# O | UNIVERSITY OF OREGON
**APPLIED INFORMATION MANAGEMENT**

# Retaining IT Employees by Reframing Organizational Culture: Factors to Consider Beyond Financial Incentives

CAPSTONE REPORT

**Michael A. Pritchard
Senior Integration Engineer
Smile Reminder**

University of Oregon
Applied Information
Management
Program

**July 2009**

Approved by

_____

Dr. Linda F. Ettinger

Running Head: RETAINING IT EMPLOYEES

Retaining IT Employees by Reframing Organizational Culture: Factors to Consider

Beyond Financial Incentives.

Michael A. Pritchard

Smile Reminder

## Abstract

Competition among employers is increasing for productive IT employees. By understanding organizational culture, managers can identify why employees leave an organization and ways to retain employees. Money and financial incentives should not be the primary source for motivating employees. Use of intrinsic motivators will have a greater affect on employee satisfaction and retention. Technical employees want a balanced mix of salary and an organizational culture that promotes challenging and meaningful work.

# Table of Contents

**List of Tables**

**Introduction**

*Problem*

Competition among employers is increasing for productive IT employees (*Robert Half Technology*, 2009, p. 7) in a market in which IT employees are not able to fill the rising demands due to a shrinking IT workforce (Bureau of Labor Statistics [BLS], 2007b). The BLS (2007b) projects that the IT employee workforce will continue to decrease between 2006 and 2016. In addition, IT employee salaries are expected to increase, even in a recession (*Robert Half Technology*, 2009, pp. 12-15; Rossheim, n.d.). As a result, employers who wish to retain quality IT employees need to evaluate a broad spectrum of ideas, other than just larger salaries (Kouzes & Posner, 2007, pp. 115-116; Pfeffer, 2007b, p. 7; Schilling, 2008, p. 18). Kouzes and Posner (2007) suggest that employers may need to create a challenging and meaningful work environment, in order to retain technical employees (p. 120). Brache (2002) directs employers to reframe their organizational culture to create an environment in which people want to stay (chap. 7). He posits that culture defines behavioral boundaries for how we work, communicate, and interact, and that by understanding organizational culture, employers can build a positive environment to influence employee satisfaction (pp. 102-103).

*Significance*

When an employee leaves a job, the cost of replacement includes a number of varied expenses to the organization (Pogorzelski, Harriott, & Hardy, 2008, pp. 150-153). According to Pogorzelski, et al., costs include advertising, time spent searching and interviewing for a replacement, setting up new employees, training, loss or slowed

production, and more (pp. 150-153). Sutton (2007) describes a British survey of employee turnover at a company with 1,000 employees, working in an environment described as harsh, to be nearly $2,000,000 a year (Disk 1, track 8, 01:48). And while this review is not simply about the cost of employee replacement, it is concerned with the need to understand the affects of organizational culture on employee retention, in part to avoid unnecessary expenses.

Successful employee retention requires more than a formal retention program as part of Human Resources policy. Pfeffer (2007b) notes that some organizations do more harm than good when they attempt to motivate employees by implementing strategies they do not understand (pp. 77-79). As Schein (2004) says, leaders become victims of culture if they do not know how to manage culture (p. xii, pp. 225-227).

Kouzes & Posner (2007) state that people tend to stay at an organization when they enjoy what they are doing, they feel challenged, and they feel as though their work has a purpose (p. 120). On the other hand there are many reasons why people tend to leave an organization, including when they feel de-motivated, ignored, insignificant, and threatened (Brache, 2002, p. 70; Kouzes & Posner, 2007, p. 210), and when they are over-worked (Gray & Larson, 2006, p. 284). According to the Gallup poll "Engaged Employees" (2006), only 29% of employees surveyed reported they were engaged in their work; 71% of employees reported they were bored, simply putting in time, and at risk of leaving their current job.

*Purpose*

The purpose of this literature review is to identify factors that influence retention of IT employees, beyond base salary. In the book *How Organizations Work*, Brache (2002) provides a way to think about organizational culture that is used as the context for this study (see chap. 7, Reframing Culture, p.99). According to Brache, culture influences organizational values, rules, tolerance, communication, trust, feedback, work pace, performance rewards, employee focus, and more (p. 102-105).  As a result, Brache (2002) believes that characteristics of culture defined within an organization influence employee productivity and satisfaction (p. 104).

