financial strategies, all of them are considered important. Salary and bonus were considered, naturally, important factors. Interviewees stated that they need to feel satisfied with their salary package to remain in the organizations. *“Definitely”* – L-O-MNC(37). *“I think*

that....the salary is important” – L-B-PT(50) - “Important because I need to pay the school of 3 children” – L-B-PT(38).

They explained that everybody wants more than what they currently have but also that they need to feel their salary is competitive. *“We always compare” – E(45). “Of course we are always looking at the neighbor’s chicken that is always bigger than ours” – L-O-MNC(36).*

Regarding benefits, this factor was considered important by the interviewees. Cars, a mobile phone, a healthcare insurance along with other benefits are valued as “a plus” to their salary and are valued as money.

Regarding the last group of retention strategies, cultural fit was mentioned as an important factor for the majority of the interviewees. Concerning loyalty, MBAs stated that when they are in the organization they feel loyal towards the firm. Sometimes this loyalty increases or decreases but they always have a feeling of belonging. This feeling can be stronger or weaker but it is seen as important. *“I think that you can only stay in the company if you wear the sweater. Otherwise, I better find another alternative” – E-C-PT(34). “Yes, actually it was always important to me. Values, the job, the activity to develop were much more important than salary” – E(55).*

The literature stated that in order to retain knowledge workers, personal values need to fit with the firm’s cultural values. *“I think the fact that it is an American company these values are close to those in X company with which I identified and with which I identify today” – L-C-MNC(38).*

This factor was considered important for the interviewees, for some of them even very important. Other interviewees stated that company values do not need to fit a hundred percent with their own but some overlap needs to exist. *“Company values have to somehow fit with ours” – E(45). “(Values) have to coincide minimally (...) there are some things with which I do not agree completely (...) but in the essence, the values of the company do not shock me (...) does not mean that I agree with them but... they do not chock me” – L-O-MNC(37).*

This cultural fit can be more or less crucial but, in the end, it is a relevant factor in order to retain them.

4.2 Industry-specific themes

The findings show that some strategies are specific to particular industries. Consulting and Banking are two sectors with exclusive retention strategies.

Consulting Sector

Concerning consulting firms, it was pointed out that one reason for the interviewees not to leave the organization, moving from one consulting firm to another, was related to reputation. This was a specific topic stated by some of the interviewees from the consulting sector. *“I would not jump due to the matter of reputation. Lisbon is a very small city, and if you get a mercenary reputation, it’s bad. You are completely burned in the Market”* – E-C-PT(29).

They stated that in this particular sector it would not be good for their professional reputation to change consulting firms, whereas leaving to a client firm is considered as a normal career path.

“You get a name in the market, and therefore in that point you have to be careful” – E-C-MNC(33).

So, professional reputation works as a retention variable and is specific to this activity sector.

This factor is not discussed in the literature but it is an important finding for a better understanding of this specific sector.

Banking Sector

When speaking with interviewees with a long career in banks, pension funds were considered as a very important retention tool. The non-transferability of these funds leads them to stay, particularly in the case of long tenures. *“Notice that, if I leave today the bank, I had to look for 15 years ... therefore I would, all these years, throw away the contributions. So this is absolutely essential in view of decision. There is here an opportunity cost, which is present in all*

decisions...” – L-B-PT(50). *“The pension funds are an important factor that make me stay here. I don’t want to lose....to lose that”* – E-B-PT(45).

This retention is only effective for people with a long tenure. For the younger people this was never mentioned as an obstacle to leave or a reason to stay. It is consequently interesting to see that even if some people are still interested in new challenges, the legislation of the pension funds is a reason for them to stay. *“If in fact the pension fund was transferred (...) I would be much easier to make a move and a sector shift even further today”*- L-B-PT(50). This legislation limits the mobility of workers.

Benefits were also mentioned as an important factor. The Banking sector offers different and more attractive benefits than the majority of other firms. Some of them were mentioned: 25 days of holidays, special rates for mortgages, schedules, commodity etc... *“Here we have 25 days instead of the 22 (...) They don’t call me during the week-end, I can be with my children (...) it’s calmer than in my previous job (top management consulting firm)”* – L-B-PT(38).

