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How best to manage graduate employees in Professional Services
to enhance their performance.

(‘An Exploratory Case Study’).

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Signed Declaration

I hereby certify that this material, which I now submit for assessment on the programme of study leading to the award Professional Doctorate Programme (Education) is entirely my own work and has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my own work.

Signed & dated:
ACKNOWLEDGEMENTS

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Title: How best to manage graduate employees in Professional Services to enhance their performance.

(‘An Exploratory Case Study’).

This research study focuses on the graduate workforce in the professional services sector. An exploratory case study methodology is employed to look at how best to manage the psychological contract of this population to enhance performance and engagement levels.

The main research questions posed in the study are;

- How can the graduate population be more fully engaged in the workplace?
- What factors drive superior performance levels among this population?
- What recommendations can help retain this population in the organisation?

The results will be used to design a more effective strategy for managing graduate employees in Deloitte and the other organisations and institutes that have participated in the research study. Many of the findings will be relevant to professional services firms and graduate employers in general.

The environmental context is a critical component of the study as the economic context changed significantly from the start of the study (2006) to its completion in 2010. The local context moved from significant economic growth, high employment rates, a national property boom to a scenario where the country entered a full recession with an associated rise in unemployment and a collapse of the property market.

Literature in the areas of Psychological Contract Theory, Motivation, Employee Engagement, Performance Management and Talent Management will be reviewed in this study.
A range of research methods have been employed including focus groups as part of the pilot study, an online survey to inform the in-depth interviews with graduates, professional institute experts and managers in the relevant sectors.

The overall trends emerging from the study are analysed in the context of the literature and a framework (MOTIVATE: A Framework for Managing Graduate Employees 2010 - 2015©) has been developed as a result of the study as recommendation guidelines for those dealing with the research population.
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1.1 Introduction

‘If people are at the heart of competitive advantage, how are they different from financial or technological capital? This question informs the debate about how we create organisations in which people are excited, motivated and inspired.

(Gratton, L. 2000)

This chapter will examine the background of this research study from the perspective of the researcher. The development of the research question of the study will be examined. The chapter concludes with an explanation of the role of the researcher.
1.2 Context – Deloitte & Touche Ireland

The main research audience and the researcher were based in Deloitte & Touche, Ireland.

Deloitte & Touche is the fastest growing PSF (Professional Services Firm) in Ireland with over 1,200 people working in Dublin, Cork and Limerick. The firm is currently number three of the ‘Big 4’ firms in Ireland but is viewed as a threat to the top two firms nevertheless because of the pace of growth. The firm provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries.

With a globally connected network of member firms in 140 countries, Deloitte brings world class capabilities and deep local expertise to help clients succeed wherever they operate.

Deloitte’s global 150,000 professionals are committed to becoming the standard of excellence. Deloitte's professionals are unified by a collaborative culture that fosters integrity, outstanding value to markets and clients, commitment to each other, and strength from diversity. They enjoy an environment of continuous learning, challenging experiences, and enriching career opportunities. Deloitte's professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities.

Ireland’s economic transformation and subsequent economic decline has been mirrored by Deloitte’s financial performance.
Figure 1.1 (below) is a graphical representation of the significant growth in revenue and staff from 2002 - 2007. This represents a 50% increase in fees generated and staff numbers in the timeframe. Despite this significant growth the subsequent years of 2008 & 2009 matched the general decline in the economy with a 20% decline in overall growth. The firm is also facing stiff competition in the market place in relation to fees.

Figure 1.1: Deloitte Growth Performance (2002 – 2009)
Employee Surveys

In 2002, Deloitte became the first Professional Services Firm in Ireland to win a place in the Top 50 Best Places to Work Awards. This is a prestigious award that is based on a random sample of employees answering questions on employee commitment and engagement to the organisation.

Deloitte has now been a winner of this award for 8 consecutive years with a place in the top 11 list this year and a special award for Work Life Balance. This is a significant achievement in a sector where work life balance is one of the key factors in driving the attrition rate.

In the current economic slow down in this country, the firm’s leadership will need to be strong and continue to invest in the people agenda despite budget cuts across the board.

Despite the current widespread economic pessimism, Deloitte has ambitious growth plans over the next five years to double in size. In Deloitte, the ability to manage the most talented employees is key to business success. The firm need to ensure that they recruit, retain, develop and deploy our human capital in such a way as to maintain a base of skilled, motivated employees and thereby ensure a competitive edge.

Despite the economic context, Deloitte still continues to be a graduate ‘employer of choice’. In 2008, 270 graduates were hired; in 2009 this figure was 150 and is likely to be similar in 2010. This indicates that the firm is still keen to invest in hiring and developing the most talented graduates in the marketplace.
1.3 Background to the Study – ‘Generation Y’ Survey

In 2007 I became involved in a graduate survey to client companies in the Financial Services sector (appendix 1). The survey was branded ‘Generation Y Survey’ to fit in with the trend at the time. ‘Generation Y’ is the term given to the workforce born after 1980. The client survey was completed by over 300 employees in this ‘under 30’ age bracket. The results of this survey further whetted my interest in this population and I was keen to complete an academic research study to explore the emerging themes further.

From the online survey, it emerged that the top three main attraction points for this population to organisations were Opportunities for Career Development, Training and Salary as seen in figure 1.2. These were the top 3 concerns for graduate workers, interestingly ‘job security’ did not appear on this list as the economy was still buoyant. Job security is now a critical factor for graduates entering the workplace as will be discussed later.

**Important Attraction Points**

1. Opportunities for career development
2. Training
3. Salary
4. A flexible working environment
5. Responsibility
6. Location
7. Prestige
8. The firm’s reputation/size

Incentives offered by a company/firm in ranked order of importance to Generation Y

- 9 out of 10 Generation Y-ers consider opportunities for career development important or very important
- Companies can no longer rely on their reputation/size or prestige to attract employees

**Figure 1.2 – Important Attraction Points for Generation Y**
Three areas emerged from the online survey around engaging with this population. The first is around communication. As represented in figure 1.3, seven out of ten respondents cited their preferred communication method was a blend of email and personal contact.

**Communicating with Generation Y**

- Over 7 out of 10 Generation Y-ers indicated that a combination of both e-mail and personal interaction would be their preferred method of communication with their employer.
- 25% highlighted personal interaction alone as their preferred method
- Findings suggest a high level of confidence among this population in dealing with superiors and that they need to be seen within their professional environment

**Figure 1.3 – Communicating with Generation Y**
An area that has come up in the literature and was also a key theme from the online survey was the whole area of Corporate Social Responsibility. Eight out of ten respondents felt it was important to work for an ‘ethically conscious’ organisation (figure 1.4). Deloitte has responded to this by appointing a Partner in charge of CSR recently. This was done to emphasise the firm’s commitment to supporting the local community and environment. Graduates are particularly interested in what the firm is doing in this regard and will often ask questions around this in interview.

**Generation Green**

- It is important to this generation that they work for an ethical organisation
  - 8 out 10 consider it to be important or very important

- This generation place less importance on working for an environmentally conscious organisation
  - 5 out of 10 consider it to be important or very important

![Figure 1.4 – Concern about the Environment and Ethics](image-url)
Figure 1.5 demonstrates the importance of key aspects of job satisfaction. 95% of respondents said it was important/very important to feel ‘fulfilled and challenged at work’. 90% wanted a high level of responsibility and autonomy.

**Job Satisfaction**

<table>
<thead>
<tr>
<th>A: Work/life balance</th>
<th>9 out of 10 Generation Y-ers rate work/life balance as being important or very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>B: Challenging work</td>
<td>95% believe it is important or very important that they feel fulfilled and challenged at work</td>
</tr>
<tr>
<td>C: Autonomy</td>
<td>90% think it is important or very important to be given a high level of personal responsibility &amp; autonomy by their employer</td>
</tr>
<tr>
<td>D: Interaction with superiors</td>
<td>9 out of 10 perceive regular communication and interaction with superiors to be important or very important</td>
</tr>
</tbody>
</table>

From Figure 1.6 it can be observed that the population surveyed was a highly ambitious group with a high level of confidence. Over eight in ten were ‘very confident’ of achieving their future career goals. This figure shows that 97% describe themselves as ‘highly ambitious’ yet only 45% did not have a detailed career plan. This was one of the more interesting findings from the survey. How real is this high level of confidence? I was keen to do further study to explore this theme in a more in-depth way and was particularly interested in exploring the impact of the current economic recession on this cohort.
High Achievers

• High level of confidence among Generation Y that they will achieve their career goals
• Over 8 in 10 are ‘confident’ or ‘very confident’ that they will achieve their future career goals
• High level of confidence may be attributable to the level of time spent in education before entering the professional environment

How confident are you in achieving your career goals?

• Would you describe yourself as being an ambitious person?

• Do you have a detailed career plan?

Figure 1.6 – Generation Y High Achiever
1.4 Research Purpose

Kelan et al (2009) describes this segment of the workforce (‘Generation Y’) as the ‘Reflexive Generation’. This term is used as they describe them as ‘constantly reflecting back on the relationship between self, work and life.’

The objective of this research project is to explore the work context of graduate employees with a view to identifying key management and motivational priorities to enable them to deliver high performance in a difficult and competitive business environment. This will be done through:

1. focus groups
2. the use of an online survey
3. a series of in-depth interviews to explore some of the emerging themes.

The main research questions posed will be:

- How can the graduate population be fully engaged in the workplace?
- What factors drive superior performance levels among this population?
- What recommendations can help retain this population in the organisation?

The results will be used to design a more effective strategy for managing graduate employees in Deloitte and the other organisations and institutes that have participated in the research study. Many of the findings will be relevant to professional services firms and graduate employers in general.
1.5 Role of the Researcher

As the Head of Talent Development & Learning in Deloitte since August 2006, I am responsible for work programmes around the attraction, engagement and retention of key employees in the firm. I manage the core skills learning for the firm and try to ensure there is a strong alignment with the performance management process. I also act as a career coach and project manage the promotions process each year. When I first started in the role in 2006, the main focus of the role was around retention, how can we keep our best and brightest staff? It has been an interesting journey over the last few years, with the decline in the economy, the focus has moved more to how best to manage performance and increase engagement levels despite redundancies and pay cuts.

My interest was initially sparked in this research topic through insights that emerged from the workshops that I run with final year trainee accountants. I observed consistent patterns in areas of satisfaction and discontentment. It became clear to me that this new generation of workers, labelled ‘Generation Y’ had a very different set of values and expectations to previous generations. This expectation had been fuelled by the ‘Celtic Tiger’ years when there was full employment, a choice of jobs and very attractive benefits and compensation packages.

In 2007 I became involved in a ‘Generation Y’ survey to client companies in the Financial Services sector (appendix 1). This project further whetted my interest in this category of employees. I was keen to further explore areas that impacted on their motivation and retention in organisations.

In 2009/10 the employment world for graduates changed dramatically with significant redundancies either implemented or planned, in particular, in financial services organisations. No longer is it a given that post training contract graduates will be offered permanent contracts. Only the very best graduates will be offered jobs if positions exist. New employment contracts are being developed that address the major change in role and profitability.
We are witnessing a sluggish employment market with a significant increase in contract positions where vacancies exist. We are also witnessing a complete recruitment ban in some sectors e.g. public sector.

The following section will explore the dramatic change in the economic context of this work from 2006 – 2010 and the impact on graduate employment opportunities.
1.7 Conclusion

This introductory chapter has examined the background to this research study and has analysed preliminary survey findings of ‘Generation Y’ employees completed in 2007 at the height of the Celtic Tiger boom years. The research purpose and key questions have been outlined as well as the role of the researcher.

The purpose of the analysis for this study is to provide insights into the work priorities of graduates in a full employment competitive recruitment market. Since 2007, the economic order, especially in the Financial Services sector, has experienced seismic change and all certainties and expectations of old have been irreversibly changed.

This study is grounded in the current reality and the recommendations will be made from the period 2010 – 2015. The following chapter will examine the broader economic context which the study took place in.
2.1 Introduction

This chapter will outline the dramatic change in the economic context of this study from its commencement in 2006 to its conclusion in 2010. One of the starkest measures of this change has been the move from a full employment situation in 2006 to a current rate of 13.4% (CSO figures). The current context of the Irish economy will be examined as well as the global employment environment.
2.2 Current Economic Context - Ireland

Figure 2.1 – Economist GDP forecast for Ireland

Ireland has moved from being one of the fastest growing economies in the world to facing one of the most difficult recessions in the history of the state. Figure 2.1 shows the sharp decline in budget balance as a percentage of GDP from 2007 to 2009. The most recent Central Statistics Office data shows that in 2009, Ireland had the worst drop in annual growth for almost 60 years. GNP, seen as the best measure of domestic activity on the ground, shrunk by 11.3% in 2009, the largest decline the CSO has ever witnessed since official figures were recorded in 1950. GDP, which includes the profits of multi-nationals operating in the Republic, was slightly better, falling by 7.1%. This emphasises our continued dependency on foreign direct investment and how critical it is to economic success.

The start of 2010 the market has shown some signs of a slight recovery, although many commentators suggest it will take 10 years to turnaround the economic situation. The IDA in its strategy document ‘Horizon 2020’ aims to create 105,000 jobs through foreign direct investment over the next four years. MNC (multi national corporations) currently employ over 240,000 people in Ireland, contributing 50% in corporation tax.
Forfás, the national advisory body on enterprise and science, commented in their most recent report that while 2009 was an intensely challenging year for the enterprise sector and we have not yet fully turned the corner to recovery, there are tentative signs of international economic improvement which will help Ireland in its recovery. To move towards recovery and growth we must focus on our significant strengths and the solid enterprise foundations that have been built. We must also prioritise actions that will ensure that our enterprise environment provides businesses in Ireland with the very best opportunities to compete globally.

The underlying factors which have helped Ireland to attract some of the world's leading companies and to build successful Irish businesses remain strong. These companies provide a strong base upon which to build and innovate to develop the next era of Irish enterprise. Ireland has an attractive fiscal and regulatory environment in which to do business. We have a highly educated workforce and a significant pool of skilled graduates. There have been significant infrastructural advances over the past decade. However, there are opportunities which, if taken, could expedite our economic recovery including:

- stabilisation internationally, with most of our key trading partners emerging from recession;
- improvements in energy, labour and cost competitiveness;
- greater availability of skills;
- the relatively resilient performance of our exporting sector in difficult international markets.
Diversifying Trade and Investment

Figure 2.2 outlines the uncertain journey for Irish exports over the last number of years. Export figures decreased steadily throughout 2009 but the trend is more positive in 2010.

![Figure 2.2 – Irish Exports by Month to Jan 2010 (CSO)](source: Central Statistics Office Ireland)

Despite this trend, Ireland's export performance has been comparatively resilient during the recent global recession. A return to growth in our main trading partners, if accompanied by a sustained improvement in our own competitiveness, should present opportunities for further export growth in existing markets but equally exploit the potential of emerging and high-growth markets.

Forfás is currently working with the Department of Enterprise, Trade and Employment in the development of a new Strategy for Trade and Investment. The new strategy will focus on high growth emerging markets such as China, as well as on our existing key trading partners and its aim will be to increase our exports/investments in and from these markets. The new strategy will also bring further focus and coherence to Ireland's single-minded pursuit of our international economic and commercial interests.
Figure 2.3 outlines the changes in our manufacturing base from 2000 to 2008. Total manufactured exports have increased by over €20 million with a significant increase in medical and pharmaceutical products.

Describing the decrease in food exports, John Whelan, Chief Executive of the Irish Exporter’s Association stated at the release of their recent report:

‘"The continuation of a low value sterling currency, a depressed UK consumer market, export credit scheme reductions and increased energy costs due to carbon taxation with the related increase in packaging costs, has put the food export sector into crises conditions."'

However, the IEA Review identifies that the Irish export industry is very sector specific, and one size does not fit all sectors.

Hence the Review shows that the Services industry resumed growth, with an expansion of just under 7% in the value of exports in the quarter, compared to the same period last year. The computer services and business services were the main growth sectors, and reflect the continued re-configuring of our computer industry away from manufacturing into services support activity, but also reflects the continued attractiveness of Ireland as a location for high end services investment.

The World Trade Organisation (WTO) recently released their global services trading statistical analysis for 2009, and showed Ireland now ranked the 9th largest exporter of commercial services globally, up from 11th position in 2008.

John Whelan commented on the internationally trading Services exporters:

‘"The very strong growth in Services exports underlines the strength of our internationally trading services sector and offers very positive indictors of Ireland's potential to be a global leader in this sector."'
Figure 2.4 shows some improvement in the performance of merchandise exports is in prospect for the balance of 2010, with Irish exporters set to benefit from favourable developments in international demand and improvements in Irish cost competitiveness. However, unless there is a major appreciation in the value of sterling our indigenous exports will struggle to improve, despite the private sector wage reductions and the more competitive energy cost base.

The Medical and Pharmaceutical export growth of recent years has reached close to full capacity and now accounts for over 60% of merchandise exports. The double digit growth of recent years is unlikely to continue through 2010. And there is little prospect of any expansion of our computer hardware exports.

Hence, a full year decline of 3% approximately is forecast for merchandise exports in 2010. This is in stark contrast to the expected 9.5% growth in global merchandise trade predicted by the WTO for 2010.

The Services export sector saw a return to strong growth in the final quarter of 2009, where a 5% growth was recorded, this continued into 2010, and is expected to gather momentum as the international demand continues to grow for software and business services. The IDA continued ability to attract new foreign investors into the sector is also driving exports from the sector. Hence, a 7% growth in services exports is forecast for the full year 2010 (see figure 2.4).

The performance of the internationally trading services companies will help drive total exports of goods and services into positive growth of just under 2% for the full year.
Our Manufacturing Base has Changed Dramatically

Percentage of Manufactured Exports

2000
Total manufactured exports €65,353 million

2008
Total manufactured exports €86,218 million

Source: CSO, External Trade

Figure 2.3 – Changing Manufacturing Base – CSO

<table>
<thead>
<tr>
<th>C Million</th>
<th>2009 Actual Jan-Dec</th>
<th>2010 Forecast Jan-Dec</th>
<th>Diff C</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchandise</td>
<td>83,523</td>
<td>81,017</td>
<td>-2,506</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Services</td>
<td>69,333</td>
<td>74,186</td>
<td>+4,853</td>
<td>+7.0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>152,856</td>
<td>155,203</td>
<td>+2,347</td>
<td>+1.5%</td>
</tr>
</tbody>
</table>

Figure 2.4 – Exports Full Year 2010 Forecast

(Source: CSO for 2009 actual, IEA for 2010 forecast)
**Growth Sectors and Entrepreneurship**

The Report of the Higher Level Group on Green Enterprise launched in December 2009 provides a roadmap for harnessing the full potential of exports of environmental goods and services. Ireland is one of the most entrepreneurial countries in the world and never has this spirit been more needed.

Figure 2.5 shows how services exports have increased significantly, in particular business and financial services which is of relevance to this study.

![Services Exports have Grown Exponentially](Image)

*Source: CSO, Balance of Payments*

**Figure 2.5 – Irish Service Exports (CSO)**
Innovation

Greater innovation will be key to sustainable growth over the coming years. Innovation has no boundaries - it can come from customers, suppliers, competitors and employees as well as the research institutes and it can apply to all aspects of a business – products, services, processes and workplace structures. Irish enterprises are facing very testing times and need to be open to all types and sources of innovation.

Access to Credit and Finance

Lack of credit availability remains a critical issue for enterprise throughout the economy, hampering exporters and domestic activity. There is an urgent need to get credit flowing again to new enterprises with potential and existing viable enterprises. Another critical action will be the provision of a wider range of trade finance products for exporters.

Competitiveness

There has been cyclical improvements in our cost competitiveness over the last year, with costs of energy, labour and property reducing. More broadly based structural change is needed to restore our competitiveness in international markets. This is critical to protect our attractiveness as a location from which to do business and is fundamental to stemming the rise in unemployment.

Recent productivity growth has also been strong, although in part due to reductions in numbers employed. We need to boost productivity in all areas of the economy, private and public including through ensuring open competitive markets and eliminating restrictive practice that hamper competition and that are detrimental to consumer interests. This applies to pay and other costs in legal and other professional services, local authority charges, utilities and waste and insurance costs which remain markedly above those in competitor locations. Restoring cost competitiveness is a critical step in the protection of our attractiveness as a location from which to do business.
Investing in Broadband Telecoms

As highlighted in a recent Forfás broadband benchmarking report, we continue to lag behind other comparable countries by at least 3 to 5 years in the roll-out of the infrastructure capable of providing access to high speed next generation broadband (NGN). High speed access is essential to underpinning entrepreneurship, innovation and regional competitiveness.

Although we have made significant progress in improving levels of broadband coverage and take-up in the last two years, for the development of the Smart Economy we need advanced broadband services, comparable to those available in competitor countries as a matter of urgency.

Research and Development

Ensuring a return from the significant investment in research is a continued priority. While innovation can stem from many sources, Ireland has invested heavily in developing R&D led innovation through its Strategy for Science, Technology and Innovation. Ensuring that the right supports exist to support commercialisation and translation of this research into economic value remains a key priority as well as continuing to ensure that investments are oriented to the areas of greatest relevance to Ireland's future well-being.

Employment and Future Skills

The National Competitiveness Council (NCC) in their Annual Competitiveness Report 2010 identify the following priority areas to overcome Ireland’s competitiveness challenges.

1. Create Jobs and Tackle Unemployment:

The report outlines the single biggest challenge for Ireland in 2010 is to create jobs and reduce unemployment. Placing a strong emphasis on skills development is critical to support the competitiveness of existing firms by enhancing their capabilities and increasing
productivity growth. It is also essential to keep unemployed workers close to the labour market and help prevent the drift to long term unemployment.

2. **Targeting education and training funding to meet the future skills needs of our growth sectors.**

Ireland has always had a strong reputation in the caliber of our education and training. Important exporting sectors have identified skills deficits in key areas. For example, increased regulation has resulted in a need for specialized compliance skills in the medical technologies, chemicals and pharmaceuticals and international financial services sectors.

3. **Retaining funding for training those in employment**

This is particularly important for those with low skills in low productivity or vulnerable sectors who are currently in the workforce, in spite of the significant pressure to shift investment towards those who have lost their jobs.

4. **Fostering innovation**

Innovation is critical at all levels of economic activity and prioritising publicly funded R&D programmes which have strong industry relevance and participation as well as sustaining Ireland’s increasingly good reputation for research quality.
Unemployment is forecast to reach 13.8% in 2010.
While the unemployed are a diverse group, the young and lower skilled are particularly exposed.
Resources dedicated to labour market activation in Ireland are relatively low.
At the same time, we have experienced the second sharpest increase in unemployment in the OECD.

Figure 2.6 – Unemployment by Age Cohort (CSO)

Figure 2.6 is a graphical illustration of the unemployment levels by age and gender. The younger and lower skilled are particularly exposed. This is relevant to this study as it demonstrates the changing employment market place for graduates. The competitive for graduate places in fierce, particularly when the big graduate employers e.g banks have scaled back significantly.
Steps have already been taken by Government to help maintain employment and to address the reskilling needs of the recently unemployed, including an additional €20 million to fund an open call for proposals targeting the low skilled and those recently unemployed in declining sectors, particularly the fall-off in construction related activity where those jobs will not return. The emergence and growth of other sectors will be needed to replace jobs for those unemployed and these new and growing sectors may have very different skills requirements.

Investment must be focused on ensuring that skills being developed match the needs of current and future enterprise and employment activation measures aimed at the unemployed should support skills development for sectors with job growth potential. The accelerated pace of change across all sectors and activities means that at the same time, those in employment also need to ensure that their skills are continuously developed and enhanced. Management skills development, in particular in SMEs, will be essential to driving the internationalisation and productivity of our enterprises and growing employment.

**Future Skills Report**

World class skills, education and training will continue to be a pillar of Ireland’s competitiveness. As an open island economy, continuously supporting and promoting a dynamic export sector is the only long-term sustainable enterprise strategy for Ireland. The current climate of rapidly rising unemployment puts future skills needs into sharp focus. Future recovery largely depends on capitalising on the full potential of the people that live and work in Ireland, and this requires a flexible education and training system that enables our workforce to make the most of enterprise and employment opportunities as they arise.