In particular, the goal of this review is to document the important role that organizational culture plays in IT employee retention. The assumption underlying this study is that in order to retain technical employees, employers need to reevaluate their current organizational culture to create an environment in which people want to stay (Kouzes & Posner, 2007, p. 120).

Sections of this literature review address the following questions relating to employee retention:

- How does organizational culture affect employee work behavior? (Brache, 2002)

- How does organizational culture affect IT employee retention? (Brache, 2002; Schein, 2004).

- Why do employees stay at an organization? (Kouzes & Posner, 2007, p. 120; McGee, 2008; *National IT Salary Study*, 2006; *National IT Salary Study*, 2007).

- Why do employees leave an organization? (Fitz-enz, 2007, p. 23; Pogorzelski, Harriott, & Hardy, 2008, pp. 154-155).

- How do financial incentives, salary and benefits packages influence employees? (Pfeffer & Sutton, 2006, pp. 109-110; pp. 119-122).

- Why is it important to retain good employees? ("Engaged Employees", 2006; Pfeffer, 2007b, p. 28).

*Audience*

This literature review is designed for organizational leaders responsible for hiring and retaining IT employees. IT leadership roles are defined with varying titles. According to Baschab and Piot (2007), regardless of the title, the person in charge of the IT department has a responsibility for the operation, motivation, and leadership within the IT department (pp. 121-122). In addition to the primary audience, the information contained in this paper is relevant to IT employees who are lobbying for a better workplace, to Human Resources managers who want to implement IT employee retention plans that are most likely to be successful and to leaders who want to create an organizational culture that, in general, represents a more satisfactory work environment.

According to Lee (2006), 65% of IT leaders do not have retention plans in place and are at risk of losing valuable employees. Lee believes that hiring managers need to monitor and adjust hiring and retention strategies in order to keep top talent. She also states that in today's IT employment market, IT hiring managers must look beyond salaries and adapt organizational culture to retain top employees.

*Outcome*

Using information gathered from salary surveys, government statistics, audio lectures, and books about organizational culture, this literature review presents "a self-contained piece of written work that gives a concise summary of previous findings" (Hewitt, 2002, p. 1) concerning organizational culture that can be applied to the retention of any employee and ideas specifically targeted to the retention of IT employees. This literature review provides an "up-to-date picture of the research" by reviewing "findings among studies" (p. 3). Expectations are that employers who understand the influences of organizational culture on work satisfaction are more likely to increase IT employee retention and have engaged employees who are loyal and more productive ("Engaged Employees", 2006). As Brache (2002) says, "Before you take any medication, diagnose the disease." (p. 155).

*Limitations*

*Focus.* Culture defines acceptable behavior within an organization and provides structure and boundaries for groups (Schein, 2004, p. 1 and p. 8). This report focuses on IT employee retention by evaluating the affects of organizational culture, good and bad. IT employment statistics are included to set the context for current hiring trends.

*Focus exclusions.* This study does not attempt to identify salary amounts for IT employees. It is assumed that salary levels are set by industry standards based on location and job type. References to dollar amounts are used to show trends of increases or decreases over time. This review does not identify which benefits are desired most by IT

employees, because they vary by year and by survey (McGee, 2008; *National IT Salary Study*, 2006; *National IT Salary Study*, 2007; Pfeffer & Sutton, 2006, p. 115).

*Target group.* This study is focused on IT employees who work within an organization's IT department, as defined in the *Robert Half Technology 2009 Salary Guide*.

*Selection criteria.* To be included in this study, an author of a particular reference must be deemed credible, by meeting one of the following criteria: 1) an instructor of organizational culture, organizational management or behavior at an established University; 2) an expert in the field of organizational culture or the IT industry; or 3) an expert who works within an established employment recruiting company or IT magazine. Credibility is also validated if the author is referenced by other credible sources (Bell & Smith, 2008) and if the material is published in a reputable, peer reviewed journal.

*Time frame.* Literature located at an academic library index, books and audio references collected for this study are limited to those published between 2002 and 2009 in order to focus on recent views of organizational culture and employee retention. Online articles and periodicals published by sites such as InformationWeek are limited to those dates published between 2006 and 2009 to show recent salary and retention trends within the IT industry. A date exception is made for Martial Arts books that address conflict and aggressive behavior. Martial Arts books offer a unique view on dealing with conflict and aggressive behavior which is applicable to organizational culture.