While for the interviewees of other sectors, fringe benefits are a plus, for the banking sector employees, those benefits are considered as having an important weight. Those retention strategies are therefore more effective and specific to this sector.

4.3 Individual personality

Some individuals, such as entrepreneurs have a different way of thinking as well as different priorities and goals. They are 'challenge-seekers'. It was very obvious that some retention strategies used and seen as important by most interviewees were not as effective and not even considered as important for the interviewees having their own company. Interviews show that challenging work is the most important point but for entrepreneurs the meaning of this word is seen a little bit differently. *“I like challenges (...) I need challenges”* – E(45). It is the key factor that guides their professional career path. For other interviewees challenging work is important

as well as other non-financial and financial factors. But for an entrepreneur, challenging work is the most important point even if the others factors are not present. This has a critical importance and it is also an important finding. While for the other people a lot of factors are important when thinking about their career, for entrepreneurs challenging work is the most important. One interviewee stated that: *“It’s like that, a person gets rich not materially but personally (...) going through new challenges”* – E(45).

Challenges are so very important that one of the interviewees was always looking for new challenges. Even if he was satisfied, with good co-workers and a good financial package, when the challenge was not so strong and once his goal was achieved, he was already looking for another challenge. This leads him to change the company he works for at an average of once every 3 years. *“New challenge and here I am. It was a funny thing (...) for me it would not last more than those 3 years”* – E(55). And for him, even all the retention strategies would not be effective, only a new challenge.

In the literature review, promotion is seen as important aspect to retain knowledge workers but for entrepreneurs this strategy is not so effective. Of course it is important to feel that the firm recognizes the work done, but it is not the most important retention factor. Their personal goal is not to grow in the company but to feel challenged at work. *“I never worry about that. It was actually something that I never worry. I never had the ambition to rise”* – E(55).

4.4 Career development stage

Career development stage also determined the emergence of differences concerning some non-financial strategies. Some non-financial retention strategies have a positive impact in the early stage of interviewees’ career and others in a later career development stage.

Early Stage

Co-workers are important in the early stage of career development. In this phase, a good relationship with co-workers leading to a nice working environment is fundamental. *"It's fundamental. We work a lot under pressure, and therefore it is essential to have a good relationship with people"* – E-C-PT(34). *"I think that relationships within the company are crucial"* – L-O-MNC(37)

In this phase they do not hold a high position within the organization and the working environment is therefore preponderant. Thus, in order to retain young knowledge workers, a pleasant environment is essential. *"In this company...they have people with the same level, very balanced...usually people who by nature you fit with. People who are close to you, in quality and in terms of intelligence, way to be...."* – E-C-MNC(33).

Team orientation is also valued in the early stages. To work in a team is their day-to-day and therefore very important to keep them in the company. As they move into higher levels of responsibility, this aspect loses importance. Instead they value being able to manage teams and have positive impact on the results of the organization. *"I prefer to lead smaller team.... So I think teams from 4 to 40 people is ideal"* – L-B-PT(41). This is a finding that is not discussed in the literature. Therefore, it is interesting to know that for early career development stages, it is important to work in teams, to feel that they are part of a team and to be able to interact with co-workers, develop ideas... *"I like more to interact with someone at work. It does not need to be a large group, a small team is enough. I rather like to work in teams"* - E-B-PT(34).

To have these individuals working alone when they are more motivated by working in teams may be an important finding for HRM. Obviously there are exceptions but in general, team orientation appeared in these findings as important for knowledge workers in the early professional career path. *"I clearly prefer to work in teams. I think it is more.... I think it is more"*

productive. I think that people have different points of view and this makes the work richer” – E-O-PT(32).

Late stage

In later stages of career development, the location, the company brand name and the status become valued factors.