Investment in education and training at all levels must remain a priority and those in the education and training system must demonstrate that they are optimising the use of those inputs. There is no either/or choice to be made; investment must target those with the
lowest level of skills who will otherwise be left behind and excluded from the labour force but also those with the highest levels of skill who will drive the Irish economy forward.

The Expert Group on Future Skills Needs has, in conjunction with enterprise, continued to identify the specific skills needs for many key sectors of the economy. Over the past 18 months, this group have published reports on the skills needs of the ICT sector, the International Financial Services sector, the Medical Devices sector, the Construction sector.

**Future Outlook**

Irish exporters have weathered the international recession relatively well, but the international outlook remains difficult. Continued action is required to develop an enduring competitive operating environment for business and enable exporters to trade successfully in difficult economic international markets.

Figure 2.7 sums up the challenges facing the Irish economy in order to regain and maintain competitiveness. Unless all three of these areas, macro issues, cost competitiveness and productivity are addressed the future will remain bleak for the Irish economy.
Ireland’s Competitiveness Challenge

Macro Issues:
- Restoring stability of public finances
- Ensuring the banks are channelling credit to viable businesses

Improving Cost Competitiveness
- Incomes and prices
- Property
- Energy
- Waste
- Local authority charges

Increasing Productivity Growth
- Restructuring the economy
- Skills
- R&D and innovation
- Capital and technology deepening
- Infrastructure
- Competition and regulation
- State supports
- Workplace development

Figure 2.7 – Ireland’s Competitiveness Challenge (Forfas)
2.3 The Global Economic Climate and Graduate Employment

Figure 2.8 shows global Deloitte research which suggests global executives are starting to feel the worst of the recession may be behind us.

Our research indicates global executives are starting to feel that the worst of the recession may be behind us

Executive Outlook on the Economy*
January – December

* The remaining surveyed executives believe conditions are tough and will be for a while

Source: Managing talent in a turbulent economy: Where are you on the recovery curve?, January 2010, Deloitte
The Deloitte study goes on to explore the paradox (figure 2.9) that despite widespread layoffs, there is still a talent shortage. The report cites an interesting fact that despite an unemployment figure of 13 million in the US, there are currently approximately 3 million roles that cannot be filled due to skill and competency gaps in candidates.

The paradox: despite widespread layoffs, our research indicates there is still a talent shortage

“With 13 million people unemployed [in the US], there are still approximately 3 million jobs that employers are actively recruiting for but so far have been unable to fill.”

– Business Week, April 2009

Figure 2.9 – (Global Organisations Anticipating Layoffs - Deloitte research)
Figure 2.10 shows the predicated cohorts of the workforce most likely to leave according to executive predications. The cohort at the centre of this study, the under 30 age group are deemed most likely to leave.

**Surveyed executives think they know which employees are most likely to leave . . .**

Executive predictions regarding voluntary turnover following the recession by generation

<table>
<thead>
<tr>
<th>Generation</th>
<th>Increase significantly</th>
<th>Increase</th>
<th>Decrease</th>
<th>Decrease significantly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation Y (under age 30)</td>
<td>7%</td>
<td>1%</td>
<td>24%</td>
<td>39%</td>
</tr>
<tr>
<td>Generation X (ages 30-44)</td>
<td>9%</td>
<td>2%</td>
<td>9%</td>
<td>37%</td>
</tr>
<tr>
<td>Baby Boomers (ages 45-64)</td>
<td>9%</td>
<td>2%</td>
<td>8%</td>
<td>16%</td>
</tr>
<tr>
<td>Veterans (over age 65)</td>
<td>9%</td>
<td>2%</td>
<td>19%</td>
<td>12%</td>
</tr>
</tbody>
</table>


**Figure 2.10 – (Predications on employees most likely to leave - Deloitte research)**

The Deloitte study goes on to look at reasons why the current global workforce would leave. Figure 2.11 shows the top ten factors. Of note is that eight out of the ten factors are non-financial reasons. This study will explore similar factors for the research population of this case study.
What could push employees to join the resume tsunami today?

Top 10 factors cited by employees surveyed that would cause respondents to change their employer today

- Lack of job security: 36%
- Lack of career progress: 27%
- Lack of compensation increases: 27%
- Lack of adequate bonus or other financial incentive: 23%
- New opportunities in market: 23%
- Lack of trust in leadership: 22%
- Dissatisfaction with supervisor or manager: 20%
- Poor employee treatment during downturn: 18%
- Lack of challenge in the job: 18%
- Excessive workload: 15%


Figure 2.11 – (Top 10 Reasons for Leaving - Deloitte research)
Figure 2.12 gives an overview from the global research as to what the regional trends are in relation to indicated turnover trends. In the EMEA region, 44% of employees are currently looking for or planning to look for new employment. This raises concerns for employers as to current levels of engagement in the workforce.

Survey results indicate turnover trends and motivations also vary across global regions

Employees in EMEA are least likely to leave, although 44% are either looking for new work or plan to look when the economy recovers.

EMEA employees were less concerned about financial considerations.

34% of employees in Americas and APAC chose “lack of compensation increases” as one of the three most significant factors that could cause them to look for new employment today, while only 13% of employees in EMEA made the same choice.

56% of employees in APAC are considering leaving their current employer compared to 47% in the Americas.

The potential cost of voluntary turnover is significant. Deloitte have estimated this to be $136,392 per professional member of staff (figure 2.13). They have estimated that a 1% decrease in voluntary turnover will amount to $45 million in savings to the firm annually.

**Deloitte executives are correctly concerned about voluntary turnover going into the upturn. . .**

<table>
<thead>
<tr>
<th>$136,392 million</th>
<th>$262.5 million</th>
<th>$45 million</th>
<th>$4.5 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cost to replace <strong>each</strong> Deloitte non-PPD employee who leaves voluntarily</td>
<td>Total potential costs to Deloitte with a <strong>5.8%</strong> increase in turnover</td>
<td>Savings to Deloitte for every <strong>1.0%</strong> decrease in voluntary turnover</td>
<td>Savings to Deloitte for every <strong>0.1%</strong> decrease in voluntary turnover</td>
</tr>
</tbody>
</table>

Figure 2.13 – (Voluntary Turnover Costs - Deloitte research)
2.4 Conclusion

This chapter provided an analysis of the macro economic context in relation to Ireland’s economic success. The same macro economic context has impacted heavily on the financial crisis in Ireland. While Ireland has created its own problems, when taken with the global financial crisis, it creates a future employment context that changes the attitudes, priorities and expectations of graduate employees. Indeed latest forecasts are that many graduates will have to emigrate in 2010/11 to find employment. This feature significantly changes the balance of the relationship between the employer and the working graduate at home. This backdrop serves as the context for this case study research project.

The following chapter will take an in-depth look at the pertinent literature areas related to the research topic.
3.1 Introduction

This chapter examines prior research in the following fields:

- Psychological Contract Theory
- Performance Management
- Generational Management
- Leadership
- Motivating Top Talent through Employee Engagement
- Talent Management & Retention
- Building Trust in the Workplace

The review seeks to establish a theoretical grounding for the research study and a means to compare the results of this study to similar studies in the field.
3.2 The Psychological Contract

The term 'psychological contract' was first used by Agyris in the early 1960s, but became more popular following the economic downturn in the early 1990s. It is likely to gain new importance over the next few years as the country and employers aim to work their way out of the current recession. Wage freezes and indeed cuts are the norm in the present environment. Also, there is a greater focus on regulation and accountability in the professional services sector. Ireland’s reputation has been damaged, in particular, in the financial services sector; there is a significant challenge for government and business leaders across the country to help rebuild this reputation.

Rousseau (1989) defined the psychological contract as ‘the individual beliefs, shaped by the organisation, regarding the terms of an implicit exchange agreement between employees and their organisation’. These obligations will often be informal and imprecise: they may be inferred from actions or from what has happened in the past, as well as from statements made by the employer, for example during the recruitment process or in performance appraisals. Some obligations may be seen as 'promises' and others as 'expectations'. The important thing is that they are believed by the employee to be part of the relationship with the employer.

The psychological contract can be distinguished from the legal contract of employment. The latter will, in many cases, offer only a limited and uncertain representation of the reality of the employment relationship. The employee may have contributed little to its terms beyond accepting them. The nature and content of the legal contract may only emerge clearly if and when it comes to be tested in an employment tribunal.

The psychological contract on the other hand looks at the reality of the situation as perceived by the parties, and may be more influential than the formal contract in affecting how employees behave from day to day. It is the psychological contract that effectively tells employees what they are required to do in order to meet their side of the bargain, and what they can expect from their job.
A useful model of the psychological contract is offered by Professor David Guest of Kings College London (see figure 3.1). In outline, the model suggests that:

- the extent to which employers adopt people management practices will influence the state of the psychological contract
- the contract is based on employees' sense of fairness and trust and their belief that the employer is honouring the 'deal' between them
- where the psychological contract is positive, increased employee commitment and satisfaction will have a positive impact on business performance.

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Content</th>
<th>Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>employee characteristics</td>
<td>fairness</td>
<td>employee behaviour</td>
</tr>
<tr>
<td>organisation characteristics</td>
<td>trust</td>
<td>performance</td>
</tr>
<tr>
<td>HR practices</td>
<td>delivery</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 3.1 A model of the psychological contract (Guest 2009)**

The psychological contract has increased in importance during the current economic downturn as it relates to the following workplace changes:

- **The nature of jobs**: more employees are on part time and temporary contracts, more jobs are being outsourced, tight job definitions are out, functional flexibility is in.
- **Organisations have downsized and delayered**: 'leanness' means doing more with less, so individual employees have to carry more weight.
- **Markets, technology and products are constantly changing**: customers are becoming ever more demanding, quality and service standards are constantly going up.
• **Technology and finance are less important as sources of competitive advantage**: 'human capital' is becoming more critical to business performance in the knowledge-based economy.

• **Traditional organisational structures are becoming more fluid**: teams are often the basic building block; new methods of managing are required.

The effect of these changes is that employees are increasingly recognised as the key business drivers. The ability of the business to add value rests on its front-line employees, or 'human capital'. Organisations that wish to succeed have to get the most out of this resource. In order to do this, employers have to know what employees expect from their work. The psychological contract offers a framework for monitoring employee attitudes and priorities on those dimensions that can be shown to influence performance.
The kinds of commitments employers and employees might make to one another and reflect in an employment proposition are:

<table>
<thead>
<tr>
<th>Employees promise to:</th>
<th>Employers promise to provide:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work hard</td>
<td>Pay commensurate with performance</td>
</tr>
<tr>
<td>Uphold company reputation</td>
<td>Opportunities for training and development</td>
</tr>
<tr>
<td>Maintain high levels of attendance and punctuality</td>
<td>Opportunities for promotion</td>
</tr>
<tr>
<td>Show loyalty to the organisation</td>
<td>Recognition for innovation or new idea</td>
</tr>
<tr>
<td>Work extra hours when required</td>
<td>Feedback on performance</td>
</tr>
<tr>
<td>Develop new skills and update old ones</td>
<td>Interesting tasks</td>
</tr>
<tr>
<td>Be flexible, for example, by taking on a colleague’s work</td>
<td>An attractive benefits package</td>
</tr>
<tr>
<td>Be courteous to clients and colleagues</td>
<td>Respectful treatment</td>
</tr>
<tr>
<td>Be honest</td>
<td>Reasonable job security</td>
</tr>
<tr>
<td>Come up with new ideas</td>
<td>A pleasant and safe working environment</td>
</tr>
</tbody>
</table>

**Figure 3.2 Employer/Employee Commitments (CIPD)**
Many employers recognise employee concerns about security and indicate that compulsory redundancy will be used only as a last resort. However employers know they are unable to offer absolute security and employees do not necessarily expect it.

The psychological contract may have implications for organisational strategy in a number of areas, for example:

- **Process fairness**: People want to know that their interests will be taken into account when important decisions are taken; they would like to be treated with respect; they are more likely to be satisfied with their job if they are consulted about change. Managers cannot guarantee that employees will accept that outcomes on, for example, pay and promotion are fair, but they can put in place procedures that will make acceptance of the results more likely.

- **Communications**: Although collective bargaining is still widely practised in the public sector, in large areas of the private sector trade unions now have no visible presence. It is no longer possible for managers in these areas to rely on 'joint regulation' in order to communicate with employees or secure their co-operation. An effective two-way dialogue between employer and employees is a necessary means of giving expression to employee 'voice'.

- **Management style**: In many organisations, managers can no longer control the business 'top down' - they have to adopt a more 'bottom up' style. Crucial feedback about business performance flows in from customers and suppliers and front-line employees will often be best able to interpret it. Managers have to draw on the strategic knowledge in employees' heads.

- **Managing expectations**: Employers need to make clear to new recruits what they can expect from the job. Managers may have a tendency to emphasise positive messages and play down more negative ones. But employees can usually distinguish rhetoric from reality and management failure to do so will undermine employees' trust. Managing expectations, particularly when bad news is anticipated, will increase the chances of establishing a realistic psychological contract.
• **Measuring employee attitudes**: Employers should monitor employee attitudes on a regular basis as a means of identifying where action may be needed to improve performance. Some employers use indicators of employee satisfaction with management as part of the process for determining the pay of line managers. Other employers, particularly in the service sector, recognise strong links between employee and customer satisfaction.

Rousseau (1990) found that psychological contracts are comprised of two types of reciprocal obligations: (a) transactional obligations of high pay and career advancement in exchange for hard work and (b) relational obligations exchanging job security for loyalty and a minimum length of stay.

Psychological contracts are embodied in the employees’ unwritten expectations that the organisation will fulfill its promises of job security, high pay, merit pay, training, and development. In return, the organisation expects its employees to be loyal, willing to work overtime, stay a minimum length of time, and give sufficient notice if they resign (e.g. Rousseau, 1989, 1990, 1995).

The psychological contract covers the unwritten understandings, values, expectations and assumptions held by the retrospective parties (Kessler and Lindy 1996). Guest (2002) cited that ‘the extent to which employers adopt people management practices will influence the state of the psychological contract; the contract is based on employees’ sense of fairness and trust, and their belief that the employer is honouring the ‘deal’ between them. He continued that ‘where the psychological contract is positive, increased employee commitment and satisfaction will have a positive impact on business performance.’
The psychological contract looks at the reality of the situation as perceived by the two parties, and may be more influential than the formal contract in affecting how employees behave from day to day (CIPD 2006). Guest (1998) also sees the psychological contract as “a key element of affecting the high production levels of all workers, connecting motivation, motivators and effort”.

Failure to understand what motivates employees can prove costly to an organisation and will bring lower levels of engagement and low levels of trust and commitment from employees and ultimately lead to high turnover rates. (Buchanan and Badham 1999). Further research shows that where employees believe that management have broken promises or failed to deliver on commitments, this will have a negative effect on job satisfaction and commitment and on the psychological as a whole (CIPD 2006). This is particularly important as job satisfaction is expected to increase as people progress through career life stages (Jepsen and Shell 2003).

Research suggests (CIPD 2004) ‘that in order to feel committed employees must feel satisfied with their work. Job satisfaction is more likely to be achieved where the employer offers employees what they want. Employers need to focus on tapping in to what employees are looking for and how they feel about their work. They need to involve and engage them.’
3.2.1 Organisational Commitment and the Psychological Contract

Organisations are now more than ever, conscious and appreciative of good quality employees. It is essential that employees buy into the new context and the responsibilities that arise from it if organizations are to survive and grow in the future.

Organisational commitment has been defined as a strong belief in and acceptance of an organisation’s goals and values, a willingness to exert considerable effort on behalf of the organisation’s goals and values, and a strong desire to maintain membership in the organisation (e.g., Mowday, Porter, & Steers, 1982; Porter, Steers, Mowday, & Boulian, 1974). Steers (1977) defined organisational commitment as the strength of an employee's involvement in the organisation and found that organisational commitment improved performance, reduced absenteeism, and reduced turnover. Organisations want their employees to be committed since committed employees will exert more effort when motivational conditions are not ideal (e.g., Mowday, Porter, & Dubin, 1974; Scholl, 1981).

Allen & Meyer (1990) distinguished three facets of commitment: (a) affective commitment is the identification with the values and goals of the organisation, (b) continuance commitment is based on the material benefits to be gained from remaining at the organisation or the costs of leaving, and (c) normative commitment is defined as a perceived duty to support the organisation and its activities. In a meta-analysis, Meyer, Stanley, Herscovitch, and Topolnytsky (2002) found that all three forms of commitment are negatively related to turnover and turnover intentions.

Organisational commitment has been shown to decrease in relation to turnover intentions and voluntary turnover (e.g., Hom, Katerberg, & Hulin, 1979; Lum, Kervin, Clark, Reid, & Sirola, 1998; Peters, Bhagat, & O’Connor, 1981; Somers, 1995). Turnover intentions have been defined as conscious thoughts and deliberate willfulness by employees to leave their organisation (Tett & Meyer, 1993).
Typically, these employees are dissatisfied with their jobs and think they will be able to find alternatives they judge to be better than their current jobs. Turnover intentions are the immediate precursors of voluntary turnover.

Voluntary turnover occurs when employees are dissatisfied and, once they are able to find alternatives they judge to be better than their current jobs, they choose of their own accord to leave their employers (Mobley, 1977).

In addition, voluntary turnover often occurs as a result of psychological contract violations (Robinson & Rousseau, 1994). When employees do not feel that their organisations are honoring their psychological contracts, they adjust their organisational commitment (Lester, Turnley, Bloodgood, & Bolino, 2002) and contributions (Herriott & Pemberton, 1996) accordingly. Unfortunately, these unwritten psychological contracts between employees and their employers are usually violated when downsizings or other organisational changes occur, since they impose new employment arrangements not chosen by the employees (Rousseau, 1995) and because all organisational changes jeopardize job security to some degree (Greenhalgh, 1982). As a result of the violations of the relational aspects of the psychological contracts, the employees' organisational commitment, trust of leadership, job satisfaction, and willingness to perform organisational citizenship behaviors plummet (e.g., Coyle-Shapiro & Kessler, 2000; Lester et al., 2002; Robinson, 1996; Rousseau, 1995). In addition, high turnover intentions and low morale typically occur and, if the employees stay instead of leaving, they feel the company owes them more as payback for having fulfilled their end of the deal (e.g., Robinson & Rousseau, 1994; Rousseau, 1995). Not surprisingly, these negative attitudes can lead to a high level of voluntary attrition by survivors. When employees do not feel that their organisations are honoring their psychological contracts, they adjust their organisational commitment (Lester, Turnley, Bloodgood, & Bolino, 2002) and contributions (Herriott & Pemberton, 1996) accordingly.
Unfortunately, these unwritten psychological contracts between employees and their employers are usually violated when downsizings or other organisational changes occur, since they impose new employment arrangements not chosen by the employees (Rousseau, 1995) and because all organisational changes jeopardize job security to some degree (Greenhalgh, 1982). As a result of the violations of the relational aspects of the psychological contracts, the employees' organisational commitment, trust of leadership, job satisfaction, and willingness to perform organisational citizenship behaviors plummet (e.g., Coyle-Shapiro & Kessler, 2000; Lester et al., 2002; Robinson, 1996; Rousseau, 1995).

Once organisations have violated psychological contracts, remediation becomes the only means by which to diminish the negative effects of the violations, with such remedies substituting one outcome for another. Rousseau (1995) claimed that the primary way to remediate violated psychological contracts is through additional remuneration. Robinson, Kraatz, and Rousseau (1994) determined that after their psychological contracts have been violated, employees perceive their employers' obligations to be significantly higher in terms of merit based pay (e.g., bonuses), high pay (e.g., annual salary raises), and advancement (e.g., promotions). However, because providing additional financial incentives to surviving employees is not always an option for cash-strapped companies struggling to survive in an uncertain economy (Feldman, 2000), other strategies for rebuilding survivor's psychological contracts must be investigated. One of the strategies that should be enlisted is helping organisations restore the trust of survivors—in part, by rebuilding the psychological contracts that are violated as a consequence of the downsizing (e.g., Rousseau, 1995; Sharkie, 2005).
3.2.2 Trust and the Psychological Contract

Trust between management and staff, company and customer and key stakeholders is essential to be successful in the current context. While there are many definitions of trust, it can be described as the willingness of one party to be vulnerable to the actions of another party based on the expectation that the other will carry out a specific task important to the trustor, irrespective of the ability to monitor or control the other party (Mayer, Davis, & Schoorman, 1995). Trust is a psychological state (Kramer, 1999), composed of the psychological experiences of individuals and organisations (Rousseau, Sitkin, Burt, & Camerer, 1998).

Many theories of trust are founded on Blau’s (1964) social exchange theory, which assumes that, over time, trust is established through the repeated exchange of benefits between two parties. In contrast to Blau’s historical view of trust, Brockner and Siegel (1996) asserted that trust refers to the beliefs that people hold about another party’s future behavior. Trust should matter to organisations because it is an essential success factor of most business, professional, and employment relationships (Lewicki & Bunker, 1996), especially during an industry downturn or in times of crisis (A. K. Mishra, 1996). Rousseau (1997) claimed that, since contemporary organisations are constantly changing, awareness has increased regarding the importance of trust in the employment relationship. Trust in leadership affects a broad spectrum of employee work behaviors and outcomes.

Specifically, in their analysis of trust, Dirks and Ferrin (2002) found that employee trust in organisations is positively related to organisational commitment, turnover intentions, job satisfaction, organisational citizenship behaviour, job performance, belief in information provided by management, commitment to decisions, satisfaction with leadership, and leader-member exchange. Organisations with high levels of trust will be more successful, adaptive, and innovative than organisations with low levels of trust (Shockley-Zalabak, K. Ellis, & Winograd, 2000).
Similarly, establishing trust is a strong force in overcoming the negative reactions employees may exhibit as a result of decisions yielding unfavorable outcomes (Brockner, Siegel, Daly, Tyler, & C. Martin, 1997).

Trust is easier to destroy than to create (Kramer, 1999) and it can be destroyed in an instant (J. Mishra & Morrissey, 1990). Accordingly, wherever trust exists, so does the possibility of violating that trust. In the modern global marketplace, there is growing concern about distrust and the violation of trust in organisations (e.g., Elangovan & Shapiro, 1998; Lewicki et al., 1998; Sitkin & Roth, 1993). Trust clearly matters to employees, because, as organisational trust decreases, they become cynical, less motivated, less committed, increasingly unwilling to take risks, more likely to demand greater protections against the possibility of betrayal, and increasingly insistent on costly sanctioning mechanisms to defend their interests (e.g., Feldman, 2000; Hrebinia & Alutto, 1972; Kanter & Mirvis, 1989; Tyler & Kramer, 1996).
3.3 Performance Management

In the current business climate, you cannot have a successful organisation if the people employed are not performing to their full potential or close to it. Company and individual performance are more interdependent than ever. Staff are being asked to ‘go the extra mile’ against the backdrop of wage freezes, pay cuts and reduced benefits. Managers need to be more innovative about how they recognise and reward high performers and need to be tougher on dealing with underperformance.

Nankervis A. & Compton, R. (2006) completed a study in Australia to understand current trends in Performance Management and to determine whether performance management has become a more effective strategic tool in the human resource management repertoire. The findings suggest, as in earlier studies, that the use of, and satisfaction with performance management systems remain problematic, although there are some indications that the increasing integration of the balanced scorecard within these systems appears to encourage more strategic links between individual, group, and organisational outcomes, as espoused by strategic human resource management theorists.

Performance appraisal continues to be a subject of interest and importance to human resource specialists. For decades, performance appraisal has received considerable attention in the literature, from both researchers and practitioners alike. Many authors (Bernardin & Klatt, 1985; Hall, Posner, & Hardner, 1989; Maroney & Buckley, 1992; Thomas & Bretz, 1994) maintain that there is a considerable gap between theory and practice, and that human resource specialists are not making full use of the psychometric tools available.