*Data Analysis Plan Preview*

The data analysis approach chosen for use in this literature review is content analysis, as described by Leedy and Ormrod (2005). The intent is to examine selected materials for the purpose of identifying patterns and themes (p. 142). To operationalize the approach, this researcher adopts an eight-step coding process known as conceptual analysis to examine and identify specific key words regarding employee retention and culture (Busch et al., 2005). The coding strategy is designed to identify five broad categories of information derived from Pfeffer (2007b):

1.  How organizational culture affects employee retention;

2.  Why employees stay at an organization;

3.  Why employees leave an organization;

4.  Misunderstandings about employee retention; and

5.  Efforts that have been implemented to retain employees – good and bad.

*Writing Plan Preview*

During the data analysis process, five larger categories of information are examined (see list above), as a way to identify factors that impact IT employee retention beyond salary. Then, based on the results of this analysis, factors for consideration are categorized into a thematic presentation of common themes among authors and surveys concerning organizational culture as it relates to employee retention (*Literature Reviews*, n.d.).

Factors identified during data analysis are organized into larger themes suggested by Pfeffer (2007b), relating to how culture affects employee retention, why employees

stay at an organization, why they leave an organization, and how some attempts to retain

employees through programs based on financial incentives or threats fail (pp. 6-7); and

larger themes suggested by Brache (2002), designed to show how employers increase

employee satisfaction and retention through organizational culture (p. 104). By

evaluating factors related to selected themes of organizational culture identified in this

study, in relation to their own organizational context, employers should be able to make

informed decisions regarding development of a successful IT employee retention

approach.

**Definitions**

The following definitions are provided to give interpretation to terms contained within this literature review to provide meaning for the context of the subject being evaluated (Leedy & Ormrod, 2005, pp. 55-56).

- *Actively disengaged employee:* Employee is unhappy with their employer and they work to undermine the efforts of others ("Engaged Employees", 2006).

- *Casual benchmarking:* Mindlessly copying ideas without understanding the reasoning, benefits, and side affects (Pfeffer, 2007a, 12:39).

- *Certified Asshole [CA]:* Persistently nasty and destructive jerk with the following two attributes: 1) The target of the CA feels oppressed, humiliated, de-energized, and belittled. The target feels worse about them self after the interaction. 2) The alleged CA holds a position of authority over the target being abused (Sutton, 2007, Disk 1 track 2 0:29).

- *Compensation package:* Valuable rewards, like insurance, education, and 401(k), which are included in addition to base salary (*National IT Salary Study*, 2006, pp. 15-16).

- *Employee retention:* Creating a work environment where employees want to stay because the work is challenging and fulfilling (Kouzes & Posner, 2007, p. 120).

- *Engaged employee:* Employee works with passion and feels profound connection to their company ("Engaged Employees", 2006).

- *Financial incentives:* Providing additional pay, bonuses, or other monetary benefits used to motivate employees (Pfeffer & Sutton, 2006, pp. 109-110).

- *Human Resources Department:* The department within an organization responsible for identifying the needs of employees such as: recruiting, hiring, managing issues, evaluating performance, developing skills, and releasing employees (Baschab & Piot, 2007, pp. 350-351).

- *IT employees:* IT employees are limited to those who work within an IT department as defined in the *Robert Half Technology 2009 Salary Guide*.

- *Hiring manager:* Anyone involved in recruiting and hiring a person for a job (Pogorzelski, Harriott, & Hardy, 2008, chap. 8).

- *Leader:* Someone who influences change and motivates others to change by understanding the organization's needs and creating a clear vision. (Broadbent & Kitzis, 2005, pp. 7-9).

- *Motivated employees:*  People who have an intrinsic drive to maintain a positive reputation due to a belief that their work is important, interesting, and they enjoy what they are doing (Pfeffer & Sutton, 2006, pp. 115-116).

- *Not-engaged employee*: Employees who are at work, but not productive. They lack energy and passion for their work ("Engaged Employees", 2006).

- *Organizational culture:* "Culture is both a dynamic phenomenon that surrounds us at all times, being constantly enacted and created by our interactions with others and shaped by leadership behavior, and set of structures, routines, rules, and norms that guide and constrain behavior…. Culture constrains, stabilizes, and provides structure and meaning to the group member" (Schein, 2004, p. 1).