Regarding the location, saying that the firm is located in a prestigious location, despite not being essential, has its relevance for some of the interviewees. *“So, it is good for my ego working in a splendid place, but it is not essential”- L-B-PT(56). “It is true that it is difficult to say that people do not care about prestige...” E(55). “The workplace is very important. Have you seen this view? It’s great !!!!(...) Love working here” - L-C-MNC(38). “I love working in the Avenida da Liberdade overlooking the Tagus, it is amazing!!!” – L-B-PT(41)*

Company’s brand name also came out as relevant for interviewees with high responsibilities. It is important for them to feel that they participate actively in a well know organization. It would be difficult to leave this status to work for another firm. *“I think that it is one of the most spectacular firms in the world” – L-B-PT(41)*

Status, the fact that they have an important position inside the firm, is also a retention factor.

“I have a good position with good people. I do not have the intention to leave” – L-B-PT(56).

Therefore, the organization’s workplace, company brand name and status are relevant issues for them.

Factors leading to intention to leave, associated with career development stage

In the content analysis, some non-financial strategies appeared to have a negative influence, such as co-workers.

As mentioned earlier, co-workers have a positive influence in early career development stage. But, it was uncovered that this influence could also be negative. When speaking with the interviewees about the importance of co-workers, some of them pointed out the importance of having good co-workers. If a bad working environment were found it would be one of the factors that could lead them to leave the organization. *"I do not know if I could overcome a bad work environment"* – E-O-PT(32). *"Yes, I could go because of a bad working environment. What weights more is disagreements within the group, feeling that the group is not competent..."* – E-O-PT(41). *"Yes, clearly, I have no doubt. If the work environment was not good I would quit"* – E-C-PT(34). *"If I would not like the environment it would be very difficult to continue here (...) I am very ... the environment affects me a lot"* – E-B-PT(34).

All those statements show that if the working environment were not good, it would be a factor for them to leave the company. Therefore, co-workers have a two-sided influence for early career knowledge workers. If positive, it is a retention factor, but when negative it induces turnover.

On the contrary, for interviewees in the later career stages, a bad working environment is not a factor for leaving. *"No. I think that this is stupid"*- L-B-PT(56). *"We must learn to work with everybody, to adapt ourselves, this is part of the process"* – L-O-MNC(41). This result also confirms the previous findings of the low impact of co-workers and working relations for older employees. For them, interactions with colleagues are seen as competitive. *"We are very competitive, we are not friendly. We are not friends; we do not go to dinner together. But that is part of the work"* – L-B-PT(41). This interviewee, who is in a very high position, stated that nowadays co-workers have a different meaning than before, at the beginning of their professional career path. *"Usually managers do not have lunch together. Before reaching a management position, I think we were having lunch every day, but that was many years ago, I*

no longer remember how it was like. (...) We do not get along very well, we are rivals. We are lions in a cage” – L-B-PT(41).

For them, co-workers are the competition and a bad working environment does not lead to turnover. It is part of the job.

4.5 Other findings

When asked about the retention strategies used by the firm, the majority of the interviewees cited many strategies that they think HRM uses for retention. But the answer of some interviewees revealed that no techniques were used. These interviewees were the ones that had changed companies only once or twice throughout their careers. They feel that the organization does not take great measures to keep them but surprisingly they stay in their organization. However, one of the interviewees did not change because of the economical current situation. Another believes that the company does nothing to keep him because the sector is specific (Consulting) and there are so many people willing to take his position that they do not need to do a lot to keep the workers. And another one stated that nothing is being done by the company, but his status within the bank prevents him from leaving the firm. *“For the Bank Board to do something for me, I would not feel it” – L-B-PT(56)*

Regarding the entrepreneurial individuals, one of them stated that nothing would make him stay once he had decide to leave, or once he felt that there were no challenges. *“Usually I state the fact so well that there are no maneuvers than can be taken” – E(55)*

Concerning job opportunity, individuals in the Consulting and Banking Sectors are the one less interested in searching for them. However, interviewees working in Other Services are either looking for a different job unless they are very satisfied. *“In this moment as I am satisfied.... No. I still have enough challenges” – E-O-PT(32).* *“Yes. I am in that network of LinkedIn, The Star Tracker, I maintain contact with several Head Hunters. But now all that is fully stopped. Few*

people are recruiting right now...” – L-O-MNC(39). “We are every day. Every day. I do not do an active search but when I buy Espresso, the newspaper, I always take a look to the employment pages” – L-O-MNC(36). “I am not used to looking at the offers, but there are always Head Hunters around” – L-O-MNC(43).