When comparing the results of two surveys taken five years apart, the authors noted a remarkable shift away from what they called collaborative approaches e.g. MBO (management by objectives) and toward the more traditional performance appraisal techniques (graphic rating scales). Taylor and Zawacki (1984) hypothesised that managers, responding to the legal constraints prevalent in the 1980s, preferred techniques that were defensible in court. Accordingly, managers tended to be more satisfied with the objective traditional approaches, whereas their subordinates seemed to prefer the developmental collaborative approach.

Through the 1980s, researchers continued to document performance appraisal practice. Bernardin and Klatt (1985) noted that small firms tended to rely heavily on trait-based approaches, while larger firms relied on a combination of trait, behavioral, and results-based techniques. They noted that one in five organisations did not give employees the opportunity to review the performance appraisal results. In another study, Locher and Teel (1988) identified graphic rating scales (57.1%), the open-ended essay (21.3%), and Management-by-Objectives (18.1%) as the most popular performance appraisal techniques. Unlike Taylor and Zawacki (1984) before them, Locher and Teel identified a trend toward the use of MBO as a popular technique.

Besides recording current trends in methods used, only a few researchers have clarified how performance appraisal data is used. Thomas and Bretz (1994) report that performance information is most likely to be used for employee development or to administer merit pay. They identified the main developmental uses as improving work performance, communicating expectations, determining employee potential and aiding employee counselling. Other common administrative uses included promotions, layoffs, transfers, terminations, and validations of hiring decisions. In addition, Hall, Posner, and Hardner (1989) identified common objectives of performance appraisal as reviewing past performance, rewarding past performance, goal setting for future performance, and employee development.
Stiles et al (2002) describe how the organisation’s management of performance is a key element in the psychological contract. They stress the importance of specifying new performance requirements of employees as a result of strategic change, and the rewards they will receive upon their fulfilment. Lester et al (2004) develop this point by explaining that roles and responsibilities that are in alignment with employee’s developmental needs may provide them with further motivation and encouragement towards the common goal of the organisation.

Hewlett, S (2009) in her recent work discussing the importance of ‘keeping performance up when business is down.’ She explores strategies to enhance performance levels during difficult economic times:

1. **Create a ‘No Spin’ Zone**
   It is important to use frequent and frank communication to quell anxiety and build trust.

2. **Think Locally and Focus on Team Leaders**
   Encourage team leaders to strengthen camaraderie among their teams and focus on active mentoring for this key group.

3. **Give Employees Meaningful Nonmonetary Rewards**
   Develop new ways to show recognition from saying a simple ‘thank you’ to employees for a job well done to corporate social responsibility initiatives.

4. **Develop a Fair Restructuring Process**
   Ensure transparency is all processes related to redundancy – ask staff for their ways to creative ways to cut costs.

5. **Hold On to Your Women**
   Establish a range of flexible working options to ensure that women, who typically are the principal care givers, have opportunities to continue their careers despite ‘off ramping’ at specific life stages.
6. **Show That Top Leadership Cares**
   CXO’s play a key role in shaping the culture of an organisation. In difficult economic times, it is important that there are more ‘touch points’ with leaders e.g communication briefings with small groups of staff.

7. **Re-create Pride, Purpose and Direction**
   Give employees reasons to feel good about the company; highlight success stories and recommit to social responsibility.
3.3.1 The High Performance Work Culture

A high performance work culture is essential to realise the potential of employees. Culture is more important than strategy as it is all encompassing in an organisation. Peter Drucker famously said in one of his lectures ‘culture eats strategy for breakfast’. This is a useful description to show the power of the culture of an organisation and if the culture is wrong no amount of strategising will make a difference.

It is readily acknowledged in the literature that the high performance work place area suffers from a lack of research (Murphy & Southey, 2003). In terms of what constitutes a ‘high performance work culture’ and the key characteristics therein, there are varied yet similar views on the subject. Most writers in the area agree in terms of describing the high performing work place at a very high level. Most would advocate that there are not one single set of practices that will guarantee high performance. Organisations have tried various strategies with varied success rates. The literature can advocate certain characteristics or activities that can help to achieve the high performance culture but it is the way these are managed that is the crucial difference.

‘High performance is a by-product of a culture based not on any sense of entitlement or perfectionism, but squarely on the principle of value added’ (Covey, 1996 p.4). It would seem then, that high performance companies have healthy, well-defined corporate cultures. However, it is still not clear, as to what actually defines high performance work cultures and how they are designed and implemented (Varma & Beatty, 1999). Some writers suggest that the role of a high performance work system is to help the organisation achieve a fit between information, people and technology. Others, such as Nadler & Gerstein (1992) have characterised high performance work systems as a way of thinking about organisations. High performance work cultures are known by many different names – ‘high involvement work systems’, ‘flexible work systems’ and ‘high commitment work systems’. For the purposes of this research, it will be termed the high performance work culture.
Companies known for great execution focus substantial resources on developing their people systems, practices and policies to support achievement of their strategic objectives (Weiser, 1999). High performing organisations have robust strategies and ‘superb execution is what separates them from middle-of-the-road competitors.’ (Osborne, 2002 p.229).

Losey (1995) suggests that a great shift is taking place in the workplace. He suggests that employers need high performing work places because it is in their best interests. The worker of today will possess the knowledge, skills and expertise to manage complex organisational information. High performing workplaces are more than efficient and creative places where employees can become more meaningful contributors to organisational goals.

**Key Features of a High Performance Work Culture:**
There are some key features that are common amongst all writers and from a review of the literature, they can be characterised as follows:

1. Employees
2. Performance Management
3. Organisational Factors/ Cultural Issues
4. Leadership

Manzoni (2002) suggests that the high performance culture is an organisation where employees set challenging goals for themselves and are emotionally committed to their organisation while striving to exceed their targets. People discuss issues intensively before they take any action. They talk solutions, not problems. It’s an organisation where there is no such thing as ‘satisfactory underperformance’.
A high performance work culture is a culture where the elements of high performance permeate every system and process. Flood & Guthrie (2005) in their research on 165 Irish organisations mention elements such as pre-employment tests; internal promotions based on merit not seniority; extensive training; routine staff attitude surveys; employee participation; grievance and problem resolution procedures; formal performance appraisals and regular feedback; and knowledge-based pay. A high performance work culture involves every system in the organisation working towards the one goal of superior performance and a distinctive customer proposition. It involves the organisation’s beliefs and values, its strategy and vision, its management practices and HR practices (Corporate Leadership Council, 2001). Folz (1993) suggests that all the subsystems of an organisation need to be realigned to help develop and leverage the critical capabilities required for a high performance work culture. In 1968, Frederick Hertzberg put forward that intrinsic factors such as challenge and interesting work, answer peoples’ needs to grow and achieve. Peoples’ motivations differ and what motivates one person will not necessarily motivate another. CIPD (2003) suggests that the high performance work culture derives its strength from its flexibility. It incorporates different practice to meet different needs, such as:

- Appropriate recruitment and selection processes
- Comprehensive induction and training
- Coherent performance management
- Flexible workforce skills
- Job variety and team working
- Communication and quality improvement teams
- Competitive pay and rewards linked to performance
- Work life balance.
Evidence can be found that confirms a high performance work culture can be central to improving the performance of an organisation. Ranganath (1992) suggests that a planned and systematic approach is required in order to create a high performance work culture. It requires action in four areas:

1. Customer, stakeholder and employee satisfaction
2. Superlative work processes
3. Improving people, facilities, information, technology and suppliers
4. Understanding your organisation’s unique cultural and organisational characteristics, and a dedication to ever-improving levels of performance.

Cebrowski (1995) puts forward a number of traits that characterise high performance. Cebrowski suggests that good leadership breeds confidence and brings out the best in people. This coupled by a strong vision that is embraced by everyone leads to high performance. Leaders in high performing organisations identify and develop the best people and provide ‘fanatical’ training and development. There is a thirst for results, information, speed and quality, above everything else. Relationships are sought and nourished with customers. Employees are trusted and feel obliged to meet expectations and they have an assumptive winning attitude. Cebrowski (1995) suggests that high performance is a natural by-product of all of the above. Companies that perform highly use all of their resources to achieve competitive advantage (Gephart, 1995). There is no single set of changes or practices that will give an organisation a high performance work culture. A high performance work culture must enable people to produce and deliver products and services that meet customer requirements in the context of environments that change rapidly.

Covey (1996) suggests that a high performance culture focuses on employee’s intrinsic motivations and the 4 basic human needs – physical, social, mental and spiritual. Also the performance is developed around clarified expectations around job roles and goals, where performance standards, accountability measures and compensation parameters are set.
Juechter (1998) more straightforward view of the high performance culture suggests that high performance organisations have the following characteristics:

- Strategic Focus
- Clear view of reality
- Commitment rather than compliance
- Aligned behaviour

Underpinning these characteristics are 5 essential conditions – a relevant focus, driven from the top, leader’s commitment, comprehensive involvement and external coaches. Juechter (1998) suggests that true success comes from the rigorous system wide implementation of strategic change that focuses on attitudes, beliefs, habits and the expectations of everyone in the organisation.

Juechter suggests that an organisation can be viewed as a system with three sub-systems:

![Figure 3.3 Juechter Organisation System’s Model (1998)](image_url)
Juechter purports that most organisations focus their change efforts on the first two sub-systems. They are often imposed and done in isolation. There is no real engagement for the change in the organisation.

Osborne (2002 p.230) suggests that the one defining characteristic of a high performing organisation is ‘wide open, highly defined communication about expectations’. Every employee knows what is expected of them and how they will be measured and how they are doing.

High performing employees believe that long-term relationships are the path to personal success. Workplaces are filled with fun. Success is celebrated daily - failure is unthinkable. High performing organisations are obsessed with beating the competition.

It is evident from the literature that there is a lot of consistency among writers in terms of what a high performing organisation looks like. The key characteristics of a high performing work culture can be categorised under 4 main headings:

1. **Employees**
   - They set challenging goals for themselves
   - They are emotionally committed to the organisation and they strive to exceed their objectives.
   - Employees talk solutions, not problems
   - Employees participate in the organisation’s direction and strategic goals.
   - They are provided with regular training and development.
   - They are trusted by their leaders

2. **Performance Management**
   - There is no such thing as satisfactory underperformance
   - Employees receive formal performance appraisals and regular feedback
3. **Organisational Factors / Cultural Issues**
   - The organisation has the right attitudes, beliefs and behaviours
   - The organisation supports work life balance
   - Customer satisfaction is a priority
   - There are superior work processes in place
   - There are improved facilitates, information and technology resources
   - There is a permeating attitude of dedication to improvement
   - Everyone in the organisation embraces a strong vision
   - There is a thirst for results and quality in everything
   - There is a permeating winning attitude

4. **Leadership**
   - There is strong leadership that brings out the best in everyone
   - Leaders identify and develop the best talent
   - They provide the resources to achieve high performance
3.4 Generational Management

Not every employee is motivated by the same incentives or management styles. This is even more apparent between the generations as many of the old certainties and perspectives have changed in terms of employment options and expectations. It is important to understand these different expectations, particularly when looking at the graduate workforce who have been brought up through a very prosperous era with a different style of parenting to previous generations. They are often referred to as the ‘google generation’, used to have answers at their finger tips and used to getting instant feedback. Similar expectations exist from this population in the workplace. Although the current economic backdrop has dampened some of these expectations, many of the core traits remain.

According to Kupperschmidt (2000) a generation can be defined as an identifiable group that shares birth years and significant life events at critical development stages. Giancola (2006) explains that for the first time in our history, there are four diverse generations working together, each of them bringing unique viewpoints to the table and allowing generation specific values guide their daily actions.

Fyock (1990) purports that failure on the part of organisational management to understand and adjust appropriately to generational differences and the demands of new generations entering the workplace can result in misunderstandings, miscommunications and mixed signals, which can ultimately result in problems with employee retention and turnover.
3.4.1 The Four Generations

Proponents do not always agree on how generations should be defined in terms of years (Giancola 2006), however for the purpose of this research, the four generations are Veterans, born between 1922 and 1946; the Baby Boomers, born between 1946 and 1964; Generation X, born between 1964 and 1980, and Generation Y, born between 1980 and 2000 (Houlihan 2008).

- **The Veterans**
  Also called the Traditionalists, this generation are the most senior generation in the workplace today and as a result of this, they will not be represented in every organisation (Giancola 2008). They are the children of Depression and World Wars (Eisner 2005). They tend to value family and the majority of this generation have had a parent at home to raise children. Veterans prefer consistency and are likely to be loyal employees who prefer a traditional, hierarchical management structure (Francis-Smith 2004). When in command, they tend to take charge. When in doubt, they tend to do what is right (Martin and Tulgan 2004). They are inclined to inform on a need to know basis, be satisfied by a job well done, and remain with one company over time having amassed wisdom and experience (Allen 2004).

- **The Baby Boomers**
  These, the children of the Veterans (Eisner 2004) are the largest generation in history (Eisner 2005) who believes in growth, change and expansion. They tend to work long hours, remain loyal to their employer, and many do not plan to retire. They are often associated with values such as optimism, team orientation, and personal gratification (Leshchinsky and Michael 2004). They are likely to respect authority but want to viewed and treated as equals (Allen 2004) however Westerman and Yamamura (2007) would argue that while they are independent thinkers, they have a ‘healthy disrespect for authority’. They require little feedback to do their jobs well (Glass 2007).
Baby Boomers are inclined to lack technological skills but networking works well for them in career building (Johns 2003). Their advanced careers are likely to make them more entrenched within their organisations, while their age and family commitments may make them less mobile (Westerman and Yamamura 2007). They tend to be optimistic and confident, and value free expression and social reform (Francis-Smith 2004). Baby Boomers tend to seek consensus, dislike authoritarianism and laziness, and micromanage others (Francis-Smith 2004).

- **Generation X**

It can be said that there is relatively little evidence that ‘Generation X…is different from the Baby Boom generation in their pattern of satisfaction or in the types of rewards that motivate their retention and motivation (World at Work 2000), however they tend to lack the social skills of their parents, the Baby Boomers, and instead have a strong technical ability (Johns 2003) and are comfortable with diversity, change, multi-tasking and competition (Kupperschmidt 2000). Generation X employees are likely to be self-reliant, individualistic, distrustful of organisations, lacking in loyalty, and intent on balancing work and personal life (Eisner 2005). They choose their employer because of advancement opportunities, compensation and reputation (Catalyst 2001) and respond well to competent leadership, and to be educated and technically skilled enough to move into management more quickly (Francis-Smith 2004).

This generation also tend to respond well to a coaching management style that provides prompt feedback and credit for results achieved (Martin and Tulgan 2004). It tends to be outcome-focused and seek specific and constructive feedback (Allen 2004) and is likely to find a way to get things done smartly and fast. Generation X will pick a lower paying job if it offers less stringent work hours to allow for greater work-life balance (Glass 2007). Many of this age group are often more sceptical, less loyal and fiercely independent (Glass 2007), but it tends to love the freedom to grow and develop (Francis Smith 2004).
**Generation Y**

This generation is often grouped with Generation X as the ‘younger generation’ but analysing this generation shows there are great differences (Glass 2007). It is the most technically literate, educated and ethnically diverse generation in history (Eisner 2005). Generation Y has been told they can do anything and they tend to believe it (Martin 2004). It has been socialised in a digital world and is more than technically literate (Eisner 2005). In the workplace, Generation Y tends to favour an inclusive style of management, dislike slowness and desire immediate and constant feedback about their performance (Francis-Smith 2004). It looks for instant gratification rather than long term investments of time and effort (Southand and Lewis 2004). Most of Generation Y has worked a part-time job through school or third level education so they therefore have more discretionary income. It wants to have intellectual challenge to succeed, strives to make a difference, and measures its own success (Eisner 2005).

Generation Y is most likely to be focused by speed, customisation and interactivity (Martin and Tulgan 2004) and enjoying a full balanced life tends to be more important to Generation Y than making money (Allen 2004). This generation tends to want intellectual challenge, need to succeed, seek organisations that will further their professional development and strive to make a difference (Francis-Smith 2004). Sheridan (2006) believes that ‘Generation Y represents a large and increasingly important part of the workforce. Their behaviours and preferences will shape corporate life, so learning to look after Generation Y is something organisations need to learn to do better’.
3.4.2 Generation Y in the Workplace

Generation Y is a unique generation particularly in Ireland as it is the first generation to come of age, work-wise, when we have had more or less full employment (O’Donnell 2006). The first wave is just now embarking on their careers-taking their place in an increasingly multigenerational workplace (Armour 2005). This is of particular importance to organisations as it fundamentally changes their attitudes to work and more importantly what organisation they will work with (O’Donnell 2008).

Characteristics of Generation Y
The best Generation Y talent enjoy the challenge of figuring out ‘the best way to do the job’ whether they do it on their own or with a team (Martin 2004).
Bruce (2004) argues that ‘generally it is fair to say that these younger people don’t seem to work hard’ however Generation Y employees are not against work by any means, and they are not a lazy generation, they are just part of a generation that expects immediate gratification due to a childhood of receiving it (NAS 2006). Generation Y will work hard to get the job done and they’ll also work anywhere and anytime (Hulett 2006).

Generation Y is individualistic (Hulett 2006), independent, socially conscious and technologically savvy and are very different to their predecessors (Sheridan 2008). It is constantly willing to learn and expect work to be a form of self of self-fulfilment (Annett 2004). It is an optimistic group who is positive about the future but is inclined to plunge into work they find interesting and important even if they know little about it (Lewis 2003). It has a strong work ethic and it desires to make a meaningful contribution to their employer (Hulett 2006).

Generation Y employees are focused on their achievements and growth and will not settle for being under appreciated or tolerate stagnant positions (Coleman 2008). They will work hard to get the job done but they have to know how their efforts will benefit them in the short-term and where their efforts fit into the big picture (Hulett 2006).
They are showing signs of rejecting the informal, immediate communication approach of recent years (Chess 2006) and are recognising the importance of face to face communication.

Seen as demanding, Generation Y is seeking a career that will fit in with its lifestyle and leisure priorities (Reynolds 2008) while seeking employment opportunities that complement their lifestyle and include strong provisions for career development and financial rewards (Sheridan 2008). Having fun in work is very important to Generation Y (Cheese 2007), as is friendship which is seen as a strong motivator as Generation Y may choose a job just to be with their friends (Trunk 2007).

Generation Y is not loyal to a position but rather loyal to fair compensation (Bassett 2008), however Smith and Reynolds (2007) believe that Generation Y will only be loyal to a company if the same respect is given in return. As Cooper (1997) aptly puts it ‘individuals may question their need to commit to organisations that do not commit to them.’

Kupperschmidt (2000) suggests that Generation Y bring well honed, practical approaches to problem solving to the workplace as they are technically competent and comfortable with diversity, change multitasking and competition.

As much as it seems Generation Y want everything different, Trunk (2007) believes it is actually the most conservative generation. It is innovative and creative who seek to make a difference and want to produce something worthwhile (Smith and Reynolds 2007). However, it is an impatient generation who expect speed and change and will not tolerate situations that do not make sense to them (Smith and Reynolds 2007). It needs to be kept well informed about changes that affect them and their work so that they are not confused or surprised when changes are introduced (Whitmore and Concelman 2005). Generation Y is less responsive to traditional rewards such as promotions unless those rewards are part of the bigger picture (Moses 2005).
Values and needs of Generation Y

Generation Y have work values, needs and expectations different from previous generations. (Loughlin and Barling 2001; Smola and Sutton 2002). A study by Deloitte Global Consultancy (2004) found that the core values and needs of this generation are:

- long term career development and multiple experiences within a single organisation
- a sense of purpose and meaning in the workplace, availability and access to mentors, work-life flexibility
- a technologically advanced work environment
- open social networks that embrace open and honest communication.

In addition, strength, cooperation, energy, conformity, virtue and duty tend to be among the values of Generation Y (Pekala 2001).

Expectations of Generation Y

Raines (2008) advises employers to meet the high expectations of Generation Y employees with respect and positivism. Generation Y is likely to have high expectations of personal and financial success, feel that hard work pays off and it tends to have a get-it done, result producing attitude (Breaux 2003). They have high expectations of self and they aim to work faster and better than others (Armour 2000). For many of Generation Y starting their careers for the first time, what they earn is important however it is not the salary which is important when they will be choosing their next employer (Chess 2006). They have high expectations of employers and want fair and direct managers who are highly engaged in their professional development (Armour 2005). They expect regular salary increases, but being not afraid of hard work, will prove themselves first (Bassett 2008).
It is a highly relationship-oriented generation who expect to experience this in the workplace and want to hear about how they work in an open culture (Cheese 2004). They expect a lot from their leaders (Staten 2008) and like to have their ideas heard and acknowledged, though that does not mean every suggestion must be acted upon (Straten 2008). They have grown up getting constant feedback and recognition so they expect to be told how they are doing (Armour 2005). Likewise, Generation Y expect a lot from their manager and looks to them as partners in success and job satisfaction (Hastings 2008) but they want fair and direct managers who are highly engaged in their professional development (Tulgan 2007).

The expectations of Generation Y are that they can have a choice of roles with organisations (O’Donnell 2008). They are an optimistic group with big expectations for success (Hullett 2006) but do not expect to have a career with one employer nor do they expect to stay in a job for too long (Tulgan 2005).
3.5 Leadership Effectiveness in Professional Services Firms (PSF)

The leadership provided in every organisation is critical in shaping management style and the culture of the organisation. De Long et al (2007) in their study ‘When Professionals Have to Lead: A New Model of High Performance’ have developed an integrated leadership model based on extensive research on leaders in professional services. Their research found that excellent PSF leaders create a sense of purpose and a clear focus on execution, while supporting and gaining the commitment of their people. As a result, they develop teams and work cultures that attract top people who want to grow and do an outstanding job.

The leadership framework developed from the research is activity-based in that it deals with actual, observable behaviours that leaders may learn to become more effective. The model consists of four distinct but highly interrelated sets of leadership activities.

Figure 3.4: The Leaders’ Role in Professional Service Firms
• **Setting direction.**

Leaders in PSF often focus on the short term and spend little time providing direction on where the firm or practice is going and why. Since professionals are often solely focused on specific goals and tasks, they need leaders to articulate the organization's objectives and how their work relates to those objectives.

• **Gaining commitment to the direction.**

De Long et al (2007) describe how professionals have an innate need to be involved and included, they want to be heard. Many strong contributors who are not the star players at a firm often feel as if their contributions are being undervalued. When professionals feel excluded, they can feel alienated and fail to focus on the task at hand. Gaining commitment increases the odds that people will work harder and more creatively to move a firm, practice, or project in the desired direction.

• **Execution.**

Execution is defined in the study as ‘the process of meeting the financial goals that have been set and holding professionals at all levels accountable’. Execution is a key activity for leaders who are intimately involved in business development, selling, client service, and delivery.

• **Setting a personal example.**

Providing a positive personal example is crucial when leading professionals. In the often stressful environments of PSFs, it matters what leaders actually do through word and deed. Leaders must be role models in relation to the firm's stated values and goals or those values and goals become meaningless for professionals. Gaining commitment requires that leaders display personal integrity, support their professionals, and take responsibility for their own actions—including mistakes.
**Transformational Leadership**

Recently the concept of transformational leadership has gained popularity because of its qualitatively different approach to motivating followers. Specifically, Bass (1990) argued that transformational leaders motivate followers by raising an awareness of the importance and value of the organisation mission and goals, getting followers to transcend their own self-interests, and shifting follower’s needs from lower to higher level needs.

Gardner, W. (1998) explains that a major differentiator of this approach from other leadership styles, is that the transformational leader’s efforts to actively engage followers self concepts, including self esteem, self efficacy and self confidence. As a result the nature of the relationships that transformational leaders establish with their followers is based on a higher level of emotional engagement with and personal liking for the leader (Kouzes and Posner 1987).