- *Retention:* "Holding on to the talented employees you worked so hard to attract and acquire" (Pogorzelski, Harriott, & Hardy, 2008, p. 149).

- *Temporary Asshole:* The way someone acts due to a bad day or bad moment. Not their normal behavior (Sutton, 2007, Disc1, track 2, 0:23).

- *Work environment:* A place where people set aside their social and family commitments to focus on the needs of an organization (Pfeffer & Sutton, 2006, p. 59).

- Workplace bullying: "Abuse in the workplace that is not covered by civil rights laws" (Robertson as in Chiem, 2007).

**Research Parameters**

This section describes the research approach used to conduct this literature review (Leedy & Ormrod, 2005, p. 85). Research parameters define the questions to be answered, the strategy used to search for information, terms used for searching, preliminary results, and evaluation criteria for credible information. The search strategy provides a report of key search terms, online search engines, books, audio lectures, and online technical magazines which are categorized and coded based on explicit and implicit terms. Additionally, the full descriptions of the Data Analysis Plan and Writing plan are located here.

*Research Questions and Sub-questions*

*Main question.* How can organizations retain IT employees by reframing organizational culture? (Brache, 2002)

- What do IT employees want in a compensation package? (McGee, 2008; *National IT Salary Study*, 2006; *National IT Salary Study*, 2007)

- What are the influences, outside of more money, that affect IT employee retention? (Kouzes & Posner, 2007, p. 120)

- What is the current employment context for IT employees? (BLS, 2008)

- In what ways does organizational culture influence employee retention? (Brache, 2002; Schein, 2004)

- What are the top five reasons that cause IT employees to seek new employment? (Fitz-enz, 2007, p. 23; Pogorzelski, Harriott, & Hardy, 2008)

- How do financial incentive programs cause more harm than good? (Pfeffer & Sutton, 2006, p. 26; Schilling, 2008, p. 18)

- What do employers and employees think are the best ways to motivate others? (Pfeffer & Sutton, 2006, p. 115)

*Search Strategy*

The initial search effort was based on a preliminary review of:  (a) a free iTunes audio lecture by Pfeffer (2007a); (b) existing books owned by the researcher; and (c) a few best-guess Internet searches using Google. Armed with information, further searches were conducted through the University of Oregon's online library catalog, and the online ERIC database with key terms including:  salary survey, employee retention, IT compensation, and employee recruitment. Most of the initial findings referenced additional sources, which referenced additional sources. Like a hard-rock gold miner drifting to follow a vein of gold, the trail of resources produced valuable information relating to the topic of this literature review. The search goal is to focus on available sources within these areas:

- Recent IT salary survey information provided by technical magazines such as InformationWeek, recruiting companies, and job sites like Monster.com and CareerBuilder.com.

- Information relating to affects of organizational culture on employees.

- Information that challenges conventional wisdom regarding the use of financial incentives, as defined by Pfeffer and Sutton (2006, pp. 109-110).

- Government websites, like the BLS, for information relating to IT employment statistics and employee retention.

Potential sources are logged in a document called References.doc. As sources are evaluated, quotes are collected and references are moved to the working area of this document or the source is deleted from References.doc. Quotes worth keeping are categorized into a preliminary set of subjects:

- "Other" relative information

- Salary continues to increase

- Technology salaries are decreasing

- What IT employees want and creating a positive work environment  (i.e. salary, benefits, and culture)

- Surveys regarding what people think others may want regarding financial incentives and work environment

- Reasons for leaving a job

- Ideas that challenge conventional wisdom regarding financial incentives and work environment.

- Why does it matter

- Organizational culture and the impact on employee satisfaction

- Organizational culture and the work environment

*Search Terms*

The first five search terms were based on personal knowledge of the researcher. Subsequent search terms were generated based on initial findings, and include:

- Salary survey

- IT compensation

- Employee retention

- Recruitment employee

- InformationWeek salary surveys

- Compensation models

- Rewards systems

- Organizational culture

- Work environment

- Retention factors

- Performance management

- Baby Boomers

- Employee culture

- Job satisfaction

- Engaged employees

*Initial Online Search Details*

Search results are evaluated based on the following guide:

Poor: Few results or no relevant information were found.

Good: Information relating to the topic was found, but not directly applicable;

may need more time to search the information.

Great: Information relating to this literature review was found quickly and

qualifies as credible based on search criteria listed in the Literature Selection Criteria.