Regarding salary, the most important finding was that salary is seen as necessary but not sufficient. It is never an increase in salary alone that makes an interviewee to change or willing to change a job. It is one condition but not the only one. *“It is an important factor. It is not the only one, but of course it is important...” – E-C-MNC(33).*

A good salary needs to come with a combination of non-financial, financial and cultural factors. *“Another company earning more but with a less challenging work I never changed. I had a lot of offers but I always refused” – L-B-PT(41). “They would need to offer me a project attractive as a whole (...) the fundamental is a challenging work, responsibilities, the company brand name, the activity sector...” – L-O-MNC(41).*

Only one interviewee changed work because he thought he was not earning enough. *“I leaved the company because the company was not paying me enough” – L-O-MNC(36).* This, however, is a company known as not paying a lot and with a high turnover.

To sum up, in order to retain these individuals a mix between the three kinds of strategies, non-financial, financial and cultural is needed, and even if the salary appears as necessary it is not sufficient to retain them. *“Obviously it is important (salary) it would be ... is not, is not the most fundamental point” – L-O-MNC(41).* A change in salary is not enough to leave, since the risk to change to an unknown company, with a different organization and people, does not compensate (Cost of opportunity). *“(I did not change) because the brand name was not strong, the perspective of a diverse job was not there, because I would not improve my skills...(...) and for twice my salary I already refused more than once” - L-B-PT(41). “We do not know what we are*

going to find. Do not know if the company works well, if the teams are good, if they are working well. Therefore, for equal work only with a variation in salary, this have to be something very significant” – E-B-PT(34). “I would change if I would have a combination of those three (salary, personal development and contributing to a common good) – L-O-MNC(39).

Family responsibilities and the change in personal duties are important external factors. It can be difficult for some sectors to retain knowledge workers when their family responsibilities change. Some consultants stated that when their personal life changes they would look for a job that offered them more time. “What can make me leave the company is a change in my personal life. So, I will need to think about if I can stay in a consulting firm after having a child” – E-C-PT(34). “It is very important now that I have kids to have all my week-end free, no professional calls during the week-end, be able to spend time with my children... all that are very important now and was impossible in the previous company (consulting)” – L-B-PT(38).

4.6 Findings from the closed-questions

Interviewees were asked to rank some factors from 1 to 7 (1 being the most important), which were considered in the literature review (See Appendix 2).

When separating the interviewees’ responses by activity sector, the result supported the previous findings. The top 3 factors were the following:

Consulting Top 3	
1	Challenging work
2	Co-workers
3	Salary

Other Service Sector Top 3	
1	Challenging work
2	Co-workers
3	Salary

Banking Top 3	
1	Challenging work
2	Salary
3	Benefits

Entrepreneur Top 3	
1	Challenging work
2	Salary
3	Company's values
3	Benefits

Those four tables show the similarities but also discrepancies between retention factors.

Consulting and Other Services have the same top 3 retention factors. Co-workers were the second most important factor and salary the third. Because of the nature of the work in the consulting sector, where teamwork is critical, it is understandable why colleagues are so important.

However, discrepancies appear for the Banking sector where the importance of colleagues is replaced by financial strategies: Salary and Benefits. Those findings confirm what was said above.