**Emotionally Intelligent Leadership**

Goleman (2002) entitled his book on emotional intelligence and leadership ‘Primal Leadership’. The reason, he explains is that; ‘great leaders move us; they ignite our passion and inspire the best in us. When we try to explain why they are so effective, we speak of strategy, vision or powerful ideas. The reality is much more primal; great leadership works through the emotions.’
Goleman’s ground breaking work in this field is based on the four central domains to emotional intelligence theory:

1. **Emotional self-awareness**
   This refers to understanding one’s own emotions, knowing one’s strengths and limits and having self confidence. In a large scale study Goleman conducted of CEO’s globally, this was the top trait of the most successful leaders; this success was not just financial but also related to success in the areas of health, emotional well-being, and relationships. Interestingly, when a gender analysis was undertaken, women CEOs scored significantly higher than their male counterparts.

2. **Self-management**
   This essential is the managing one’s emotions; keeping disruptive emotions and impulses under control. Leaders who practice self management tend to be optimistic in nature.

3. **Social awareness**
   This dimension of emotional intelligence centres on showing empathy to others and servicing follower, client or customer needs.

4. **Relationship Management**
   The final dimension in emotionally intelligent leadership refers to the leader’s ability to inspire, guide and motivate with a compelling vision. It also refers to developing others through feedback and guidance.
Authentic Leadership

Authentic Leadership bears much resemblance to the ‘self awareness’ aspect of the former leadership concept. One of the most prolific writers and speakers in this field at present is Dr. Gareth Jones. His HBR article ‘Why should anyone be led by you?’ is the basis for leadership development programmes across the globe.

The basic premise to this concept is that the traditional leadership qualities of vision, energy, authority and strategic direction are a given. Jones (2000) identifies four consistent qualities of inspirational leaders:

- They selectively show their weaknesses; this exposes their vulnerability and humanity.
- They rely heavily on intuition to gauge how and when to act.
- They manage employees with a quality referred to as ‘tough empathy’. Authentic leaders care passionate about people and also about the work they do. They can flex between empathy and constructive feedback when required.
- They reveal their differences – true leaders revel in diversity and capitalise on what is unique and different to them.
3.5.1 Mentoring

In many organisations mentoring is provided to ensure the best possible environment is created to develop the potential of the employee. In particular, graduates being groomed for future roles are nurtured and guided through a prepared learning programme.

An extensive review of the literature demonstrated that there are many definitions of mentoring, Inglar et al (2002), Malderez and Bidoczky (1999), Anderson (1987, Allen, Poteet and Russell (2000) and Clutterbuck (2003). Mentoring has been incorporated into the induction and on-going staff development programmes of many professions. The literature suggests that mentoring can be transformative as it has the capacity to bring about tangible change. The definition that is most closely aligned to the topic of this research is that of Inglar et al (2002 p. 25) who define mentoring as ‘...an organized meeting between equal colleagues in an atmosphere of trust, support and challenge with the aim of creating reflection. This leads to change and improvement.’ This definition is written in a learning and counselling context where mentoring is regarded as supporting the learning process. However, this does not confine mentoring to formal learning situations as mentoring like learning is an ongoing activity that one can engage in at any time. A short explanation by Clutterbuck (2003 p. 3) ‘...mentoring can help anybody, who has a major transition to make in his or her life, whoever or wherever they are’ suggests that mentoring is an uncomplicated practice which can be engaged in at anytime and it is likely to be particularly useful in times of transition.
3.5.2 Models of Mentoring

Mentoring is based on the belief that two people can work together as colleagues and form a learning partnership with one person taking a guiding role, as the mentor while the other the mentee is the one being guided. Mentoring can be viewed from a variety of perspectives and the difference between one type of mentoring and another is determined by the philosophy that underpins it. From an organisational perspective it must be noted that the philosophy of the organisation will determine the mentoring model adopted.

Mentoring is very widely used in the business world where experienced mentors provide support to young protégés in order to further the career prospects of the protégés. This model is firmly focused on the career of the individual and is aimed at high-flyers in the business world (Clutterbuck, 2003).

Mentoring can be a formal or informal arrangement and there are positive and negative aspects to both. Clutterbuck (2003) believes that informal mentoring is often a very positive experience and this is possible when both parties have benefited from positive formal mentoring experiences. However, he does recommend a formal mentoring programme as the preferred initial mentoring experience for several reasons, formal mentors will have received some training and will have contact with other mentors, which provides opportunities to support and learn from one another.

The analogy used by Daloz (1986 p.16) to illustrate the concept of mentoring is thought provoking when he describes learning or education as a ‘transformational journey’ and refers to the student or mentee as the traveller. The model he favours is very definitely a developmental one. This model promotes growth and personal development and is illustrated by Malderez and Bodoczky (1999 p.16) when they state the mentor’s desired outcome of the mentoring process ‘my trainee mustn’t become a second ‘me’, but an enriched herself.’
This implies a supportive mentor/mentee relationship and acknowledges the growth and development that is possible and the desired outcome of the mentoring process. Vygotsky (1979) as cited in Inglar et al (2002 p.23) maintains that the mentor is a ‘support structure or scaffold in the learning process stimulating the mentee to reach her ‘zone of proximal’ development.’ This is the performance the mentee is capable of working independently compared with the performance level that the mentee can achieve with the support of a mentor. This indicates that supporting a person through the learning process is a worthwhile investment of time and personnel and is likely to lead to a positive and productive learning experience for the mentee. This method also promotes collaborative work practice, which is a useful skill and the preferred way or working in many organisations. This also concurs with the view that growth and development through learning is more likely to occur when support is readily available.

Kelly et al (1995) believes that mentoring has the capacity to encourage reflective practice. This is based on the view that the mentoring system or process encourages reflection. This is made possible by the mentor using discussion, questioning, and providing feedback to encourage reflection. Through this process the mentee is encouraged to reflect and thus begins to use reflection to enhance teaching and learning. Schon (1983) describes reflection as having three steps, returning to the experience, attending to feelings, and evaluating the experience. Whereas Kolb (1984) mentions four stages in the process, experience, observe – standing back from the situation and observing, reflect – think about it, form an opinion and make a plan – put it into practice. Reflection can enhance learning as it ensures that a learner actively engages with the learning process rather than going through it automatically.

Clutterbuck (2003) maintains that the mentor is called upon to ‘play different roles according to the mentee’s needs’ (p.11). The needs will vary throughout the life of the mentoring relationship and as the mentee gains more experience and confidence in their own ability to perform their professional role. The mentor will be called upon to listen, give feedback, and challenge the mentee in order to stimulate reflection and to arrive at possible solutions.
3.5.3 Mentoring - Advantages and Disadvantages

When introducing a new development where individuals are invited to take on additional work or responsibility as in a mentoring programme it is more likely to be embraced if there are advantages for all parties involved namely the mentor, the mentee and the organisation. From an organisational perspective mentoring can be described as a low cost - high impact intervention and actively demonstrates how the collective expertise and experience of staff can be used as a resource within an organisation. The challenge for management is to support and value the mentoring system by ensuring that mentors are given appropriate training and support to be effective in their role. The view expressed by Turk (cited in Scherer 1999) that mentors need to be mentored illustrates the need to provide continuous support to those who take on a mentoring role in an organisation. It is also essential that both mentors and mentees are given the time to participate in the mentoring process so that time constraints does not become an issue and have a negative impact on the mentoring experience.

Mentees have the opportunity to access one-to-one personalised confidential support through their mentor. This will encourage and develop the confidence and competence of the mentee and increase effectiveness. Mentoring should not be regarded as an issue-free process there are aspects of the practice that if allowed to develop could have a negative impact on a mentoring programme within an organisation. The fundamental aim of mentoring is to provide confidential support to another person and care must be taken that this does not create a dependency. Mentors need to have the skills to encourage and support the ‘learner discover their own wisdom’ (Clutterbuck, 2003 p. 4) and in so doing develop competence and build confidence. Feiman-Nemser et al (1999) express a concern that mentoring may promote long-established practices that are not necessarily examples of best practice. In order to avoid this situation great care must be taken when recruiting and training mentors. It is essential that mentors demonstrate best practice in their own application to their work if they are to promote best practice through the mentoring process.
3.6 Motivating Graduates through Employee Engagement

Traditional theories regarding employee motivation such as Herzberg’s Motivators and Hygiene Factors (1959) Figure 2.3 and Adam’s Equity Theory (1963), Figure 2.4 whilst still have a certain validity have been surpassed by more progressive studies based on motivating workers in a knowledge economy.

![Herzberg's Motivators and Hygiene Factors (1959)](image)

Figure 3.5: Herzberg’s Motivators and Hygiene Factors (1959)
Adams’ Equity Theory (1963)

What I put into my job: time, effort, ability, loyalty, tolerance, flexibility, integrity, commitment, reliability, heart and soul, personal sacrifice, etc

What I get from my job: pay, bonus, perks, benefits, security, recognition, interest, development, reputation, praise, responsibility, enjoyment, etc

Scales ‘calibrated’ and measured against comparable references in the market place

People become demotivated, reduce input and/or seek change/improvement whenever they feel their inputs are not being fairly rewarded. Fairness is based on perceived market norms.

Figure 3.6: Adam’s Equity Theory (1963)

New Thinking on Motivation

The work of Nohria et al (2008) describes some exciting progress in the area of human motivation through the marriage of different fields of study, among them, neuroscience and evolutionary psychology. In their ground breaking study they identify four basic drivers of motivation (figure 3.7); they are the drives to acquire (obtain scarce goods, including intangibles such as social status); bond (form connections with individuals and groups); comprehend (satisfy our curiosity and master the world around us); and defend (protect against external threats and promote justice). These drives underlie everything we do.
Their research showed that an organisation’s ability to meet the four fundamental drives explains, on average, about 60% of employees’ variance on motivational indicators (previous models have explained about 30%). They also found that certain drives influence some motivational indicators more than others. Fulfilling the drive to bond has the greatest effect on employee commitment, for example, whereas meeting the drive to comprehend is most closely linked with employee engagement. A company can best improve overall motivational scores by satisfying all four drives in concert. The whole is more than the sum of its parts; a poor showing on one drive substantially diminishes the impact of high scores on the other three.

4 Basic Human Drivers of Motivation
Motivation: A Powerful New Model

<table>
<thead>
<tr>
<th>Acquire</th>
<th>Bond</th>
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<td>drive to obtain scarce goods, including intangibles such as social status…</td>
<td>form connections with individuals and groups..</td>
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<th>Comprehend</th>
<th>Defend</th>
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<tbody>
<tr>
<td>satisfy our curiosity and master the world around us….</td>
<td>protect against external threats and promote justice..</td>
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Figure 3.7: 4 Basic Drivers of Motivation (HBR 2008)
3.6.1 Employee Engagement

Tasker (2004) defines engagement as a beneficial two way relationship where employees and employers go the extra mile for one another while Schaufell et al (2002) see engagement ‘as a positive, fulfilling, work related state of mind that is characterised by vigour, dedication and absorption. ‘Employee engagement can be considered as cognitive – employees beliefs about the organisation, leaders and culture; emotional – how the employees feel about the organisation, leaders and colleagues; and behavioural-the amount of effort employees put into work (Lockwood 2007). It is a mutual contact between the employee and the employer. Employers have a responsibility to train leaders and build a meaningful workplace and employees have a responsibility to contribute to an engaging workforce’ (Towers Perin 2003).

Shaw (2007) stated that ‘it is very easy to make an employee happy or satisfied, but those factors bring no difference in retention rates. Engaged employees on the other hand are more creative. There is a huge motivational and performance difference.’ However Frank, Finnegan and Taylor (2006) argue that engagement ultimately comes down to people’s desire and willingness to give discretionary effort to their jobs. May et al (2004) believe that engagement has to do with how individuals employ themselves in the performance of their job. Employee engagement focuses on how the psychological experiences at work and work contexts shape the process of people and presenting and absenting themselves during task performance (Kahn 1980). Lockwood (2007) believes that engaged employees work harder, are more loyal and are more likely to go the ‘extra mile’ for the organisation.

The Gallup Management Group (2008) showed that improving employee engagement is important because engaged employees have:

- 51% lower turnover
- 27% less absenteeism
- 18% more productivity
- 12% higher profitability
According to Smith (2008), the new generation of workers, which he calls ‘the Millennials’, is entering the workforce with a desire for long-term employer relationships on their own terms. This new group is shaking up the workforce and demanding more from their employer than simply financial compensation for their work and ability to be ‘on-call’ at all times thanks to communication technologies.

As the economy changes and employee demands become more specific, employee engagement provides an opportunity to increase productivity and in turn profitability while satisfying employee needs.

- Engaged employees perform 20% better than non-engaged employees (Gallup Management Group)
- Offices with engaged employees are 43% more productive (The Hay Group)
- Employees with the highest percentage of engaged employees, on average, increase operating margins 3.64% and net profit margins by 2.06% (Towers Perrin_ISR, June 2007)
- Organisations with the lowest percentage of engaged employees showed declines of 2% in operating margins and 1.38% in profit margins (Towers Perrin_ISR, June 2007).

The Best Companies Guide UK 2008 highlights eight possible organisational factors that can improve employee engagement:

- **Leadership**: good leadership leads to a happy team
- **My Company**: how much people value their company, and are proud to work there.
- **Personal growth**: whether employees feel challenged by their job
- **My Manager**: the employee-manager relationship
- **Giving something back**: community service and volunteering opportunities
- **Fair deal**: how well employees are treated in terms of pay and benefits compared to similar organisations
- **Wellbeing**: balance between work and home life.
3.7 Graduate Retention

Graduates are critical in a knowledge economy. Good companies can take a graduate and develop them to progress to management levels. Graduate recruitment is very much viewed as an investment in professional services. Each year, the big accounting firms compete for the best and brightest graduates coming out of the universities and colleges around the country. Despite the economic climate, Deloitte still hired 150 graduates in 2009 and plan to hire a similar number in 2010.

Retention can be defined as the ‘effort by an employer to keep desirable works in order to meet business objectives’ while turnover is often used to describe the unplanned loss of workers who voluntarily leave and whom employer would prefer to keep (Frank, Finnegan, Taylor 2004).

A retention strategy is a long term commitment to attract, develop, retain and motivate talented people (Woodruffe 1999) Organisations cannot hope to either attract or retain the right people if they take a reactive rather than strategic approach (CIPD 2004). To grow and maintain a competitive edge, organisations should have a strategy in place to retain their top performers. Retention is implicit in a business strategy based around people as a winning resource. (Woodruffe 1999). It can also be a source of advantage for an organisation (Sigler 1999) but there are challenges in attempting these employees (Barney 1991; Wernerfelt 1984; Pettman 1975). A loss of talented employees may be very detrimental to an organisation’s future success (Coff 1996).

Effective strategy development is about analysis as well as creativity, since in order to implement a retention strategy ‘an organisation needs to understand itself, the people within it and the world in which it operates before it can make effective strategic choices’ (Christy and Norris 2006). A retention strategy takes into account the particular retention issues that an organisation is facing and sets out ways in which these issues can be dealt with.
Cappelli (2000) states that an organisation will ultimately determine the movement of employees believing that people cannot be shielded from attractive opportunities and aggressive recruiters, and suggests “the old goal of human resource management – to minimise overall employee turnover – needs to be replaced by a new goal: to influence who leaves and when”.

Creating a retention strategy means placing the employee’s needs and expectations at the centre of the company’s long-term agenda in order to ensure the professional satisfaction of the employee and create a trusted relationship. In this stable relationship, the employee stays in the company by personal choice based on the free will and considered decision (Chaminade 2006) however Reed (2001) claims that “every worker is five minutes away from handing in his or her notice, and 150 working hours away from walking out the door to a better offer. There is no such thing as a ‘job for life’ and today’s workers have few qualms about leaving employers for greener pastures…”

Developing an employee retention strategy is one step organisations can take to avoid huge levels of turnover. As well as keeping costs under control, cleverly thought out retention objectives that support resourcing and business goals will also strengthen the internal brand and also contribute to the organisations ability to attract new talent (CIPD 2004).

Retaining talented productive employees and eliminating poor performing employees is essential to the long term success of an organisation (Rice, Gentile, McGarlin 1991).
3.8 Maintaining Trust in Difficult Times

Lyman (2008) states the importance of managing trust in difficult economic times. She describes ‘trustworthy behaviour’ as ‘the glue that holds a group of people together, keeps people contributing for the betterment of all, allows creative ideas to flow, and keeps people’s spirits up when facing challenges. In her work, she describes five specific actions that leaders and managers can take to ensure that trust is maintained during difficult times.

1) Involve People

It is important to remember that everyone is aware of what is going on. To mitigate the impact of job changes, involve employees in developing the strategies you seek to implement. Employees may come up with creative ideas for staffing changes – rotating unpaid days off, taking unpaid leave, reducing hours – or may be open to early retirement packages that could prevent layoffs. When people are involved in addressing difficult situations not only are you able to gain from their creative ideas, but you also give people a portion of control over what is happening to them. A sense of loss of control is one of the most harmful aspects of difficult situations – harmful to people’s health and harmful to the camaraderie and commitment of the group.

2) Share information broadly and consistently

In times of uncertainty, the grapevine and rumor mill are in high gear. People will create their own answers to questions if they do not receive enough information or if they receive inconsistent information from leaders. Therefore it is of great importance to let people know on a regular basis what is happening in the business. For leaders or managers it is important to be seen as a source of information about what steps are being taken to address the current situation. Even when full answers to questions can not be given.
3) Show up, be available, say thank you

Leaders and managers can help to convey a sense of confidence that the difficult times facing the organisation are being addressed simply by making themselves available and being visible. This is definitely a time to visit people at their desks, in the factory or in the call center or sales room.

Listen to what people are saying and answer with the information that you have. Let people know what you are doing, how you are keeping yourself informed. And let people know that you appreciate their contributions and hard work. ‘Thank you’ is one of the most powerful ways of showing appreciation.

4) Start with yourself

If cuts need to be made, leaders and managers need to be the first ones to make changes in their own pay. Generally hours do not get reduced for leaders during difficult times, yet reduced salaries can have a tremendous impact on the perception among employees that ‘we are all in this together’.

5) Layoffs as a last resort

Decisions about layoffs are some of the most difficult ones for leaders to make. Yet after everything else has been tried, sometimes layoffs are necessary. Remember as well to pay attention to the employees who stay. Much has been written about ‘survivor guilt’ for those who make it through a layoff.
3.9 Conclusion

This chapter has reviewed the current literature related to the research. This involved a review of the literature on Psychological Contract, Performance Management, Leadership, Motivation and Engagement, Talent Management and Trust. The literature has been a review of seminal material and also current journal articles in the relevant topics. This review of the literature will be used to determine the choice of research methods, the design of the data collection tool and will also be relevant in the final chapter to compare the results of this study to that of the literature.
4.1 Introduction

This chapter presents the emerging research issues arising from the research approach used in this particular study.

The main research questions posed in this study will be;

- How can the graduate population be more fully engaged in the workplace?
- What factors drive superior performance levels among this population?
- What recommendations can help retain this population in the organisation?

The results will be used to design a more effective strategy for managing graduate employees in Deloitte and the other organisations and institutes that have participated in the research study. Many of the findings will be relevant to professional services firms and graduate employers in general.

I will examine the following in this chapter:

- The philosophical issues in social research and the implications for this study.
- A description and rationale for methodology and research design employed. This will address methodological concerns in relation to quantitative and qualitative research approaches and current thinking on the merging of the two approaches.
- The rationale for my choice of case study research and data analysis methods.
- The rationale for my choice of data collection instruments.
- Reliability and validity of the study
- Ethical considerations
4.2 Philosophical Underpinnings

Merton (1998) describes a paradigm as ‘a way of looking at the world’ that is composed of ‘certain philosophical assumptions that guide and direct thinking and action.’ Guba (1990) suggests any process of formal inquiry is said to be guided by a set of basic beliefs that help define a research paradigm. He offers three questions to assist the researcher in finding a definition:

1. What is the nature of reality? (ontology)
2. What is the relationship between the researcher and the knowledge? (epistemology)
3. How should the inquirer go about discovering the relevant knowledge? (methodology)

McKenzie (1997) suggests there are two key questions for researchers:

1. What is the relationship between what we see and understand; our claims to ‘know’ and our theories of knowledge or epistemology; and that which is reality; our sense of being or ontology?

2. How do we go about creating knowledge about the world in which we live?

Key to any research endeavour is epistemology – how do we as researchers find knowledge and how do we use knowledge are important questions to reflect on. Ontology is a range of perspectives on the nature of reality. Both epistemology and ontology affect the methodology which underpins the research. From a philosophical perspective, methodology is more than a specific research method; the methodological rationale informs the reader as to the reasons for selecting the methods to address the research question.

Maykut & Morehouse (1994) emphasise the importance of the researcher acquiring a frame of reference concerning the nature of inquiry built on an understanding of the
philosophic underpinning of qualitative and quantitative research. Researchers in both the natural and social sciences have always been guided by the underlying paradigms which affect their thinking, their approaches and methods they use to conduct research.

I will now examine both polarities (figure 4.1) and their relevance to the available research in the field of this particular study.

<table>
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<tr>
<th>Table 1.1</th>
<th>Fundamental differences between quantitative and qualitative research strategies</th>
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<tr>
<td></td>
<td>Quantitative</td>
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<tr>
<td>Principal orientation to the role of theory in relation to research</td>
<td>Deductive; testing of theory</td>
</tr>
<tr>
<td>Epistemological orientation</td>
<td>Natural science model, in particular positivism</td>
</tr>
<tr>
<td>Ontological orientation</td>
<td>Objectivism</td>
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**Figure 4.1 – Fundamental Differences in Research Strategies**
Positivism

The Positivist era began in Europe in the 19th Century. The philosophers at this time believed that ‘attempts by humans to learn about nature were interventionist and unnatural and confused what was learned’ (Lincoln & Guba, 1985). The positivist era began when scientists became ‘active observers’ (Lincoln & Guba, 1985) in the scientific process. Reese (1980) defined Positivism as a ‘family of philosophies characterised by a positive evaluation of science and scientific methods’.

Bennett et al (1994: 7)) discuss how the idea of positivism is that the social world exists externally and its properties are measurable. They suggest this is in opposition to methods where data is inferred subjectively through ‘sensation, reflection or intuition.’

Lincoln & Guba (1985) noted that positivism has been ‘remarkably pervasive’. This success can be attributed to many factors including the generalisability of the data involved. Numerous authors have cited the benefits of using this approach. Marsh (1982) argues that causal and meaningful explanations can arise from this approach.

Mertons (1998) states that the underlying assumptions of positivism include the belief that ‘the social world can be studied in the same way as the natural world, that there is a method for studying the social world that is value-free, and that explanations of a causal nature can be provided.’ Positivists hold the belief that only one reality exists and it is the researcher’s task to discover that reality.

The major goal of Positivists is aligned with that of the natural scientists – they ‘identify causal explanations and fundamental laws that explain regularities in human social behaviour’ (Easterby-Smith et al 1991:23). Objectivists believe in causality i.e. ‘there are independent causes that lead to the observed effects (Remenyi et al. 1998: 32)."
Rubin et al (2005) is an example of a research study firmly grounded in an empiricist approach. The outcome of the research looking at transformational leadership shows clearly that ‘the study provides empirical support for the contribution of emotion and personality to transformational leadership behaviour’.

Strategic Human Resource Management has been described as a ‘hybrid’ discipline. Ferris et al (2004) describe it as ‘intersection of several disciplines including psychology, sociology, economics and management/organisation sciences’. They go on to identify different schools of thought in this field, all of which are underpinned by an empiricist approach. Whilst acknowledging the focus is on the ‘empirical support of testable hypotheses’ they note the lack of theoretical foundations of the variable testing that takes place in field. In looking at the limited research that is available in the field of Talent Management, the leaning is towards a positivist tradition.

An example of this is a study by O’Neal & Gebauer (2006) which involved a standard questionnaire administered via the internet to 86,000 employees. The respondents work full-time for mid to large size companies in 16 countries across four continents. The questionnaire included items about the full range of reward practices, leadership and management effectiveness, communication and culture. The key finding from the research was the ‘only 14 percent of the total global sample is highly engaged’. In the study ‘engagement’ is measured with a set of nine items. Through the regression analysis in the study, components were identified that drive employee engagement.

Another example of a quantitative study in talent management research is a research survey by Oxford Psychological Press (2003). This research was taken from a sample of 400 HR professionals in UK-based organisations. The objective of the study was to determine policies and perceptions regarding talented employees.
Key findings of this study were described as follows:

- 94 percent of companies believe having talented employees improves their organisation’s profit
- 84 percent believe that they have latent talent within their organisations
- 77 percent of respondents do not have an active talent management strategy
- ‘Attitude’ is identified as a key component of talent

The last point lends itself best to illustrating the limitations of such a quantitative study. An interprevist researcher may argue that ‘attitude’ is a highly individual and personal point and therefore generalisations can not be accurately formed.

The main criticism of this paradigm of research is summed up by Schon (1983) on the basis that it construes professional knowledge as the application of research, resulting in the separation of research and practice. He states that the model of Technical Rationality ‘leaves no room for artistry’.

Many critics became disillusioned with this approach to research and drew attention to the numerous limitations. Despite significant success in the natural sciences, the relevance of technical rationality to the study of human behaviour proved problematic for the positivist researcher. The gap between professional knowledge and the real world of problem solving gave rise to what Schon (1983) referred to as the “crisis of confidence in professional knowledge.”
4.2.1 Quantitative Research

Quantitative or scientific research is an objective, systematic process in which numerical data are used to measure phenomena and produce findings (Carr, 1994). Grounded in the positivist philosophy, the assumption behind this type of research is that the world is governed by immutable laws which are logical, ordered, predictable, controllable and measurable. Quantitative research is particularly focused on objectivity and, to this end, concepts, variables and hypotheses remain fixed throughout the study (Polit and Hungler, 1993).

Positivist principles underpin the belief that instrumental problem solving is made rigorous by the application of scientific theory and technique (Schon, 1983). However, Schon criticises the model of Technical Rationality (1983) on the basis that it construes professional knowledge as the application of research, resulting in the separation of research and practice. He states that this model:

Leaves no room for artistry.....no room for these indeterminate zones of practice - uncertainty, situations of confusion and messiness where you don’t know what the problem is. No room for the unique case which doesn’t fit the books. No room for the conflicted case where the ends and values in what you’re doing are conflicted with one another. And so you can’t see the problem as one of adjusting means to ends because the ends conflict.
Schon, 1987 p. 4.

The advantages of quantitative research include a clear and objective orientation, high level of reliability, systematic, reality-bound, generalisibility and clear validation procedures. On the other hand, it neglects the distinctive character of the social world, separates the researcher and research object from the context (Clarke, 1995). Objectivity can lead to dehumanisation of respondents and separates the world into dichotomies (culture versus nature, subject versus object).
4.2.2 Qualitative Research

The naturalistic paradigm of inquiry (upon which qualitative research is based) focuses on subjective elements and a constructed world, on critical thinking, on interpretive attributes and on political issues that reject the notion of taking the world for granted (Sarantakos, 1993). In contrast to the quantitative approach, the goal of the qualitative research paradigm is to provide a research methodology for “....understanding the complex world of lived experience from the point of view of those who live it” (Schwandt, cited by Bailey, 1997 p.18). Denzin and Lincoln (1994: p 4) define qualitative research, as follows:

The word qualitative implies an emphasis on process and meanings that are not rigorously examined, or measure (if measured at all), in terms of quantity, amount intensity, or frequency. Qualitative researchers stress the socially constructed nature of reality, the intimate relationship between the researcher and what is studied, and the situational constraints that shape inquiry. They seek answers to questions that stress how social experience is created and given meaning.

Characteristics inherent in qualitative research design are:

- occurs in natural settings, where human behaviour and events occur
- it is inductive - theory or hypotheses are not established a priori
- researcher is primary instrument in data collection
- descriptive data emerge
- data are interpreted in regard to particulars rather than generalisations of a case
- emergent design in its negotiated outcomes - subjects realities are reconstructed
- uses tacit knowledge.

These characteristics reflect the advantages of qualitative research, which allow greater flexibility and lead to a deeper understanding of the respondent’s world. However, problems of reliability caused by extreme subjectivity can arise, it can be time consuming and problems of generalisability and ethics can arise.
Creswell (1994) states that qualitative research can be traced back to the late nineteenth century but the movement only gained momentum in the 1960s. In the intervening years much work has been done on this particular research approach. The Postpositivist Era that began to emerge reflected a paradigm shift with new underlying assumptions which would directly contrast with those of the positivist tradition. Lincoln & Guba (1985) referred to this as the “naturalistic paradigm”. This challenged the assumptions of positivism and provided contrasting ones, i.e.

♦ **The nature of reality:** Positivists see reality as single, fragmentable and tangible. Naturalism sees reality as multiple, constructed and holistic.

♦ **The relationship of knower to the known:** Postivism sees this relationship as being independent. Naturalists argue that the judgements you make cannot be separated from your own values.

♦ **The possibility of generalisation:** The Naturalist axiom believes in only time and context bound working hypotheses. These factors become part of the knowledge that is constructed. Positivists on the other hand believe that time and context free working hypotheses are possible.

♦ **Causal linkages:** Naturalism does not distinguish cause from effect while the positivist inquirer believes there are real causes, precedent or simultaneous with effect.

♦ **Role of values:** Naturalists believe we cannot abandon our values when conducting research, we must state where we are coming from. Positivist inquiry is value free or makes the assumption that it is.
Qualitative studies seek to go beyond the basic facts to develop a deeper understanding of factors, which are sometimes hidden that account for behaviour. It is impressionistic rather than conclusive and probes rather than counts (Chisnell, 1997). Cassell & Symon (1994) agree that the research is less driven by a specific hypothesis but is more concerned with idiographic descriptions. The main concern is with understanding the way in which an individual creates, modifies and interprets the world in which they find themselves. In methodological terms it is an approach that is focused on the relativistic nature of the social world.

As McCracken (1998) highlights;
‘Qualitative research does not survey the terrain, it mines it. It is in other words, more intensive than extensive.’ Qualitative methods have a long history and tradition within management research. Early ethnographies of managerial work have led to significant insights into managerial experience and practice e.g. Dalton (1959) and Mintzberg (1973).

A study completed by Clifton (2006) is a good example of a primarily social constructivist approach. The researcher examines a single leader, MD of a small, specialist furniture company. He uses a participant observation approach which involves an ‘analysis of naturally occurring speech to reveal how leadership and what it means, evolves over time’. This involves a search for meaning and understanding rather than a search for cause-event regularity.
However, the emphasis in management research continues to be upon the quantification of data. Cassell et al. (2005) describe how prestigious journals within the field continue to be viewed as ‘hostile to qualitative research’. Larson and Lowendahl (1996) conducted a review of the applications of qualitative research in management research in four well regarded journals. Their review showed that from the period between 1984 and 1994, only 12 studies during that period could be classed as qualitative showing the lack of regard for this approach in management research.

Cassell and Symon (1999) identify a number of factors to try to explain this trend:

- Difficulty in getting past epistemological gatekeepers
- Conforming to journal editorial constraints set up with quantitative studies in mind
- Pressure to justify research methods according to positivist criteria
- Lack of exposure to alternatives in management publications and on management courses

In reviewing the research in my own field of HR talent development, few true qualitative studies emerge. Barlow (2006) in her feature article states the importance of taking a ‘highly personalised and individual approach to talent development’. She explains how ‘each person starts from a different base line’ and if organisations are serious about managing their talent they will need to respond at an ‘individual and organisational level’.

One study in the field using this approach is that of Ansari & Lockwood (1999) who conducted research in the field of talent management pertaining to IT. Their study consists of one intensive focus group. This methodology was selected as the authors wanted to ‘gain in-depth insights into various recruitment and retention strategies’. The focus group in this case consisted of 14 participants and lasted four and a half hours.
4.2.3 Research Approaches

Bryman, A (2008) examines the differences between deductive and inductive approaches in research. As outlined in figure 4.2 the deductive approach starts with a theory and data is generated to confirm or reject the researcher’s hypothesis. This approach typically lends itself to quantitative research.

Inductive researchers on the other hand generate theory from the data collected. This approach is more common in the social sciences and typically employs qualitative research methods.

Deductive approach

Inductive approach

Figure 4.2 – Deductive v Inductive Approach
4.2.4 Merging Paradigms

In general research many researchers currently combine the use of both quantitative and qualitative methods. Reichardt & Rallis (1994) argue that there is more ‘compatibility that incompatibility’ between the methods. Miles & Huberman (1994) believe ‘the quantitative-qualitative argument is essentially unproductive’. They refer to Howe’s analysis (1985, 1988), which show the two methods are ‘inextricably intertwined’.

Rossman & Wilson (1991) suggest three broad reasons for linking the data:
1. to enable confirmation or corroboration of each other via triangulation
2. to elaborate or develop analysis, providing richer detail
3. to initiate new lines of thinking through attention to surprises or paradoxes, ‘turning ideas around’, providing fresh insight.

It is evident that this approach is prevalent in the limited research that exists in the talent management field. However, it is important to note that despite using some qualitative methodologies (in-depth interviews, focus groups), the research approach has a strong positivist weighting. McGee (2006) is a useful example of this type of study. The researcher in this instance uses structured interviews with 20 CEOs to determine how much time they spend on dealing with talent management issues. The main research finding is the CEOs spend at least 30 percent of their time on talent management. Despite a seemingly qualitative methodology, the findings are quantifiable. This is a good example of positivist type underpinnings as the researcher was focusing on cause and effect results for 'generalisable' knowledge.
4.3 Case Study Approach

The history of case study as a research method can be traced back to the 1930’s when it was used in medical research. Since that time, the use of case studies in the creation of new theory in social sciences has continued to grow.

Yin (1984, p 23) defines the case study research model as ‘an empirical inquiry which investigates a contemporary phenomenon within its real –life context; when the boundaries between the phenomenon and context are not clearly evident; and in which multiple sources are evidence are used.’

Yin (1993) in his later work, identified three specific types of case study; exploratory, explanatory and descriptive. Exploratory case studies are sometimes used as a prelude to social research. Explanatory case studies focus on the how and why questions. Descriptive case studies require a descriptive theory to be developed before starting the research project.

Stake (1995) identified three other types of case study research:

- Intrinsic – when the researcher has a personal interest in the case
- Instrumental- when the case is used to understand more than is obvious to the researcher
- Collective - when a group of cases is studied.

For the purposes of this research, the explanatory case study method was employed to examine how to motivate graduates in professional services to higher performance and levels.

According to Yin (1994), a case study is an empirical enquiry that investigates a phenomena within its real-life context while using multiple sources of evidence.
He suggests that ‘....the distinctive need for case studies arises out of the desire to understand complex social phenomena....such as....organisational and managerial processes.’

They are considered to be an excellent medium through which to conduct research because they place more emphasis on a full contextual analysis of a limited number of events or conditions and their inter-relations (Emory and Cooper, 1991).

Some advantages of using the case study as a research instrument include:

- Research topics can be extensively analysed and their complexities explored allowing the researcher to delve much deeper into the topic
- A case study makes it possible to transport the theory into practice and see how it holds

Yin (1994) suggests that the case study method is used when the research question(s) are of a “how” and “why” nature. The objectives in this case satisfy this requirement. The researcher wishes to explore “why” the organisation switched to a diversity-oriented approach and “how” they went about doing this. Another reason behind the choice of the case study method was that the topic being researched is complex and relatively new. The use of another research instrument, such as a questionnaire or survey, would not have provided sufficient depth of inquiry for the review of the topic. Quantitative or statistical research concentrates more on breath.

Critics of the case study method believe that the study of a limited number of cases can offer no grounds for reliability or generalisability. Others hold that view that it is only useful as an exploratory tool. Despite this, case studies continue to be used successfully by researchers in many different disciplines. I would agree with the view of Feagin et al (1991) who suggest the case study method is an ideal methodology when a holistic, in-depth investigation is needed. Stake (1995) suggests fellow case study researchers can overstate their findings; ‘it is not uncommon for case study researchers to make assertions on a relatively small database, invoking the privilege and responsibility of interpretation.'
Disadvantages associated with case studies include:

- They can lack statistical validity. Generalisations can not be made on the basis of case studies unless there are strong grounds to do so (Kitay and Callus, 1998). Kitay and Callus 1998 also suggest that it is difficult to disprove what a case study says because of the difficulty involved in establishing again, the various links within the study that the original researcher established.

- Gaining access to a case company/companies can be a problem. This did not prove to be a significant problem for the researcher due to the network of contacts in relevant stakeholder organisations.

Despite the drawbacks outlined, the case study was considered to be the most suitable instrument with which to conduct the research. Bryman, A (2008) describes how there is a tendency to associate case studies with qualitative research, but such an identification is not always appropriate. Case studies 'are frequently sites for the employment of both quantitative and qualitative research.' In his more recent research, Yin (2003) identifies five characteristics of an exemplary case study which is a useful quality check list before a case study is undertaken.

1. According to his research, case studies should be significant in the first instance i.e. issues of general public interest.

2. The case study must be complete – all critical evidence must be collected thoroughly and meticulously.

3. The case study must consider all perspectives. Contradictory theories should be explored and discounted based on the evidence presented.

4. Sufficient evidence must be provided so that an independent judgement can be reached by the reader of the research.
5. The case study should be interesting and engaging to the reader. The reader should be motivated to read the entire study.

Bell, J. 1993 (p.8) states 'case study is concerned principally with the interaction of factors and events. Methods of collecting information are selected that are appropriate to the task.' He describes how case study is a powerful technique in answering the who, why and how questions.

Briggs, A & Coleman M (2007) identify seven possible stages in conducting case study research:

**Stage 1: Identifying the Research Purpose**

Briggs, A & Coleman M (2007) p149 describe this as 'going back to first principles, the purpose of research is trying to make a claim to knowledge, or wisdom, on the basis of systematic, creative and critical enquiry.'

In this study the researcher focused on a 'research issue' that was relevant to the key stakeholders of the study i.e. the graduates, managers and professional institutes

Briggs, A & Coleman M (2007) describe this as 'an area for enquiry where no problems or hypotheses have yet been clearly expressed that can direct the enquiry.

Important factors in the choice of research purpose were access to data, research population and a passion for the topic!
Stage 2: Asking Research Questions
Bassey in Briggs & Coleman (2007) suggests that research questions should be formulated in a way that:

- sets the immediate agenda for research
- establishes how data are to be collected
- limits the boundaries of space and time within which it will operate
- facilitates the drawing up of ethical guidelines
- suggests how analysis can start

Stage 3: Drawing up Ethical Guidelines
Qualitative research methods promote a high degree of trust amongst subjects, which gives researchers a special responsibility to ensure that the trust is not abused by reneging on commitments, acting deceitfully or damaging subjects’ interests (Mason, 1995).

Stage 4: Collecting & Storing Data
It is important to have a systematic approach to collecting and storing data, particularly when large number of respondents are involved.

Stage 5: Generating and Testing Analytical Statements
Case study research usually produces a great deal of data and analysis is needed to condense everything collected into meaningful statements.

Stage 6: Interpreting or Explaining the Analytical Statements
'This is where the 'How?' and 'Why?' questions are brought to bear on the analytical statements in an attempt to provide understanding of the way things are.

Stage 7: Deciding on the outcome and writing the case report
Bassey suggests it is worth getting a critical friend to conduct an audit to judge if the data analysis and conclusions are reasonable. I found this process invaluable as it challenged my assumptions.
4.3.1 The Role of the Researcher in Qualitative Inquiry

It is important that the qualitative researcher adopts the stance suggested by the characteristics of the naturalist paradigm. Second, the researcher must develop the level of skill appropriate for a human instrument, or the vehicle through which data will be collected and interpreted. Finally, the researcher must prepare a research design that utilises accepted strategies for naturalistic inquiry (Lincoln and Guba, 1985).

Glaser and Strauss (1967) and Strauss and Corbin (1990) refer to what they call the "theoretical sensitivity" of the researcher. This is a useful concept with which to evaluate a researcher's skill and readiness to attempt a qualitative inquiry. Theoretical sensitivity refers to a personal quality of the researcher. It indicates an awareness of the subtleties of meaning of data. Strauss and Corbin (1990, p. 42) describe it as ‘having insight, the ability to give meaning to data, the capacity to understand, and capability to separate the pertinent from that which isn't’.

Strauss and Corbin believe that theoretical sensitivity comes from a number of sources, including professional literature, professional experiences, and personal experiences. The credibility of a qualitative research report relies heavily on the confidence readers have in the researcher's ability to be sensitive to the data and to make appropriate decisions in the field (Patton, 1990).

Lincoln and Guba (1985) identify the characteristics that make humans the "instrument of choice" for naturalistic inquiry. Humans are responsive to environmental cues, and able to interact with the situation; they have the ability to collect information at multiple levels simultaneously; they are able to perceive situations holistically; they are able to process data as soon as they become available; they can provide immediate feedback and request verification of data; and they can explore atypical or unexpected responses.
4.4 Data Collection

I have chosen a qualitative approach to my research using the following data collection methods:

- **Focus Groups**: seven focus groups took place in the initial phase of the research.
- **Online Survey**: an online survey was then administered based on the themes emerging from the focus group and also from the literature.
- **In-depth Interviews**: the final phase of the study was a series of in-depth interviews to explore the key emerging themes of the study.

The following chapter will explore the rationale and findings from this choice of data collection methods.
4.4.1 Focus Groups

It was decided to take a qualitative approach to the initial data collection. This was primarily due to the fact that the issues were of a personal nature and the area of career advanced can be quite emotive for employees. Powell and Single (1996 p.499) define focus groups as ‘a group of individuals selected and assembled by researchers to discuss and comment on, from personal experience, the topic that is the subject of the research’.

Limitations of Focus Groups

Many of the limitations of focus groups can be avoided through careful planning. However, there are still some unavoidable limitations to this research method:

- Robinson (1999) describes how the number of questions covered in the discussion may be limited as the response time will vary between participants.

- This leads on to another challenge – discussed in detail by Kreuger & Casey (2000) referring to the dominant member of the focus group who can prevent the shyer participants from expressing there views.

- Jackson (1998) refer to the point that the moderator is less in control than one-to-one interviewing.
4.4.2 Online Survey

I continued my study with an on-line questionnaire powered by www.surveymonkey.com. Online surveys have many advantages, they are efficient to set up, easy to complete as long as the respondents have internet access, and analysis is straightforward as most have built in packages to analyse the data and prepare charts.

Criticism of online surveys

Fullerton and Kandola (1999, p.87) outline some disadvantages of surveys:

- Adequate sampling and response rate are difficult to ensure,
- You only get answers to questions you ask therefore possibly missing some important points,
- Time taken to design and pilot questionnaire could be considerable, and
- Technical knowledge is necessary for survey design.

I found the survey to be an excellent method to get responses from a large sample to highlight the key issues that were probed and fleshed out in the interviews that followed.
4.4.3 In-depth Interviews

The interviews were semi-structured meaning that the interviewer was guided by a list of questions, but the interviewee was free, and encouraged, to interject and discuss any relevant topic. Webb (1992) defines in-depth interviews as:

*unstructured free-flowing discussions on a one-to-one basis intended to generate data which is deep and rich and which are conducted in an interview free of peer-pressure and the need to conform to social norms.*

The personal interview allows for in-depth and detailed information to be obtained. It also allows the interviewer to seek clarification on issues, ask follow-up questions and observe facial expressions. The flexibility of the approach encourages the development of a rapport between the interviewer and respondent. This can facilitate the free flow of information and thus help validate results.

Disadvantages when using the interview include costs in terms of time and money as well as being restricted to smaller samples. However, McCracken (1988) suggests that it is more important to work longer, and with greater care, with a few people than more superficially with many of them. Another disadvantage of this technique is that both the interviewer and the interviewee can introduce an element of bias into the interview procedure.

**Recording Data**

A basic decision going into the interview process is how to record interview data. Whether one relies on written notes or a tape recorder appears to be largely a matter of personal preference. For instance, Patton says that a tape recorder is "indispensable" (1990, p. 348), while Lincoln and Guba "do not recommend recording except for unusual reasons" (1985, p. 241). Lincoln and Guba base their recommendation on the intrusiveness of recording devices and the possibility of technical failure. Recordings have the advantage of capturing data more faithfully than hurriedly written notes might, and can make it easier for the researcher to focus on the interview.
4.5 Data Analysis - Content Thematic Analysis

My choice of data analysis for the main aspect of the study, the in-depth interviews, is Burnard’s (1991) model of Content Thematic Analysis. Data analysis is the process of bringing order, structure and meaning to a mass of collected data (Marshall and Rossman, 1995, p.111). More specifically, Bogdan and Taylor’s (1979, cited in Tesch 1990, p.90) define it as a process which:

‘entails an effort to formally identify themes and to construct hypotheses (ideas) as they are suggested by data and an attempt to demonstrate support for those themes and hypotheses. By hypotheses we mean nothing more than propositional statements.’

The aim of content thematic analysis is to produce a detailed and systematic recording of the themes and issues addressed in the interviews, online survey and the focus groups and to link these together under a reasonably exhaustive category system (Burnard, 1991).

Thematic analysis was conducted when all the data had been collected and the interviews transcribed. However, as Tesch (1990 p.5) points out data analysis is “not the last phase in the research process; it is concurrent with data collection or cyclic”. Following each interview, I made notes in my diary concerning the topics covered and allowed these topics to emerge, if appropriate, during the following interview. This corresponds to Miles and Huberman’s (1994, p. 63) view that data collection and analysis “inform or drive each other”.

Burnard developed the method of Content Thematic Analysis from Glaser and Strauss’ (1967) “grounded theory” approach and from various works on content analysis (Babbie, 1979; Berg 1989; Fox 1982; Glaser & Strauss 1967).
4.5.1. Content Analysis

Content Analysis is concerned with the intensive examination of language as a means of communication, particularly in the content of texts (Tesch, 1990). Ethnographic content analysis is used to document and understand the communication of meaning, as well as to verify theoretical relationships (Altheide, cited in Tesch, 1990, p.64). This type of content analysis uses the back and forth movement between concept development and data analysis and the constant comparative that grounded theory applies.
4.5.2 Grounded Theory

The aim of Grounded theory is “to discover theory from data through the general method of comparative analysis” (Glaser and Strauss, 1967, p1). Rather than considering the field collection of naturally occurring data sufficiently phenomenological, Glaser and Strauss advised researchers to discontinue their practice of bringing theories to the field and gathering data with the goal of disconfirming or verifying those theories. Instead, they described a method in which the process would be reversed: while the researcher suspended all prior theoretical notions, data relevant to a particular sociological problem area would be collected and then inspected to discover whether any theory or at least hypothesis could be developed directly from the patterns found in the data. Data are ordered into preliminary categories according to their conceptual context, and then constantly compared with a category to establish consistency, and across categories to establish clear boundaries. The concept in each category could be refined into a theoretical notion, and the researcher could then explore whether several concepts were connected with each other, thus forming hypotheses, based on or “grounded” in the data.

Morse and Field (1996) identify four cognitive process integral to qualitative methods of data analysis, as follows:

- **comprehending the situation** - gathering data, becoming immersed in the situation
- **synthesising the information** - analysing data into component parts. Content analysis takes place at this stage, where data is examined for similar words or themes and finding links between these.
- **theorising** - bringing data back together to understand meaning
- **recontextualising** - developing theory, applying findings to theory or to discuss or add to existing bank of literature on the subject. At the end of study, there will be a broader perspective to the situation.
4.6 Reliability and Validity

Traditionally, reliability and validity are canons against which research is measured. Like all qualitative research methods, case study research has been criticised (Morse, 1994; Leninger, 1994) for difficulty in establishing reliability and validity, due to:

- status position of researcher
- informant choices
- social context in which data is gathered
- methods of data gathering and analysis
- credibility of the researcher and the study itself
- generalisability of results

While the qualitative analyst has few guidelines for protection against self delusion, let alone against unreliable or invalid conclusions generally (Miles, 1979), nevertheless the results of the study must be authenticated. Streubert and Carpenter (1995) refer to this as the term used to describe the mechanism by which the qualitative researcher ensures that the findings of the study are real, true or authentic.