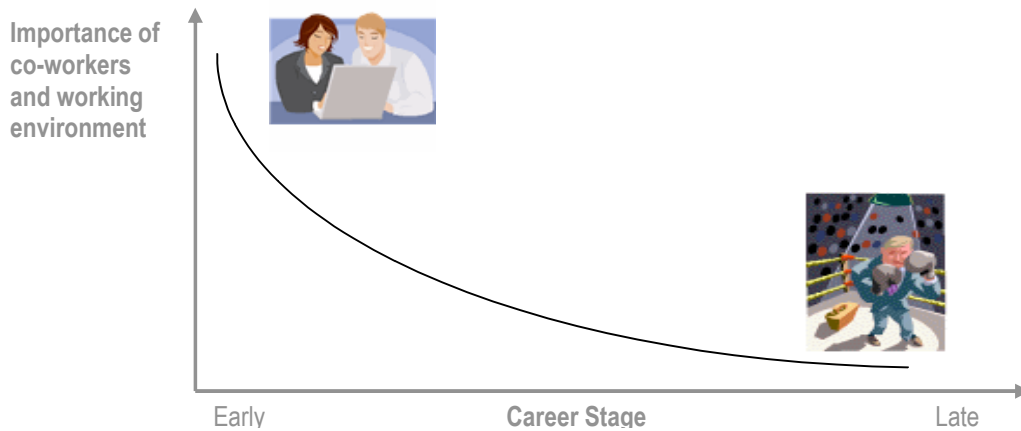
For entrepreneurial individuals, results are more disperse and difficult to sum up. But what stands out is the variable "Company's values" in the top three positions, which is comprehensible considering they own their companies.

By separating the interviewees' response by age instead of activity sectors, the results reveal that for younger individuals (less than 40) the working environment is second among both consulting and banking interviewees. Even though salary and benefits are important for the interviewees working in the bank, on average the younger ones stated that the second most important retaining factor is the working environment. After 40 years, salary appears as the most important. This finding can be very interesting, showing that in the same sector or firm, age affects the perception and the efficiency of retention strategies.

In order to better understand this change in perception, interviewees were asked to think about the period 5-10 years before, and which were the factors to retain them back then. The results showed that during their professional career paths some retention strategies, which seemed the most important at the time, changed. As well as co-workers, salary was the other retention factor that changed over time. Those two factors bounce in importance over time.

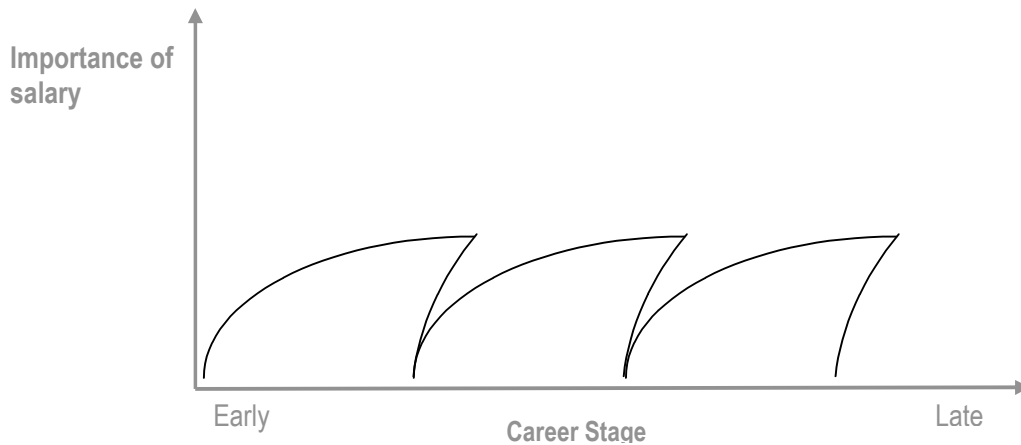
In the early career stages, co-workers are regarded as an important retention factor whose importance decreases over time becoming later competitors.

Graph 1: On becoming competitors



As already mentioned salary is a necessary but not sufficient factor. What came out of the closed-question was that the importance of the salary also bounces over time. Salary can be less important in the beginning of professional career to become more important later on and to decrease again over the years.