Lincoln and Guba (1985) reject the traditional labels of reliability and validity and replace them with indicators of scientific rigour to establish “trustworthiness”, as follows:

- Truth value: occurs when the researcher is confident that the research findings are credible i.e. that they present a true and accurate representation of the participants’ description and interpretation of their experiences and that the participants themselves would recognise it from those descriptions and interpretations as their own. A total description of the context is also given.
• Applicability: occurs when the results have “transferability” to other contexts. Although the readers of the research findings must judge whether transferability exists, nevertheless the researcher must provide sufficient descriptive data to make such judgements possible.

• Consistency: occurs when replication of the findings is made with the same subjects in the same context. Guba & Lincoln advocate an “audit trail” to describe, explain and justify every step of research.

• Neutrality: occurs when the findings of the study are determined by the subjects of the research and the conditions of inquiry and not by the biases, motivations and interests of the researcher.
4.6.1 Judging Qualitative Research

Eisner (1991, p. 53) states "there are no operationally defined truth tests to apply to qualitative research" Instead, researcher and readers "share a joint responsibility" for establishing the value of the qualitative research product (Glaser and Strauss, 1967, p. 232). "Pragmatic validation of qualitative research means that the perspective presented is judged by its relevance to and use by those to whom it is presented: their perspective and actions joined to the researcher's perspective and actions" (Patton, 1990, p. 485).

Eisner (1991) believes that the following three features of qualitative research should be considered by reviewers:

Coherence: Does the story make sense? How have the conclusions been supported? To what extent have multiple data sources been used to give credence to the interpretation that has been made? (p. 53).
Related to coherence is the notion of "structural corroboration," also known as triangulation (p. 55).

Consensus: The condition in which the readers of a work concur that the findings and/or interpretations reported by the investigator are consistent with their own experience or with the evidence presented (p. 56).

Finally, reviewers must assess the report's:
Instrumental Utility: The most important test of any qualitative study is its usefulness. A good qualitative study can help us understand a situation that would otherwise be enigmatic or confusing (p. 58).
A good study can help us anticipate the future, not in the predictive sense of the word, but as a kind of road map or guide. "Guides call our attention to aspects of the situation or place we might otherwise miss" (Eisner, 1991, p. 59).
4.6.2 Trustworthiness in Qualitative Research

According to Lincoln and Guba, the basic question addressed by the notion of trustworthiness is as follows; "how can an inquirer persuade his or her audiences that the research findings of an inquiry are worth paying attention to?" (1985, p. 290). When judging qualitative work, Strauss and Corbin (1990) believe that the "usual canons of 'good science'...require redefinition in order to fit the realities of qualitative research" (p. 250). Lincoln and Guba (1985, p. 300) have identified one alternative set of criteria that correspond to those typically employed to judge quantitative work (figure 4.5).

<table>
<thead>
<tr>
<th>Conventional terms</th>
<th>Naturalistic terms</th>
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<tbody>
<tr>
<td>internal validity</td>
<td>credibility</td>
</tr>
<tr>
<td>external validity</td>
<td>transferability</td>
</tr>
<tr>
<td>Reliability</td>
<td>dependability</td>
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<tr>
<td>objectivity</td>
<td>confirmability</td>
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</table>

Figure 4.3 Comparison of criteria for judging the quality of quantitative versus qualitative research

Smith and Heshusius (1986) sharply criticize those writers, like Lincoln and Guba, who they believe have adopted a stance of "detente" with rationalists. They are particularly critical of Lincoln and Guba's use of "comparable criteria," which they believe look little different than the conventional criteria they supposedly replace. In either case, there must be a "belief in the assumption that what is known-be it an existent reality or an interpreted reality-stands independent of the inquirer and can be described without distortion by the inquirer" (p. 6). Smith and Heshusius claim that naturalistic research can offer only an "interpretation of the interpretations of others," and that to assume an independent reality is "unacceptable" for the qualitative researcher (p. 9).
Internal Validity versus Credibility

In conventional inquiry, internal validity refers to the extent to which the findings accurately describe reality. Lincoln and Guba (1985) state that "the determination of such isomorphism is in principle impossible" (p. 294), because one would have to know the "precise nature of that reality" and, if one knew this already, there would be no need to test it (p. 295). The conventional researcher must postulate relationships and then test them; the postulate cannot be proved, but only falsified. The naturalistic researcher, on the other hand, assumes the presence of multiple realities and attempts to represent these multiple realities adequately. Credibility becomes the test for this. Credibility depends less on sample size than on the richness of the information gathered and on the analytical abilities of the researcher (Patton, 1990). It can be enhanced through triangulation of data. Patton identifies four types of triangulation: 1) methods triangulation; 2) data triangulation; 3) triangulation through multiple analysts; and 4) theory triangulation. Other techniques for addressing credibility include making segments of the raw data available for others to analyze, and the use of "member checks," in which respondents are asked to corroborate findings (Lincoln and Guba, 1985, pp. 313-316).

External Validity / Generalisability versus Transferability

In conventional research, external validity refers to the ability to generalize findings across different settings. Making generalizations involves a trade-off between internal and external validity (Lincoln and Guba, 1985). That is, in order to make generalisable statements that apply to many contexts, one can include only limited aspects of each local context.

Lincoln and Guba (1985) admit that generalisability is "an appealing concept," because it allows a semblance of prediction and control over situations (pp. 110-111). Yet they suggest that the existence of local conditions "makes it impossible to generalize" (p. 124).
Cronbach (1975) discusses the problem by saying; ‘the trouble, as I see it, is that we cannot store up generalisations and constructs for ultimate assembly into a network. It is as if we needed a gross of dry cells to power an engine and could only make one a month. The energy would leak out of the first cells before we had half the battery completed’ (p. 123). According to Cronbach, "when we give proper weight to local conditions, any generalisation is a working hypothesis, not a conclusion" (p. 125).

In the naturalistic paradigm, the *transferability* of a working hypothesis to other situations depends on the degree of similarity between the original situation and the situation to which it is transferred. The researcher cannot specify the transferability of findings; he or she can only provide sufficient information that can then be used by the reader to determine whether the findings are applicable to the new situation (Lincoln and Guba, 1985). Other writers use similar language to describe transferability, if not the word itself. For example, Stake (1978) refers to what he calls "naturalistic generalization" (p. 6). Patton suggests that "extrapolation" is an appropriate term for this process (1990, p. 489). Eisner says it is a form of "retrospective generalization" that can allow us to understand our past (and future) experiences in a new way (1991, p. 205).

**Reliability versus Dependability**

Kirk and Miller (1986) identify three types of reliability referred to in conventional research, which relate to: 1) the degree to which a measurement, given repeatedly, remains the same; 2) the stability of a measurement over time; and 3) the similarity of measurements within a given time period (pp. 41-42). They note that "issues of reliability have received little attention" from qualitative researchers, who have instead focused on achieving greater validity in their work (p. 42). Although they give several examples of how reliability might be viewed in qualitative work, the essence of these examples can be summed up in the following statement by Lincoln and Guba (1985): "Since there can be no validity without reliability (and thus no credibility without dependability), a demonstration of the former is sufficient to establish the latter" (p. 316).
Lincoln and Guba do propose one measure which might enhance the dependability of qualitative research. That is the use of an "inquiry audit," in which reviewers examine both the process and the product of the research for consistency (1985, p. 317).

**Objectivity versus Confirmability**

It is generally assumed that research which relies on quantitative measures to define a situation is relatively value-free, and therefore objective. Qualitative research, which relies on interpretations and is admittedly value-bound, is considered to be subjective. In the world of conventional research, subjectivity leads to results that are both unreliable and invalid. There are many researchers, however, who call into question the true objectivity of statistical measures and, indeed, the possibility of ever attaining pure objectivity at all (Lincoln and Guba, 1985; Eisner, 1991).

Patton (1990) believes that the terms objectivity and subjectivity have become "ideological ammunition in the paradigms debate." He prefers to "avoid using either word and to stay out of futile debates about subjectivity versus objectivity." Instead, he strives for "empathic neutrality" (p. 55). While admitting that these two words appear to be contradictory, Patton points out that empathy "is a stance toward the people one encounters, while neutrality is a stance toward the findings" (p. 58). A researcher who is neutral tries to be non-judgmental, and strives to report what is found in a balanced way.

Lincoln and Guba (1985) describe the "confirmability" of the research. In a sense, they refer to the degree to which the researcher can demonstrate the neutrality of the research interpretations, through a "confirmability audit." This means providing an audit trail consisting of 1) raw data; 2) analysis notes; 3) reconstruction and synthesis products; 4) process notes; 5) personal notes; and 6) preliminary developmental information (pp. 320-321).
Phillips (1990) questions whether there is really much difference between quantitative and qualitative research: bad work of either kind is equally to be deplored; and good work of either kind is still-at best-only tentative. But the good work in both cases will be objective, in the sense that it has been opened up to criticism, and the reasons and evidence offered in both cases will have withstood serious scrutiny. The works will have faced potential refutation, and insofar as they have survived, they will be regarded as worthy of further investigation’ (p. 35)
4.7 Ethical Considerations

The historical origin of current ethical principles for conducting research with human subjects arises from the Nuremberg Trials, which took place after the Second World War, and the Nuremberg Code, which emerged from these. The Code set out statements of certain moral, ethical and legal principles relating to research involving human subjects. Many professional organisations had developed codes of practice based on these principles. The Sociology Department of the University of Essex has identified a number of options on their web-site (www.essex.ac.uk), which are aimed at enhancing the protection of confidentiality for the participants who have supplied information within any dataset. I made use of the following guidelines in my research:

- Confidential and anonymous focus group, survey and interview data – individual quotes were only used in the final report if I was certain the participant remained unidentifiable.
- Restricted access – at all times I remained the only person with access to the data.
4.8 Conclusion

This chapter has reviewed the philosophical underpinning of this research study and provided an overview as case study research. The different research methods employed in the study have been examined as well as the areas of reliability, validity and ethics in research.

The following chapter will examine the analysis and findings from the research study.
CHAPTER 5 – RESEARCH ANALYSIS AND FINDINGS

5.1 Introduction

The main research questions posed in this study are;

- How can the graduate population be more fully engaged in the workplace?
- What factors drive superior performance levels among this population?
- What recommendations can help retain this population in the organisation?

This chapter will cover an analysis of the research that took place to respond to these research questions. The sequence of the research trail will be explained with an outline of the rationale for conducting each stage. An overview is given of the Constant Comparative Method used to analyse the focus group output and Burnard’s (1991) model of Content Thematic Analysis that was used to analyse the interview data. The validity and limitations of the study will also be reviewed.

A number of consistent themes emerged from the research. This chapter will analyse the pertinent themes in light of the literature review and research completed. The themes will be examined under the following headings:

- Impact of the Recession – changed expectations
- Manager As Mentor
- Work Life Balance
- Motivation to Perform at a Higher Level
- Communication
- Career Development
- Graduate as Learner
5.2 Research Trail

Figure 5.1 outlines the research trail for this study. The reason for this choice of research sequence is as follows:

- In order to gain approval from the Managing Partner for the project, it was in accordance with his wishes that focus groups be used for data collection. This would demonstrate a personal interest from the firm to a large group of employees. The findings showed this reflected favourably on the company.

- The initial focus groups generated interesting data from the perspective of graduate accountants. The online survey was an opportunity to widen the study and get a range of views from graduates in other professions.

- It is not a suitable topic to be analysed solely through a survey, as it requires probing and exploration in the in-depth interviews to understand and flesh out the issues involved for the graduate population involved. This was particularly relevant as the environmental context had changed so significantly from the boom years of the initial research to the deep recession that was prevalent in 2009 when the majority of the interviews took place. The interviews were also an opportunity to get the perspective of managers of this population and also to discuss the trends with professional institute managers.
Selecting the Case to study

On-line survey

‘Casting the net’ – further exploration

Following the outputs

Focus Groups

On-line survey

In-depth Interviews

Figure 5.1 – Sequence of the Research
5.2.1 Phase 1: Focus Groups

In total, seven focus groups were held with trainee accountants coming up to the end of their training contracts during 2007. These groups were held with employees in different departments – Tax, Audit, and Financial Advisory. In terms of sample size, this was a census as I met with all trainees coming out of contract. A small percentage could not make it to the focus groups but I arranged to meet with them individually and incorporate their feedback. Watson et al (2008 p.289) describes the main advantage of focus groups as ‘the opportunity to observe a large amount of interaction and discussion on a topic in a limited period of time.’

Key topics discussed in the focus groups were:

- Areas of satisfaction & frustration with work
- Work-life balance
- Management Style
- Training & Development
- Career Opportunities

These topics flowed naturally from the facilitator’s use of a simple PMI (Positives – Minuses – Improvements) semi-structured approach.

The focus groups took place over lunchtime and lasted approximately one hour 20 minutes. The focus groups were facilitated by the main researcher with administrative support for flip chart note taking.

Summary notes from the focus groups are available in Appendix B.
5.2.2 Focus Group Data Analysis: Constant Comparative Method

After reviewing the focus group notes, meaning was put on the data using the constant comparative method of data analysis. Glaser and Strauss (cited in Lincoln & Guba, 1985) described the constant comparison method as following four distinct stages:

1. comparing incidents applicable to each category,
2. integrating categories and their properties,
3. delimiting the theory, and
4. writing the theory.

My analysis followed these guidelines closely. With the use of coloured markers I initially coded the output in a search for common themes. According to Goetz and LeCompte (1981) this method ‘combines inductive category coding with a simultaneous comparison of all social incidents observed’. As social phenomena are recorded and classified, they are also compared across categories. Thus, hypothesis generation (relationship discovery) begins with the analysis of initial observations. This process undergoes continuous refinement throughout the data collection and analysis process, continuously feeding back into the process of category coding. ‘As events are constantly compared with previous events, new topological dimension, as well as new relationships, may be discovered’. (Goetz & LeCompte, 1981, p.81).

This method worked extremely well as key distinct themes emerged from an early stage in the data collection. The focus group analysis formed the basis of areas to explore in the online survey in conjunction with the current literature in the field.
5.2.3 Focus Group: Emerging Themes

Key positive themes emerging the focus groups were as follows:

➢ **Social Aspect of the workplace**

There was a consistent theme around the satisfaction levels that Deloitte is a ‘people focused’ firm with a strong emphasis on social interaction both in the office and also at the various organised social events. Interestingly, the feedback from the focus groups was that the ‘office’ social dimension was more important than after work activities.

*The best thing about Deloitte is the people, everyone is really friendly and approachable, there is a good buzz in the office. I like the fact that people remember your birthday and we always have tea and cake on the floor!*

➢ **Work Experience**

These recent graduates were keen to get the most possible work experience in the firm to add to their CVs. There was agreement in the focus groups that Deloitte is a good place to get varied and challenging work experience. Some of the discussion compared the professional services experience with that of peer graduates who were in corporate jobs with less variety.

*I have worked with 8 clients already this year, it is great to get such a variety of experience and if you don’t like a particular client, you are never stuck with them for long!*

➢ **Study Leave**

As all of this group are on training contracts for their professional studies, exam success is a personal and professional priority for them.
They consistently appreciated the generous study leave that Deloitte provides for all trainees (6 weeks); this is deemed more generous than other similar organisations and had a lot of personal value to the graduates.

‘One of the best things about working for Deloitte is the study leave; it is great to get such support before exams.’

➤ Training
Satisfaction with the quality of training emerged as a theme from the focus groups. There are clear learning pathways for each level in Deloitte and the graduates clearly like the structure and support available to them on technical and behavioural skills.

‘Training has really improved recently with the introduction of the pathways, it is much clearer now as to the type and amount of training you should be doing at each level.’

➤ International Opportunities
The focus group participants although tied into training contracts liked the idea that Deloitte is part of a global firm with offices in over a hundred countries world-wide. There were impressed with seeing how senior people in their departments had the opportunity to travel and avail of international mobility assignments.

‘It is great to know that when we qualify, we have others to work abroad in other Deloitte firms, this is a real plus for working in a global firm.’
Key negative emerging themes from the focus group were as follows:

- **Salary & Benefits**
  One of the themes from the focus groups was dissatisfaction with the salary rates and also the benefits provided. Traditionally, professional service graduates start on a low base salary and remain on this for the duration of their training contracts. There is a significant jump in salary upon qualification. Many of the discussion points raised referred to comparisons with peers in corporate organisations. In the area of benefits, the participants mentioned the fact that there was no bonus arrangement in place for trainees and also no VHI benefits etc.

  ‘Our salary is really low compared with industry, when I look at my friends in other companies I feel we work much harder but earn a lot less than them.’

- **Work /life balance**
  Work/life balance came up consistently in all focus groups. This discussion referred not only to the quantity of working hours demanded of the graduates but the bigger issue was the lack of flexibility. The participants bemoaned the fact that when working on a large audit for example, they were not in a position to attend any evening classes or football training etc. The overriding message was that work was just one aspect of their lives, it is important that work can be integrated with all aspects of their lives.

  ‘I try to get to football training on a Tuesday evening whenever I can but I make it about 3 times out of 10. It’s a real down side to working in Professional Services.’
Recognition emerged as an important motivator for this group. This referred to non-monetary rewards; the most consistent point mentioned was the importance of a simple ‘thank you’ at the end of an assignment and the acknowledgement of extra effort involved. It was felt that an awareness of this was lacking from the management population in Deloitte.

‘A simple thank you would make a world of difference. It is very disheartening when you finish an audit with long hours and hear nothing from the Partner, it wouldn’t take much to send a short email just saying thanks.’
5.2.4 Online Survey

I continued my study with an on-line questionnaire (see Appendix C) completed by 342 respondents in the 3 different professional services sectors.

The sample group came from the following sources:

**Accountants:** In Deloitte, the organisation where the researcher is based, the online survey was sent to all graduate accountants with less than 5 years work experience. Out of 350, 137 responded representing 39.1%.

**Engineers:** As a result of partnering with the Engineer’s Institute of Ireland, I wrote an article in the professional journal, Engineer’s Ireland, seeking engineers with less than 5 years experience to contact me if they wished to take part in the study. Fortunately, a diverse group of young engineers responded, those in small firms right up to those working in global engineering firms.

**Law:** Through a peer in a large legal firm in Dublin, the online questionnaire was sent to all employees in the target group – 50 responded out of 120, this represented 41.6% of the graduate trainee population.

This questionnaire was designed based on the themes from the initial focus groups and key trends from the literature review. I chose this method as part of the exploratory phase to my research. Saunders et al. (1997, p.244)) state ‘questionnaires work very well for descriptive and/ or explanatory research’. A pilot, composing of 50 respondents was run in order to test the practicality of the design. The results of the pilot were included in the final analysis, as very little was changed in the actual survey and the responses followed similar trends.
The online survey collation was generated through an online tool, www.surveymonkey.com. This is an excellent facility that does all the data collation and prepares charts also.

The key survey findings outlined later in this chapter formed the key areas to explore in the in-depth interviews.
5.2.5 In-depth Interviews

The final stage in the data collection was the most comprehensive, the completion of 28 in-depth interviews. The interviews were semi-structured meaning that the interviewer was guided by a list of questions, but the interviewee was free, and encouraged, to interject and discuss any relevant topic.

Each interviewee was chosen based on their potential to contribute to the fulfilment of the research objectives. A total of 28 in-depth personal interviews were carried (figure 5.2). For the purpose of this study the literature review and exploratory research completed established the domain the interview would explore and from this, and some secondary data, a series of interview questions around which the interview would be structured were formulated (see Appendix D). All interview candidates received a letter outlining information on the study and signed a consent form (see Appendix E).

These questions were altered slightly for each interviewee to focus on their particular area of knowledge. These questions formed the basis of each interview, but arising from responses to these questions further questions were asked in order to obtain fuller information on an area. The young professionals from the accountant, legal and engineering professions were interviewed to gain insight into the emerging themes from the online survey. Senior management and institute leaders were also interviewed to ensure their perspective was included in the study.
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<td>14. Interview M2: Head of CIPD</td>
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<td>15. Interview M3: Head of Professional Ed – Engineer’s Ireland</td>
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<td>16. Interview M4: HR Manager, Engineering Firm</td>
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<td>17. Interview M5 :Senior Manager – Accountancy Firm</td>
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<td>18. Interview M6: HR Manager, Law firm</td>
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<td>19. Interview M7: MD – SME Engineering Firm</td>
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Figure 5.2 – In-depth Interview Respondents
Below is a brief background of the management interviewees and the rationale behind interviewing them:

**Interview M1: MD – Recruitment Agency**
Interviewee M1 is managing director of a successful recruitment agency in the city centre. It was useful to get his insight into the graduate employment market and in particular the changing context given the current economic recession.

**Interview M2: Head of Chartered Institute of Personnel and Development**
Interviewee M2 is Head of the CIPD in Ireland. He had some superb insights into the economic context and the changing role of the human resources function in organizations.

**Interview M3: Head of Professional Education – Engineer’s Ireland**
Interviewee M3 is Head of Professional Education in Engineer’s Ireland, the professional body for engineers. I felt it was important to get his viewpoint in terms of the current trends in engineering as one of the research cohorts.

**Interview M4: HR Manager, Engineering Firm**
Interviewee M4 is a HR manager of a large engineering firm in Ireland. He had an interesting perspective on the evolving role and expectations of graduate engineers and the current challenges this sector faces with the downturn in construction.

**Interview M5: Senior Manager – Accountancy Firm**
Interviewee M5 is a senior manager in a large accountancy firm and is himself in the ‘Generation Y’ cohort. It was interesting to get his insights as both a manager of graduates and also as a member of this cohort.
Interview M6: HR Manager, Law firm
Interviewee M6 is a HR Manager of a successful law firm that is continuing to hire graduates despite the economic downturn. He shared some insights into the importance of HR practices in relation to motivating and engaging law graduates.

Interview M7: MD – SME Engineering Firm
Interviewee M7 is the MD of a small to medium sized engineering firm that recruits 2/3 graduates annually. It was useful to get the perspective of a graduate employer in the SME sector and the current challenges he faces.

Interview M8 Senior Manager - Civil Service
Interviewee M8 is a senior manager in the civil service. The public sector is a more attractive option to graduates in these current times with the appeal of a secure, stable job. This interviewee shared some of the current challenges in the service.

Interview M9 Technical Director – Engineering Firm
Interviewee M9 is the technical Director of a large engineering firm. His areas of responsibility include mentoring and training. It was useful to get insights into these topics and their relevance to graduate engineers.
Process of Data Analysis: In-depth Interviews

I applied the 14 stages of Burnard’s Content Thematic Analysis to analyse the interview data:

**Stage 1**
I made notes after each interview regarding the topics talked about in that interview. At times throughout the research project, the researcher also writes “memos” (Field and Morese, 1985) about ways of categorising the data. These serve as memory joggers and to record ideas and theories that the researcher has as he works with the data. An example of one such memo from my own reflective diary is as follows:

March 8 2009
“Just completed another in-depth interview with one of the accounting grads, it is quite fascinating, the same exact phrase has come up again ‘I do not want to be treated as just another number’. This population really need personal, individualised attention to get the best from them…”

**Stage 2**
I read transcripts and, throughout the reading, I made notes in the margins on general themes within the transcripts. The aim here is to become immersed in the data, which enables the researcher to become more fully aware of the ‘life world’ of the respondent (Burnard, 1991).

**Stage 3 - Open Coding**
I read transcripts again and wrote as many headings as necessary to describe all aspects of the content, excluding dross. Dross is “unusable fillers” in an interview - issues that are unrelated to the topic in hand (Field and Morse, cited in Burnard, 1991). The categories which emerged from Open Coding (Berg, 1989) accounted for almost all of the interview data.
Stages 4 & 5

The list of categories was surveyed and grouped together under higher-order headings. The aim is to reduce the numbers of categories by “collapsing” some of the ones that are similar into broader categories. This process of data reduction “sharpens, sorts, focuses, discards and organises data in such a way that ‘final’ conclusions can be drawn and verified” (Miles and Huberman, 1994 p. 10).

Stages 6 & 7

The aim of this stage is to attempt to enhance the validity of the categorising method and to guard against researcher bias. To this end, I invited a colleague to independently generate category systems from the interview transcripts without seeing the researcher’s list. This ‘critical friend’ broadly agreed with the researcher’s list and, following some discussion and adjustments to the sub-heads of the categories, the final list was agreed.

I re-read the transcripts alongside the final agreed list of categories and sub-headings to establish the degree to which the categories cover all aspects of the interviews. Following minor adjustments, I was satisfied that all aspects of the interview were covered.

Stage 8

I worked through each interview transcript with the list of categories and sub-headings and ‘coded’ according to the list of categories with different coloured highlighter pens. Miles and Huberman (1994, p. 56) define coding as:

...tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study. Codes usually are attached to “chunks” of varying size - words, phrases, sentences, or whole paragraphs, connected or unconnected to a specific setting. They can take the form of a straightforward category
label or a more complex one (e.g. a metaphor).

Stage 9

Following coding, I cut each coded section of the interviews out of the transcript and collected together all items of each code. I was cautious to use a copy of the original interview transcript as it is important to keep the original transcripts to maintain the context of the interview (Miles and Huberman, 1995; Burnard, 1991). Indeed, I considered this to be necessary as there was some overlap between themes so it was necessary to refer to the original transcripts for clarification during the writing up process in order to ensure that the themes remained in context.

Stages 10 & 11

I pasted the cut-out sections onto sheets, headed up with appropriate category headings. As a further check on the validity of the category system, I selected two interested participants in the study to check whether or not quotations from interviews were appropriate to the categories assigned. In general, participants were satisfied with the category system.

Stages 12 & 13

Once all sections were filed together, I began the writing up process. The presentation and discussion of findings are set out in the following section of this chapter.
5.3 Key Findings

As a result of analysing the data from both the online survey and interviews, the following themes emerged from the research study:

- Impact of the Recession – changed expectations
- Manager As Mentor
- Work Life Balance
- Motivation to Perform at a Higher Level
- Communication
- Career Development
- Graduate as Learner

These areas will now be examined individually under the above headings.
5.3.1 Impact of the Recession

This study took place in a climate of unprecedented economic decline. It was useful to conduct the majority of the interviews during the darkest days of the recession to get the perspective of the young professionals in relation to the changing economic landscape.

It was equally useful to get the views of the ‘management’ respondents in relation to the recession. Interviewee M2 summed it up by saying;

‘in previous recessions, there were certain sectors that were hit quite significantly, and others tended to be fairly immune, so people kind of had a rough idea of which industries were going to be effected by it, and the other thing was that there was the safeguard of emigration because people could leave, emigration has always been an instrument of economic policy in Ireland. This time but I haven’t met anybody anywhere who is not affected by this one...

Interviewee M2

More traditional careers are more attractive now to young professionals. A manager describes the civil service as follows;

‘it’s the old grand, safe, secure, pensionable job. When the economy starts to dip civil service is always more attractive to people in general.’

Interviewee M9

The management perspective in general is that much good will come from this time for young professionals. Interviewee M2 believes this ‘will mature them and show that it’s not all growth all the time so you have to take the rough with the smooth so it’s a very sharp learning curve so it will make them more rounded, I think, in the longer term for management type jobs and leadership positions.’

Interviewee M2

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He goes on to stress the importance of open dialogue at this time;

‘organisations will need to have a sort of dialogue with their graduates, possibly also some coaching and mentoring to help them through this to get them to really open up about how they feel. So I think they’re managed well through this, for that generation it won’t necessarily be such a bad thing.

Interviewee M2

Interviewee M1 shares his perspective from a recruitment agency perspective;
‘The situation has changed from being very much a candidates market, i.e. the laws of supply and demand being in favour of the candidates, so there was an abundance of jobs, not enough candidates and companies were being very flexible....to a client’s market so again the laws of supply and demand, there are an abundance of candidates and not enough jobs.’

Interviewee M1

The graduate professionals interviewed were consistent in the view that they have to work significantly harder now given the economic climate. Interviewee A7 shared;
‘my generation growing up never knew much about recession... I suppose we have taken things for granted... it’s good because we’re actually experiencing now for the first time that you do have to work hard and you get what you deserve.’

Interviewee A7

There was an acknowledged that the psychological contract had shifted as described by Interviewee A6;

‘I know from talking to colleagues that are the same age as me... that you do need to work a lot harder... It’s a completely different story to years ago, when we initially started it was like we kind of felt like they had to impress us in order for us to want to stay on and now it’s kind of like really flipped’
Interviewee A6
Another trend coming through was the impact on exam performance for the training professions;

‘It’s a shock I have to say, probably because of my own naivety and lack of experience of recession or anything like it... certainly now you would see that the pressure is on in terms of exams and performance.’

Interviewee A12

A young manager stated that job security was the number one factor in the workplace, he said ‘whereas this time last year it probably wouldn’t have ranked at all, it would have been taken for granted, but now it has to be number one. I’d say things have turned very much in favour of the employer versus the employee.

Interviewee M4

It is clear there is no room for passengers in the current workforce. Interviewee M1 describes this in terms of accountability.

‘Accountability is the big word that’s around now, so you need to look at your current workforce and make sure that people are accountable... people aren’t making money for a company, or they’re not saving money for a company then you have to ask what are they doing there.’

Interviewee M1

This economic climate has impacted turnover also. When asked how they do they intend staying in their current roles, almost 60% responded 3 – 5 years (figure 5.1).

As one interview respondent commented, ‘if you’d asked me this two years ago I would have said oh you know I might stay two or three years to get some experience and then go to London, and I think it’s just changed completely now.’

Interviewee L3
Figure 5.3 – Online Survey Graph (How long do you anticipate staying in your current role (in total since the date of joining?))
5.3.2 Manager as Mentor

When asked about traits in a supervisor, there was consistency around personal traits ‘patience and understanding ... trust that you want to get the job done’

Interviewee A7

A consistent theme was the importance of managers taking an interest in the young professional’s future career and personal development.

‘On the job training is very important and providing opportunities for growth. I think the it’s the manager recognising that there are opportunities for this person to develop in a certain area.’

Interview E1

Interviewee A9 describes what a supportive manager is in your view;

‘Someone who tells me when I’m doing something right, or somebody who can instruct me to do something to the point where I feel I can do it to the best of my ability... not that I’m at my desk and going .. I haven’t a clue what I’m doing.’

Interviewee A9
5.3.3 Work Life Balance

One of the main emerging themes from the focus group and interviews was around the whole area of Work/Life Balance. As one of the focus group participants said: ‘work is just one aspect of my life, I want to pursue a career where I can integrate all aspects of my life’. The sentiment of this point emerged in each of the seven focus groups as the priority issue.

Interestingly, many of the interview respondents spoke in terms of the future and the need for work/life balance when they become parents. This was mentioned by both males and females.

‘You want something that sits in with your life.. conscious of the fact that you have a life outside ... and even in terms of further down the line if I was to have children.. I would be very aware that I can’t be working all the hours that God sends.. . flexibility in that sense would certainly be most important.’

Interviewee A12
5.3.4 Motivation to perform at a higher level

A key focus of the study was to look at what really motivates this population to perform at a higher level. The survey results were consistent with the interview trends in this area:

![Figure 5.4 – Online Survey Results (What motivates you to work at a higher level?)](image)

The two main areas of note were Interesting and Challenging Work and Praise and Recognition.

**Interesting & Challenging Work**

A clear theme from the online survey and also the interviews was the need for this workforce to have interesting and challenging work to be satisfied and fulfilled. They are an ambitious group (figure 5.3) with almost 95% of them describing themselves as ‘quite or very ambitious’.
Interviewee E1 describes the impact he feels this has on employee retention; ‘work needs to be challenging and interesting. I know a number of classmates who are working in an American multinational that is extremely good at retaining graduates with very low turnover. The reason being is that they are engineers doing engineers work and they are involved in very high tech R&D development of particular products but it comes down to the fact that the work is interesting and I think that’s the key thing to retain people.’

Interviewee E1
This population are less tolerant of administration or menial work, summed up by Interviewee A8 as follows;

‘I’d rather stare at a screen not knowing what I’m doing for an hour than do some mindless bloody banging on a keyboard.’

Interviewee A8

Recognition has a significant impact on performance from the study. As Interviewee A8 describes; ‘I love to be recognised....if a manager says you’ve done a good job, it mightn’t mean much but subconsciously you find yourself willing to work harder for that manager... that two line recognition...really spurs you on’

Interviewee A8

Recognition & Feedback

Interviewee M2 describes how this generation have different needs in relation to feedback and recognition; they want regular feedback on how they’re doing, how they’re progressing and they want recognition for individual efforts because I think generation Y is a very individualistic generation as opposed to the previous generation which was very collective... so individual involvement and individual feedback and praise from a line manager is very important, I think that particular group, they want to know how they’re doing, how they’re progressing and they want to know that there’s a plan for them.’

Interviewee M2

Interviewee A3 describes the importance of meaningful feedback and recognition; ‘You don’t want somebody to turn around to you every single day and go thanks a million guys, that was great today.. but if you feel like you’ve done something well, you do want to be recognised, even if just so you can differentiate between what you’re doing that is fine and what you’re doing that’s that little bit better..just so you know someone is keeping an eye on you... you don’t want to be a little number walking around the place.’ Interviewee A3
Interviewee A6 also touches on this point but mentioning the importance of official performance recognition;

‘People are always going to say, thanks a million, that was great but the formal grading system is a lot more concrete... I’d attach more weight, a lot more weight to that than I would to someone complimenting me.’

Interviewee A6
5.3.5 Communication

One respondent spoke of the importance of honest communication, particularly through the difficult economic times. She stressed how much better it would have been if management had said; ‘we really could do with your help to get the company through to the other side so we all survive; if it’s explained to you, it does make you feel a lot more secure and a lot more loyal to the company.’

Interviewee A4

Interviewee M2 states the importance of having good structures in place in this regard; having an honest, effective communication structure in place will be the organisation that’ll be perceived to be better employers, even they announce tough decisions, honest communication is critical.’

Interviewee M2

The preferred communication method was a blend of email and personal contact. This message came through clearly at the focus groups also. People wanted to be kept informed of firm strategy and also general communication points. One trainee raised the point that he was quite unimpressed to arrive in on a Monday morning to discover there was a new manager in the department and he had not been briefed on this.

In relation to communication with senior management, Interviewee L3 talks about the ‘attitude of people senior to you, if you feel like they’re involving you and asking your opinion because they genuinely want your opinion as opposed to asking you because they’re kind of testing you to see if you understand what’s going on.’

Interviewee L3
5.3.6 Career Development

Figure 5.4 outlines the top five job characteristics that the survey respondents felt were most important to them in their careers. Opportunity for Career Development was the highest scoring factor.

Interviewee M3 states that this population are ‘much more demanding in terms of career advancement... in the construction industry over the last number of years there’s loads of examples, young engineer comes out... their ultimate aim as quickly as possible is to be the project manager, project leader, site leader and site manager... because of the sheer pace of the Celtic tiger they were accelerated to these roles but I know from speaking to a lot of HR managers... that they didn’t have the skill set to be in such a high position so quickly’ Interviewee M3
Interviewee E1 describes the important of a clear career path;

‘You have to have scope for a clear career path so that you can progress in the organisation and go different places, and also the fact that you’re getting a diverse experience that if needs be that you have transferable skills to take your career to another company.’
Interviewee E1

Career development as defined by one interviewee: ‘it means that you’re being given more responsibility, you can see your career progressing, you can see where it is going, you can see there is not a glass ceiling, you can keep moving forward... ‘
Interviewee A10

Figure 5.5 shows that Career Development is by the way the primary reason this population feel they will change jobs. It is interesting to compare this figure with ‘salary’ which is a common perception among managers as to why people leave organisations.
Figure 5.7 – Online Survey (Primary Reason for Changing Jobs)
5.3.7 Learning

With regards to learning for these young professionals, it is all about moving from employable to employability, really developing transferable skills in the workplace.

Interviewee M2 describes how ‘the successful companies I think will use learning and development as a retention tool, and as a motivational tool.... if talented people are going to give you competitive advantage then how you manage those talented people is going to reinforce that competitive advantage and that’s where learning and development will come into its own, so effectively when somebody joins the organisation probably one of the most important documents they’ll get, once this recession gets moving, will be a learning and development plan, you know, that will be the sort of thing which as you say will be based on honesty and say this is how we see the world now, this is the offer, it’s almost like a new psychological contract.

Interviewee M2

Among the manager interviewees, there was also some criticism of the attitude towards learning of the young professionals; one summed it up as;
‘develop me, I’m going to sit there and you must develop me’

Interviewee M5

From their perspective, learning came through as ‘extremely important.. I feel very uncomfortable when I don’t know what I’m doing so say for me; it’s not enough just to copy what was done last year.. I have to know what I’m doing.’

Interviewee A3

Regarding recommendations for development, some suggestions included;
‘a formal graduate rotation programme which is done at HR level so it is facilitated well...in-house training with the different departments offering courses as experts....’ Interview E1
‘You can’t stop learning because you are out of college, I think it’s continuous, it’s lifelong’

Interviewee A11

![Bar chart showing survey results]

**Figure 5.8 – Online Survey Results (How do you prefer to learn?)**

E-learning as a learning methodology came out negatively in the online survey (see figure 5.6) and also in the interviews, summed up by the comment ‘they kind of pass the time and you can put them on your time sheet’.

There has been a move in some of the participating organisations to move to a more ‘on the job’ learning model.
For example in one of the accounting firms, a recent graduate explained;
‘First year training has changed a lot, more role play.. they are actually doing a mock audit which I think is a really good idea because it is quite a practical job.’
Interviewee A12

There is clearly a need for more relevant training and development in organisations. Interviewee M5 explains;

‘Training is based on an old industrial model which is purely about efficiency. It is not based on how people learn, there is no evidence that people learn best in a push format.... that’s a conceptual shift that people need to take’

‘Future of L&D using technology and using it well..make sure that learning is driven by the needs of the learner rather than driven by technology... we need to be learner centric rather than our own model centric.’
Interviewee M5
5.4 Validation

The following measures were employed in my study to achieve reliability and validity. I believe these measures demonstrate that Guba & Lincoln’s principles of “trustworthiness” are inherent in the study, in the following ways:

1. Triangulation of data gathering – focus groups, online survey, in-depth interviews.

2. Audit Trail includes:
   * Transcripts of interviews validated by respondents;
   * A colleague generated their own category systems independently of the researcher’s list and the lists compared and adjusted - Stage 5 of Burnard’s method of analysis;
   * Selected respondents checked the appropriateness of the category system - Stage 11 of Burnard’s method;
   * Colleague not involved in the study but familiar with Glaser and Strauss’ process of category generation read through three transcripts and identified a category system. The categories generated were discussed and compared with the researcher’s list. The two category analyses proved very similar, leading to the assumption that the original category analysis was reasonably complete and secure. Burnard points out that other assumptions could be:
     (a) the colleague was anticipating the sorts of categories that the researcher may have found and giving the researcher what they want to hear;
     (b) the original category analysis was too broad and thus easily identified and corroborated by another person.

However, the first possibility may be ruled out if the colleague is unfamiliar with the subject and content of the study prior to being asked to help categorise the data. With regard to (b) above, this may be countered by the fact that the system describes a “funnelling” process with the categories being distilled down to a smaller number. It is hoped that the agreement of two independent parties over the category system helps to suggest the system has some internal validity.
5.5 Limitations of Study

1. The study is limited by the rapid changes currently evolving in the environmental context. This case study is a “snapshot” of how a situation was at a particular point in time. At the same time, current conditions are likely to remain in place for the foreseeable future, at least the next 5/10 years.

2. The sampling procedure of the three professions; engineering, law, accounting decreases the generalisability of the findings. The study, while a useful source of information is not generalisable to all graduates in the workforce. Certain elements will be relevant, it will be up to the reader to make a judgement call based on their own context.

3. I acknowledge my limited experience as a researcher may have influenced the interview process.

4. The criticism concerning reliability and validity generally applicable to Case Study Research and Phenomenology may be applied to this study.

5. Limitations concerning data collection methods are recognised. For example, as the questionnaires were completed anonymously, participant validity could not be achieved.

6. My role as a HR Manager may have positively/negatively influenced some of the accounting interview respondents. I tried to counteract this by clearly stating that this was a confidential academic study and completely unrelated to my role in the organisation on the introductory letter and also in person before each interview commenced.
5.6 Conclusion

This chapter has examined the sequence of the research trail, the research analysis and key findings of the online survey and in-depth interview research under the main themes that emerged from the study. The validity and limitations of the study have been reviewed.

The next chapter will examine the conclusions and recommendations to be drawn from these key findings.
6.1 Introduction
The objective of this research project was to explore how best to strategically manage graduate employees in professional services to enhance their performance and engagement levels. This was done through focus groups, the use of an online survey, followed by a series of in-depth interviews to explore some of the emerging themes.

The main research questions posed in this study were;

- How can the graduate population be more fully engaged in the workplace?
- What factors drive superior performance levels among this population?
- What recommendations can help retain this population in the organisation?

Kelan et al (2009) describes this segment of the workforce as the ‘Reflexive Generation’. This term is used as they describe them as ‘constantly reflecting back on the relationship between self, work and life.’ I have certainly found this to be true based on my research encounter with this graduate workforce. Work is very personal to them and is seen as part of their identity. Throughout the course of the qualitative research, respondents were particularly pragmatic in their responses. Several excellent recommendations came forward, the majority of which have little or no cost implications.

The researcher has consolidated the key findings, insights from the literature and suggestions from interviewees to develop the Graduate Employee MOTIVATE framework© (see figure 6.1). The conclusions and recommendations from this study will be discussed in the context of this framework. This chapter will conclude with a personal reflection on the research process and recommendations for further study in the field.
6.2 Graduate Employee MOTIVATE framework©

I believe this framework provides strategies that will strengthen the psychological contract with this population. This framework clearly identifies tangible ways to increase engagement and performance levels of graduates which is a key priority for employers in the current market place.

Senior management in organisations need their graduates to be committed, performing at a high level and fully engaged in order for their organisations to be successful in the difficult economic climate. I see the successful implementation of this framework in organisations as a ‘win win’ for management and graduates.

The following sections will outline the key recommendations from the entire research study using this framework.
Figure 6.1 – Graduate Employee MOTIVATE Framework

MOTIVATE: A Framework for Managing Graduate Employees 2010 - 2015

Meaning and Purpose  
Opportunity and Challenge  
Timely, Honest Communication

Interest in Personal Career Path  
Key Imperatives in the Management of Graduate Employees  
Values & Vision

Attentive Management  
Terms & Conditions  
Energy Management

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6.2.1 Meaning & Purpose

In completing and analysing the research data, I have found that providing meaning and purpose to graduates in their work is essential for them to be engaged to perform at a high level. The work needs to be interesting and challenging and they need to see how it fits with ‘the bigger picture’.

This is described by one of the Engineering graduates as follows:

‘Work needs to be challenging and interesting. I know a number of classmates who are working in an American multinational that is extremely good at retaining graduates with very low turnover. The reason being is that they are engineers doing engineers work and they are involved in very high tech R&D development of particular products but it comes down to the fact that the work is interesting and I think that’s the key thing to retain people.’

Interviewee E1

The earlier literature review referred to Hewlett, S (2009) discussing the importance of ‘keeping performance up when business is down.’ She explores strategies around ‘meaning and purpose’ to enhance performance levels during difficult economic times.

- Give Employees Meaningful Nonmonetary Rewards
  Develop new ways to show recognition from saying a simple ‘thank you’ to employees for a job well done to corporate social responsibility initiatives.

- Show That Top Leadership Cares
  CXO’s play a key role in shaping the culture of an organisation. In difficult economic times, it is important that there are more ‘touch points’ with leaders e.g. communication briefings with small groups of staff.

- Re-create Pride, Purpose and Direction
  Give employees reasons to feel good about the company; highlight success stories and recommit to social responsibility.
Whitemore and Concelman (2005) believe also that leaders need to focus on aligning the efforts of the graduate workforce employees with the organisations strategy. Graduates want to do meaningful work and it is up to their leaders to show the value and importance of their efforts.

Expectations should be clearly explained to this workforce from the outset, including the strategic big picture and how they fit into it, they should be given a sense of belonging (Hansford, 2002).

Bain et al (2007) in their study ‘Meaning Inc.’ discuss how the themes that drove business success in the 1980s and 1990s are not the ones that will drive success into the future. They describe how successful organisations will create meaning for employees through ‘an invigorating sense of purpose, unequivocal values, and a sense of belonging and day-to-day leadership.’ A critical issue is how to provide meaning ‘authentically’ as opposed to ‘going through the motions’.

One strikingly aspect of the research during the interview phase was that a phrase came up numerous times. I noted this in my reflective diary as it struck me as important. The phrase was ‘I do not want to be treated as just another number.’ This represented to me the importance of graduates feeling valued by leaders in the organisation and doing meaningful work.

Graduates should be included in regular strategy briefings in their respective organisations. Their work should be a mix of operational and more strategic tasks. It is important that they feel connected and involved with the local community and see their organisations supporting broader societal goals.
6.2.2 Opportunity & Challenge

The research study has clearly indicated that providing opportunity and challenge are key factors in maximising the performance of young professionals. Opportunity has many facets, the opportunity to learn and develop, the opportunity for regular feedback, the opportunity for advancement. This is one of the most significant themes I encountered in conducting my research with this confident graduate population. As a result of the ‘helicopter parenting’ they have experienced i.e. parents who are constantly ‘hovering’ over them, supporting them in everything they do which has created a high level of confidence and a need to be challenged and develop at a fast pace.

One of the Engineering graduates explained the following:

‘On the job training is very important and providing opportunities for growth.. I think it’s the manager recognising that there are opportunities for this person to develop in a certain area.’

Interview E1

This is linked to the area of ‘attentive management’ and the manager playing a key role as mentor to understand and recommend specific areas for development for the graduate in question. A simple and effective recommendation would be to allow the graduate to accompany a senior person to a meeting and ‘shadow’ them or to recommend them to attend a particular conference or training course of relevance.

Wilton, P. (2008) describes how opportunity for progression does not necessarily have to be linear. Organisations should consider options like project work, cross functional activities and secondments to industry to develop transferable skills. This will require some short term investment of time and resources but the benefits in terms of retention could be significant. This is particularly relevant in the context of a Consultancy firm like Deloitte. Frequently I hear at graduate exit interviews that one of the main reasons people leave is to get ‘industry experience’. I would recommend that for key employees, secondments to industry should be arranged in order for graduates to feel they are getting this relevant experience for their CVs.
The opportunity to learn and develop is critical to this population. This came through from the online survey and also as a strong theme in the interviews. Argyris (1991) describes the need to move from single to double loop learning. He explains double loop learning as not simply a function of how people feel but ‘a reflection of how they think, the cognitive roles or reasoning they use to design and implement their actions’. He uses the example of Enron and Anderson having award winning leadership development programmes yet ultimately it was the lack of leadership that caused the downfall of these two organisations. He describes the key to teach employees to reason productively is to ‘connect the program to real business problems.’ They are not just solving problems but developing ‘a far deeper and more textured’ understanding of their role as members of the organisation.

I see this in action through the ‘action learning’ part of our Management Development Programme in Deloitte. Young managers are asked to work together in project teams to solve real life challenges the firm faces e.g. employee engagement in a downturn, competitiveness, business development. The teams work on solutions to the challenges and present back to the firm’s Executive Partners. This is one aspect of the project that consistently gets the best feedback. It is a real example of double loop learning in action, one that I feel is best suited to the graduate workforce.