Graph 2: Tidal movement



Therefore, what can be concluded is that as co-workers, salary is a retention strategy, which changes in centrality over time, but having no correlation with the career stage.

5. Limitations

Due to time restrictions, it was not possible to interview the HR Managers of the respective organizations. It would be interesting to include their opinions in order to understand the differences.

Another limitation was the fact that the interviews were conducted with open questions, which on one side was very useful for raising new topics but make it difficult to find patterns.

Some results could have been biased. When interviewees did not speak about some topics or variables, it was assumed, that the subject was not relevant for them, which may not be a correct assumption.

Future research

Further research in this field should consist of interviewing knowledge workers as well as HRM of the respective organization, to check for potential discrepancies.

Other issues should also be explored, such as the time taken to think in the closed question.

Some interviewees replied very quickly to the questions, while others changed their order multiple times during the interview or took long minutes to think about their answers.

Furthermore, future research should include a more homogeneous number of interviewees (the same number of interviewees on each group) to be able to do a more accurate study.

An interesting avenue to explore relates to changes over time in the variables of salary and co-workers in order to find more precise conclusions.

6. Conclusions

The findings confirm the literature review in some aspects, such as the obligation for organizations to offer challenging work to knowledge workers. All the interviewees confirmed this aspect as the most valuable factor. In general the study suggests that not all the strategies are suitable to every worker. Three kinds of groups were identified. In the consulting and banking sector, the specific variables which seem to be more effective in retaining workers are reputation and benefits respectively. For workers on a later career development stage, company brand and status are the strategies seen as most effective, while in the early stages other variables such as co-workers are seen as having more impact on their retention. In fact, the importance of “peaceful harmony” from the early career stages seem to change over time towards a “boxing game” where personal competition rules. Therefore, Human Resource Managers need to be aware of those distinctions in order to use the best strategies to retain their knowledge workers and be able to identify different segments of employees and offer them what best suits them.

Salary was found to be necessary but not sufficient and changes over time, following a tidal movement, i.e. with no apparent logic. Whereas some strategies are specific to times and sectors, salary is the variable that cannot be positioned at any place. Therefore, Human Resource Managers may need to pay a special attention to this finding.

Those retention strategies may have positive impacts when used with the right type of workers; otherwise they may have negative results.

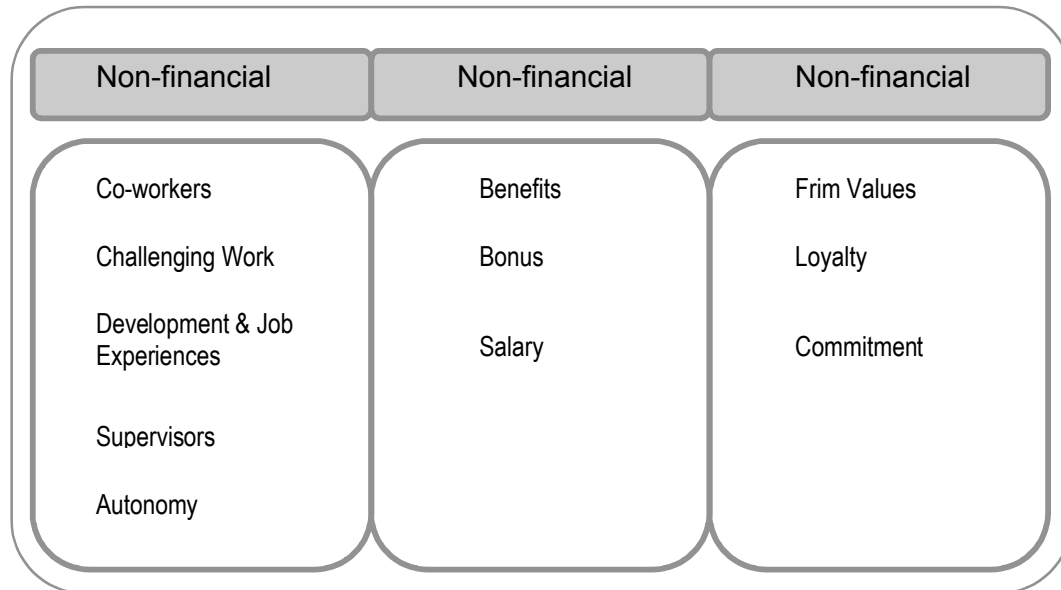
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Appendices