This is particularly relevant in the post modern organisation where individuals bring more of themselves (their ideas, their feelings) to their work. Hirschhorn (1997 p.9) uses the term ‘they are more psychologically present’. I also found from my research study that today’s graduates are more confident and articulate than previous generations and are very vocal in voicing dissatisfaction. I noticed this particularly in the focus groups. Organisations should harness this openness and regularly get feedback from graduates to involve them in changes in the business environment.
6.2.3 Timely, Honest Communication

A key area of focus when we talk about employee engagement and motivation is communication and this came through as a clear theme in my work. This was relevant, particularly over the turbulent economic environment the graduate workforce has faced recently.

One respondent spoke of the importance of honest communication, particularly through the difficult economic times. She stressed how much better it would have been if management had said; ‘we really could do with your help to get the company through to the other side so we all survive; if it's explained to you, it does make you feel a lot more secure and a lot more loyal to the company.’

Interviewee A4

I would recommend organisations involve their bright, graduate workforce in coming up with solutions to difficult restructuring decisions. This was recently trialled in Deloitte in one department where redundancies were looming. A number of staff focus groups were held and some of the graduates came up with excellent suggestions around reduced hours for the department in order to save jobs.

Interviewee M2 states the importance of having good structures in place in this regard;

having an honest, effective communication structure in place will be the organisation that’ll be perceived to be better employers, even they announce tough decisions, honest communication is critical.’

Interviewee M2

It is clear from my study that the graduate workforce employees like to feel involved in the organisation. Holding regular meetings and briefings can assist with this (Lanigan 2008). Healy (2007) recommends that organisations should communicate and take an interest in their employee’s careers. If this happens he ‘guarantees that the results will be positive.’
O’Toole & Bennis (2009 p.1) describe how we will not be able to rebuild trust in institutions ‘until leaders learn to communicate honestly-and create organisations where that is the norm’. They explain how leaders need to ‘make a conscious decision to support transparency and create a culture of candour.’ They state how the traditional yardstick of success to create wealth for investors has shifted to a new metric of corporate leadership that requires executives to create organisations that are ‘economically, ethically and socially sustainable.’

Regular and open communication will help an organisation manage their own objectives and their employee’s expectations (IBEC 2008) and as a result make their employees feel more involved (Taylor 2008).

The theme of communication was strong throughout the focus groups, interviews and also from the online survey. It is important that we continue to ensure staff are briefed regularly on the firm’s strategy. This should happen through the performance appraisal process. As a result of this study it is recommended that the area of communication is built into manager training on performance appraisal. A psychometric tool like the Myers Briggs Type Indicator (MBTI) is a useful profile in understanding different communication styles and the need to flex one’s style based on the audience to hand.

Young professionals should be consistently provided with constructive feedback, on a daily basis (Hastings 2008). Likewise they should be informed when they have done a good job, be given immediate praise, recognition and rewards for good performance (Hastings 2008). This workforce has grown up getting constant feedback and recognition so they expect to be told how they are doing (Armour 2005).

Hulett (2006) suggests providing young professionals with as much choice as possible, for example work scheduling or a choice of job duties, as more choices offer higher perceived individual control leading to greater satisfaction.
Anell and Wilson (2000) suggest the following qualities might be required in employees; ‘...a desire to seek feedback on performance, a desire to improve, an ability to see multiple perspectives, a broad vision, an ability to visualise relationships, a readiness to accept responsibility for decisions, self confidence, pro-activity, a liking for change and a desire for cooperative independence’.

The issue of recognition was a strong theme in this study and also comes up each year in our employee surveys. As a result of this study, managers need to continue to be prompted to show recognition to staff. An example of how this is happening is through the Employee Recognition Scheme. This is a scheme which allows managers to give 100 euro vouchers to staff for exceptional performance. HR are tracking this and reminding managers on a monthly basis that the scheme is available.
6.2.4 Interest in Personal Career Path

Out of all the recommendations of my study, this is the one I would suggest is the key to enhance the psychological contract and hence retention levels of the graduate workforce. Taking an interest in the graduate’s personal career path is vitally important to maintain their motivation and performance levels. It is about creating an environment where they feel ‘someone is looking out for me’. They are clearly a highly confident, ambitious group despite the current challenges and career progression remains critically important to them. In fact, it somewhat surprised me in the survey findings to see that this is the key reasons why they predict they will leave their current organisation.

Interviewee E1 describes the important of a clear career path;

‘You have to have scope for a clear career path so that you can progress in the organisation and go different places, and also the fact that you’re getting a diverse experience that if needs be that you have transferable skills to take your career to another company.’

Interviewee E1

Career development as defined by one interviewee: ‘it means that you’re being given more responsibility, you can see your career progressing, you can see where it is going, you can see there is not a glass ceiling, you can keep moving forward...’

Interviewee A10

Mills (1956) discussed the importance of taking an individual approach to career development as each person will have a different perspective. He states how for one person work may be a ‘mere source of livelihood, or the most significant part of one’s inner life.’
Employee development is the undertaking by the organisation to improve employee’s capabilities, enabling them to perform well in their present job and to change adequately with future jobs of a different or more demanding nature. (Gunningle and Flood 2005)

Learning and development activities are important means of developing the graduate workforce employees and gaining the engagement and commitment of talented employees by giving them opportunities to grow in their present roles and progress to higher level roles (Armstrong 2006).

The graduate workforce want a clear path for advancement and they are driven to make an immediate impact in their positions (O’Malley 2006). They are more likely to be aware for the need for constant skill development and updating (Hesketh and Bochner 2003) so should therefore be given as many opportunities as possible for skill building (Hulett 2006).

The literature review referred to the concept of mentoring as an important tool in supporting the career development of graduates. Mentoring is very widely used in the business world where experienced mentors provide support to young protégés in order to further the career prospects of the protégés. This model is firmly focused on the career of the individual and is aimed at high-flyers in the business world (Clutterbuck, 2003). In order for mentoring programmes to be successful they need to be structured and supported by the organisation. Mentoring is a high impact, low cost development intervention that is particularly relevant in recessionary times.

Employees should be given proper training and support when they join an organisation (Armstrong 2006). Inductions ensure that people joining an organisation are able to integrate effectively into the workplace early on (CIPD 2007). A recent report (CIPD 2007) found that there are still a high proportion of new starters leaving organisations within the first six months.
Young professionals want to know where they are going in an organisation. Organisations are stepping up their career training and detailing out to employees what they need to do to get to the next level. The appeal of this is an invaluable attraction and retention tool (IOMA 2006).

Deloitte is currently implementing Learning Pathways across each department (see Appendix F for a sample pathway). Each department has a programme of learning at each level to ensure development of technical and behavioural skills. This study has emphasised the importance of this initiative.

As Westerman and Yamamori (2007) found, younger employees are more likely to take a more active role in their career planning and execution. Research by Smola and Sutton (2002) showed that, as a result of impatience and increased mobility, younger employees may become dissatisfied and more willing to leave if work environment preferences are not actualised. Armstrong (1999) states that ‘dissatisfaction with career prospects is a major cause of turnover.

More and more people recognise that to develop their careers, they need to move on and there are little employers can do about it’. However if a career path is in place and employees are happy with their career and clear on where they are going, they will be less likely to look elsewhere.

The organisation which aims to retain young graduates has to have a planned promotion strategy. Succession planning, vital to continued productivity when an employee leaves, depends on ‘growing your own’ to a large extent (IBEC 2007). Promotion retains talent, knowledge and skills and boosts employee morale (IOMA 2006).

Research by Smola and Sutton (2002) indicated that younger generation employees desired to be promoted more quickly than their older counterparts. This indicated high expectations for job challenge, success and accomplishment. As a result the fit for younger employees is more likely to be connected to satisfaction and intention to remain with an organisation (Westerman and Yamamori 2007).
Graduates are less responsive to traditional rewards such as promotions unless those rewards are part of the bigger picture (Moses 2005). As a result of this study, a career and coaching website is been developed to support this population in making important career decisions. Transparency is important at all levels so that individuals are clear as to what competency level is required at each level.
6.2.5 Values & Vision

A further recommendation from this study is that organisations review their core values. Are they really lived in the organisation or merely words on the back of a business card? The graduate workforce want to work for managers with strong values and a vision for the future.

When asked about traits in a supervisor, there was consistency around personal traits ‘patience and understanding ... trust that you want to get the job done’

Other traits mentioned were around inclusion, as one respondent commented;
‘it is an attitude of people senior to you, if you feel like they’re involving you and asking your opinion because they genuinely want your opinion as opposed to asking you because they’re kind of testing you to see if you understand what’s going on.’
Interviewee L3

O’Toole, J & Bennis, W (2009 p.1) describe how we will not be able to rebuild trust in institutions ‘until leaders learn to communicate honestly-and create organisations where that is the norm’. They explain how leaders need to ‘make a conscious decision to support transparency and create a culture of candour.’ They state how the traditional yardstick of success to create wealth for investors has shifted to a new metric of corporate leadership that requires executives to create organisations that are ‘economically, ethically and socially sustainable.’

The literature review refers to trust and the psychological contract as an important concept in this study. Trust between management and staff, company and customer and key stakeholders is essential to be successful in the current context. While there are many definitions of trust, it can be described as the willingness of one party to be vulnerable to the actions of another party based on the expectation that the other will carry out a specific task important to the trustor, irrespective of the ability to monitor or control the other party (Mayer, Davis, & Schoorman, 1995). Trust is a psychological state (Kramer, 1999), composed of the psychological experiences of individuals and organisations (Rousseau, Sitkin, Burt, & Camerer, 1998).
Many theories of trust are founded on Blau’s (1964) social exchange theory, which assumes that, over time, trust is established through the repeated exchange of benefits between two parties. In contrast to Blau's historical view of trust, Brockner and Siegel (1996) asserted that trust refers to the beliefs that people hold about another party's future behavior. Trust should matter to organisations because it is an essential success factor of most business, professional, and employment relationships (Lewicki & Bunker, 1996), especially during an industry downturn or in times of crisis (A. K. Mishra, 1996). Rousseau (1997) claimed that, since contemporary organisations are constantly changing, awareness has increased regarding the importance of trust in the employment relationship. Trust in leadership affects a broad spectrum of employee work behaviours and outcomes.

The Great Places to Work Institute describe trust as the essential ingredient in the relationship between employees and management, and it is driven by three key factors: Credibility, Respect and Fairness.

**Credibility** means managers regularly communicate with employees about the company's direction and plans - and solicit their ideas. It involves coordinating people and resources efficiently and effectively, so that employees know how their work relates to the company's goals. It's the integrity management brings to the business.

To be credible, words must be followed by action. This goes back to the notion of Authentic Leadership discussed in Chapter 3.

**Respect** involves providing employees with the equipment, resources, and training they need to do their job. It means appreciating good work and extra effort. It includes reaching out to employees and making them partners in the company's activities, fostering a spirit of collaboration across departments and creating a work environment that's safe and healthy. Respect means that work/life balance is a practice, not a slogan.
**Fairness** means that economic success is shared equitably through compensation and benefit programs. Everybody receives equitable opportunity for recognition. Decisions on hiring and promotions are made impartially, and the workplace seeks to free itself of discrimination, with clear processes for appealing and adjudicating disputes. To be fair, you must be just.

Collins, J and Porras, J (1996 p.65) describe the companies that enjoy enduring success ‘have core values and a core purpose that remains fixed while their business strategies and practices endlessly adapt to a changing world’. Given the recent economic scandals in the financial sector never has this statement held more resonance.

In their article they go on to describe how *vision* has become one of the most overused and least understood words’. Their framework on Articulating a Vision (figure 6.2) consists of two major components; *core ideology*, this defines what we stand for and why we exist and is unchanging. *Envisioned future* is what we aspire to become, to achieve to create, something that will require significant change and progress to attain.

*BHAG – ‘Big Hairy Audacious Goals’

**Figure 6.2 – Articulating a Vision**

According to Taylor & LaBarre (2006) in their book Mavericks at Work, companies should use values to help define a corporate purpose because "*high minded values can drive cutting edge corporate performance*".
They went on to say that "Great companies are built on genuine passion, plus a day
to day commitment to great execution. Employees won't feel the passion, and can't
maintain the operating discipline, unless they feel good about what the company
sells and the values that it stands for."

Cultural values are key to a high performing organisation. The literature review
looked at Covey’s (1996 p.4) view on high performance as ‘a by-product of a
culture based not on any sense of entitlement or perfectionism, but squarely on the
principle of value added’. It would seem then, that high performance companies
have healthy, well-defined corporate cultures.
6.2.6 Attentive Management

Another key recommendation for organisations based on my study is well described by Spiro (2006 p.19) ‘personalised motivation’. She describes this as a ‘method of profiling employees to determine how each individual prefers to be managed’. This approach can enable employees to give managers information on the best ways to motivate them and therefore maximise their potential.

This came through at almost every graduate interview – they really appreciate the ‘personal touch’, a manager taking a genuine interest in them, in terms of their ambitions, values and in essence tapping into their value systems and understanding what is most important to them in life generally and in the workplace. Managers who are success at this in my view will generate high loyalty and trust with their staff.

McDonald, P (2008) describes how this population are ‘sociable and eager to engage with their supervisors. They have been raised on instant communication and frequent parental input and seek a similar relationship with bosses, looking to them for ‘almost constant feedback’. Performance reviews every three months instead of annual reviews may prove to be a good motivational force (Streeter 2004). Frequent communication and interaction between the employee and manager will ensure candid communication and in turn generate feelings of security and appreciation.

Recognition has a significant impact on performance from the study. As Interviewee A8 describes; ‘I love to be recognised....if a manager says you’ve done a good job, it mightn’t mean much but subconsciously you find yourself willing to work harder for that manager... that two line recognition...really spurs you on’

Interviewee A8
Interviewee A3 describes the importance of meaningful feedback and recognition; ‘You don’t want somebody to turn around to you every single day and go thanks a million guys, that was great today.. but if you feel like you’ve done something well, you do want to be recognised, even if just so you can differentiate between what you’re doing that is fine and what you’re doing that’s that little bit better..just so you know someone is keeping an eye on you... you don’t want to be a little number walking around the place.’ Interviewee A3

Martin (2005) states that the graduate population ‘wants clear direction and managerial support, but they also demand freedom and flexibility.’ She states that if organisations know ‘how to energise and focus’ the talents of their young employees, who know ‘how to turn high maintenance into high productivity’ they will ultimately have a ‘strategic advantage over their competitors.’

Sheridan (2006) believes that retention is about good management aligned with outstanding leadership and suggests educating managers in the psychology of people and in communication skills (Sheridan 2006).

Deal (2007) believes that all generations expect the same things from leaders – to be credible and trustworthy, to listen, be farsighted and to be encouraging. Zemke et al (2000) argue that differences in the attitudes, values and beliefs of each generation effects how each generation view leadership which they say manifests in different leadership styles.

It is known that employees with different work characteristics will be more effective and productive with different leadership styles (Tulgan, 1996). In his more recent work, Tulgan (2004) describes the need to transform the workforce; ‘managers will have to discard traditional authority, rules and red tape and become highly engaged in one-one negotiation and coaching with employees to drive productivity, quality and innovation’.
Sujanskly (2002) believes that young professionals should be managed with a coaching style. Spiro (2006 p.19) describes how coaching is one of the most successful methods for retaining this population as it allows them to ‘thrive in an environment designed to enable their success.’ Coaching and mentoring ‘challenges new graduates to take on more challenging work; it takes advantage of employee potential by playing to their strengths.’

Martin (2005) cites that leaders who know how to energise and focus the talents of this workforce, who know how to turn high maintenance into high productivity, will have a strategic advantage over their competitors.

Scase (2007) describes how this population are looking for a kind of ‘self management’ as opposed to the tradition command and control approach to management. He explains the conflict between the traditional approach and this generation who want to collaborate and work in teams. He recommends large organisations have to break up into small operating units to create the entrepreneurial culture whereby people can exercise their creativity and the business units can be highly innovative and dynamic.

The literature review referred to the importance of leaders who manage graduates in the workplace being ‘emotionally intelligent.’ Goleman’s (1998) ground breaking work is this field is based on the four central domains to emotional intelligence theory:

1. Emotional self-awareness
This refers to understanding one’s own emotions, knowing one’s strengths and limits and having self confidence. In a large scale study Goleman conducted of CEO’s globally, this was the top trait of the most successful leaders; this success was not just financial but also related to success in the areas of health, emotional well- being, and relationships. Interestingly, when a gender analysis was undertaken, women CEOs scored significantly higher than their male counterparts.
2. Self-management
This essential is the managing one’s emotions; keeping disruptive emotions and impulses under control. Leaders who practice self management tend to be optimistic in nature.

3. Social awareness
This dimension of emotional intelligence centres on showing empathy to others and servicing follower, client or customer needs.

4. Relationship Management
The final dimension in emotionally intelligent leadership refers to the leader’s ability to inspire, guide and motivate with a compelling vision. It also refers to developing others through feedback and guidance.
6.2.7 Terms & Conditions – Job Security and Fair Pay

A key theme running through all aspects of the research, in particular during the course of the interviews in 2009, was the area of job security and fair pay. Whereas job security was not a feature of the 2006 ‘Generation Y’ survey, it played a significant role in this research study.

Graduates, who for the most part have never experienced ‘difficult times’, are now in the midst of one of the worst economic recessions this country has ever experienced. A number of the graduates I spoke with had large mortgages to pay back and also had become accustomed to a certain quality of life during the boom years. For this reason the area of ‘terms and conditions’ was of significance for them. A young manager stated that job security was the number one factor in the workplace, he said ‘whereas this time last year it probably wouldn’t have ranked at all, it would have been taken for granted, but now it has to be number one. I’d say things have turned very much in favour of the employer versus the employee.’

Interviewee M4

Job security is important so that they have some certainty for the future in these uncertain times. Although they are not seeking the over inflated salaries of the boom years, they certainly want to be paid fairly for the work they do. They are very aware of the significant profits been made by senior management and want to get a fair share of that. Many of the graduates I spoke with had experienced pay cuts in the last 18 months and salary level was higher on their agenda as a result.

O’Malley (2006) is of the opinion that the answer to retaining the graduate workforce is in developing effective customised reward and compensation packages. The research shows that even though compensation is important, to retain top talent employers need to pay more attention to issues such as job quality, flexibility, and individual differences (Lockwood 2007). Money does remain a universal motivator but learning opportunities, personal growth, work variation, autonomy at work and intellectual stimulation must feature highly in the strategy to retain this workforce (Delaney 2006).
Armstrong (2006) believes that dealing with uncompetitive, inequitable or unfair pay systems is one of the first actions that an organisation can take to improve retention however as Capelli (2000) points out, there is a limit to the extent to which people can be bribed to stay. Lanigan (2008) points out though that organisations need to be creative and offer not just the traditional inducements to retain quality employees.

At a recent focus group I ran in Deloitte with graduate Consultants, they made the point that they understand it would be difficult to implement pay increases in the current environment but asked that the firm consider more creative ways e.g. increasing the annual leave entitlement for all staff. This recommendation is now being considered by Senior Management. This is an example of how seeking the views of this workforce can really add value and improve engagement levels by making them feel involved in key decisions.
6.2.8 Energy Management – balancing work & life

Despite the economic context, the area of work, life balance is still important for this population. It has come down in the list of priorities but is still important to maintain a strong psychological contract with graduates.

I notice that when speaking of work life balance as a concept with regard to graduates, people often make the wrong assumption (in my view) that this population are not willing to work hard and can be perceived as ‘lazier’ than other generations. From my experience of conducting this research, I would disagree with this view. The key point is that they want more flexibility around work. Some graduates I speak with would prefer to log on and work at night and come to work later in the day. Our workplace has not evolved to deal with such flexibility yet but I do believe this will be the workplace of the future.

The graduates in my study were very aware of the need for balance and both males and females spoke of the particular need for flexibility when they reach the family stage in life;

‘You want something that sits in with your life... conscious of the fact that you have a life outside ... and even in terms of further down the line if I was to have children.. I would be very aware that I can’t be working all the hours that God sends... . flexibility in that sense would certainly be most important.’
   Interviewee A12

They do not want to end up burnt out at 40 as some of their parents seem to be. They look at the bigger picture and are keen to integrate work with life in general.

Scase (2007) states the importance of breaking down the barriers between work and non-work. In a world where people want remote working, where people want flexible working the agile organisation will be successful if it gives people the opportunity to work as they want, where they want, how they want as long as they deliver the results.
Flexibility is a key requirement for this population both now for life balance but more importantly for the future when both males & females alluded to the fact that they want to spend time with their children and partners. Organisations will need to be much more flexible in their work practices and encourage remote working, flexible working hours and other innovative practices.

Flexibility has been frequently identified as a key human resource policy goal or outcome, along with strategic intention, quality, and employee commitment, ‘ensuring an adaptable organisation structure’ (Guest 1995). Armstrong (2006) recommends that organisations should take steps to improve work-life balance by developing policies including flexible working to recognise the needs of employees outside of work. Lanigan (2008) agrees with Armstrong (2006) and believes that employers that offer flexible working arrangements and that encourage the promotion of a work-life balance ethic can be very attractive to employees and potential employees.

For young professionals, work-life balance is a necessity, not a luxury (O’Malley 2006). The graduate workforce want their managers to understand that they live outside of work and to help them balances obligations for both (Hastings 2008).

In order to remain an ‘Employer of Choice’, Deloitte must continue to pursuer new and innovative initiatives in this area. We need to ensure we build on the STEPS Programme (see Appendix G). I firmly believe the professional services firm that shows creativity in the space will be the most successful firm of the future.

For this workforce it is important that the workplace is social and fun. Companies should have occasional parties and get togethers to make their employees feel valued and make the workplace fun and happy (Strong, 2008). Interestingly, my research showed that graduates are more keen to socialise during with colleagues during the working day rather than evening events. One example of this working well was the simple introduction of birthday cakes in one department in Deloitte. This small gesture of providing tea and cake for someone’s birthday on the floor has proved really successful and creates a very social atmosphere in the office.
6.3 Personal Reflection

Woerkom (2003) offers a good definition of reflection;

‘Reflection is a mental activity aimed at investigating one’s own action in a certain situation and involving a review of the experience, an analysis of cause and effects, and the drawing of conclusions concerning future action.’

‘The graduate workforce’ has always been a topic that fascinates me personally. Since joining Deloitte in 2006 and realising 70% of the firm are under 30 years of age, I have been interested in the differences in this population compared to the previous generations. I was delighted that my idea for my pilot proposal coincided with a direct need for qualitative research to be done on this particular topic in Deloitte.

When I commenced this research project, I had no idea of the scale and depth it would consist of, nor the insights it would deliver to me on a personal level and also to Deloitte. My initial fear was that people would not be open in the focus groups and interviews. Would I be treated with suspicion, disdain or disinterest? I can honestly say without exception, each of the participants responded extremely positively to my approach and without exception stated their availability for further consultation. People were very honest and also constructive in their comments.

A major challenge that emerged was the contrast in the economic context from the commencement of the study in 2006 to it’s conclusion in 2010. The country moved from a position of significant growth and prosperity to a serious economic recession. It was useful to explore this topic in the in-depth interviews and to try and understand the impact this was having on the interviewees.

This study really demonstrated to me the value of participative research illustrated by the significant recommendations offered by the participants. My one hope is that these recommendations are taken on board and where feasible are implemented.
I thoroughly enjoyed the challenge of this study. It has greatly enhanced my exposure to all aspects of working in Deloitte and increased my awareness of the reality of the difficulties of operating in a complex, competitive environment. It has also made me aware of the huge responsibility of HR in meeting the needs of employees throughout the business. I look forward to playing an active role in the implementation of the recommendations issues in the report.
6.4 Conclusion

This chapter has provided key recommendations arising from the research. These recommendations support the current research in the field, outlined in Chapter 3. If implemented, these recommendations will impact the performance and engagement levels of graduate in professional services. I believe this is a ‘win win’ situation as senior management will see higher productivity and higher retention rates of graduates. The chapter concluded with a personal reflection on the experience of undertaking this research.

This study has added to an underrepresented research field in academia, however, it is a work in progress and I would recommend that the research is continued at some future date to map the changes in the economic environment and the impact on young professionals and their productivity in the workforce.
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