Appendix 1: Retention Strategies



Appendix 2: The Script

Interview guide

Warm-up

I am a student at Faculdade de Economia da Universidade Nova; and I am doing my thesis in the area of Human Resource. For this purpose, I am conducting a study in Portugal about retention strategies.

I am going to conduct a depth-interview using a semi-structured interview; that means that I will ask you specific and open-ended questions.

All this information will allow me to gather in-depth information about how MBAs perceived retention strategies comparing to the theoretical study done previously.

After the first question, you will be free to tell me whatever comes to your mind on the subject.

If it is Ok for you, I will record the interview. This will last approximately 40 minutes.

Initial question

What do you value the most in your company?

What are your reasons for staying or leaving the firm?

Respondent profile

Age:
Year MBA graduation:
Company name:
Job:
Gender:
Portuguese / MNC:

Topics to be developed

- Non-financial strategies
 - Training
 - Job rotation
 - Promotion
 - Flexible work practices
 - Interpersonal relationships
(immediate boss)
 - Co-workers
 - Challenging work and Special assignments
 - Freedom on the job / work independently
 - Supervisors support
 - Opportunities for development
 - Team orientation
- Financial strategies
 - Benefit
 - Bonus
 - Salary
- Corporate Culture strategies
 - Personal values Vs firm values
 - Loyalty to the company
 - Attracted to firm that fit your values?
 - Do you feel committed to your company?
 - Work environment

Additional Questions

- How would you define the importance of HRM in your firm?
- Are you satisfied by your employment?
- Which factors affect your choice of firm?
- What do you value the most in your firm?
- What kinds of development opportunities does your firm provide?
- Do you think that corporate culture affect retention? Corporate culture: affect you to stay within the firm?
- Are you satisfied with your pay package?
- Is it competitive? Do you compare it with competitors?
- What are the retentions strategies used by your firm?
- What would you change or improve?

- Did you already look for another job? Why?

Closed Question

- Could you please order by preference the most valuable retention strategies?
 Salary
 Benefits
 Company's values
 Loyalty
 Challenging work / Special assignments
 Promotional progress
 Co-workers
- Would those strategies been in the same rank 5 or 10 years before? What are the main differences?

Appendix 3: Code examples

First: Career Management Stage			
Early stage - E		Late stage - L	
Second: Activity Sector			
Consulting – C	Banking – B	Entrepreneur – E	Other Services - O
Third: Company Origin			
Portuguese - PT		Multinational Company - MNC	
Fourth: Age of the Interviewee			

Follows examples of this code:

L-C-MNC (38) → Interviewee in a late career stage, working for a multinational consulting firm and having 38 years old.

E(55) → Entrepreneur with 55 years old.

Appendix 4: Final Master Table



QuickTime™ and a
decompressor
are needed to see this picture.



Appendix 5: Summary Findings

		Non-financial	Financial	Culture
General Factors		Formation Challenging work Geographical localization	Job rotation Promotion Autonomy	Salary Bonus Fringe Benefits Company's values Loyalty
Industry-Specific Themes	Consulting	Protecting individual professional reputation		
	Bank		Benefits Pension Funds	
Individual Personality	Entrepreneur	Nothing can lead them to stay "Challenge-seekers"		
Career development Stage	Early	Co-workers Team Orientation		
	Late	Company brand name Location Status		

Negative relations

Career development Stage	Early	Co-workers → Leave the organization
	Late	Co-workers → Competition

Other Findings

HRM strategies seen as normal HR tactics
Salary necessary but not sufficient, follow a tidal movement.
Family responsibilities

Appendix 6: Methodology Process