Table 1 lists search results for each Search.

Table 1: Search Term Results.

| SEARCH ENGINE | SEARCH TERM | RESULTS | QUALITY |
|---|---|---|---|
| UO Online Catalog | Salary Survey | 84 | Good |
| UO Online Catalog | IT compensation | 32 | Poor |
| UO Online Catalog | Employee retention | 42 | Good |
| UO Online Catalog | Recruitment employee | 13 | Good |
| Google | Salary Survey | 10,800,000 | Great |
| Google | IT compensation | 18,100,000 | Great |
| Google | Employee retention | 773,000 | Great |
| Google | Recruitment employee | 16500,000 | Great |
| Gallup Management Journal | Employee retention | 32 | Good |
| Gallup Management Journal | Engaged Employees | 120 | Great |

Table 2 lists search results from the ERIC database search.

Table 2: ERIC Education Database Search.

| Search Keywords | Results |
|---|---|
| IT AND Employee AND Retention | 60 |
| Technical AND Employee AND Retention | 21 |
| Technical Salary Survey | 212 |
| Salary AND Retention | 198 |
| Salary AND Survey AND Retention | 46 |

| Salary AND Benefits AND Retention | 47 |
|---|---|

*Preliminary Results*

- Assessment of best sources

    - Employment recruiting companies like Robert Half Technology and employment sites like Monster.com and CareerBuilder.com conduct research and surveys so they can provide statistics relating to salary trends and retention ideas.

    - Technology magazines like InformationWeek, CIOInsight, and MCPMag.com are generally accepted sources for the IT industry.

    - Google as a starting point

    - Research by Pfeffer and Sutton examines behavior relating to motivation, incentives, employee retention, and problems with programs used to enhance employee performance. Pfeffer's and Sutton's work also lead to other sources.

    - Books with references to organizational behavior or employee retention used within the University of Oregon's AIM program.

*Literature Selection Criteria.*

Literature used in this review are evaluated for relevance and quality by examining author credentials,  information source, validity of information, and potential fit within the limits of this study. Information gathered through the literature collection process represents many views and varies in relevance and quality (Hewitt, 2002, p. 7). In

order to maintain a high level of relevance, search criteria for this literature review are based on authority, objectivity, relevance, quality and coverage. Each criterion is described in detail below.

*Author.*  Author credibility is validated by examining academic affiliation, association with credible recruiting companies, association with a known provider of online IT information such as InformationWeek, and government sites like the BLS. Authors also gain credibility when they are cited by other credible sources (Bell & Smith, 2008).

*Objectivity.* Information used within this literature review represents facts drawn from surveys and statistics relating to organizational culture and employee retention; not opinions (Bell & Smith, 2008).

*Relevance.* According to Bell and Smith (2008), information is relevant when it addresses the research question. The term culture has evolved over many decades and has been used in many contexts (Schein, 2004, pp. 7-8). Schein describes recent references to good, bad, and functional culture within organizations. References that follow Schein's description of organizational culture are considered relevant and are included in this literature review to explore how organizational culture, good and bad, can affect employee retention. Information collected from IT salary surveys and government agencies are relevant to this literature review to show trends in the IT industry.

*Quality.* Information gathered for this report is well organized and clearly communicate ideas relating to the topic of this report (Bell & Smith 2008).

*Coverage*. The work updates other sources, substantiates or argues against ideas presented in this report, and the work contains enough background information to support its argument (Bell & Smith 2008).

*Documentation Approach*

Reference and note processing for this review changed as collected information grew in scope. Initially collected sources were evaluated for relevance and highlighted. Highlighted quotes and ideas are organized in a document called References.doc along with reference and citation to build the basis for this review. The final step was to create an Access database called coding.mdb which contains key terms, quotes or ideas, and information is categorized based on coded terms for easy searching. Highlighting information, as an initial review step, is used throughout the search process regardless of how it was organized and stored.

*Data Analysis Plan*

This literature review is a collection of information that is evaluated, organized and synthesized through a content analysis strategy (Leedy & Ormrod, 2005, p. 77) to explore the affects of organizational culture on IT employee retention. Gathered text is reduced to key words or phrases to code and categorize information in a process known as conceptual analysis, so it is focused into manageable content (Busch, et al., 2005).

According to Busch, et al. (2005), conceptual analysis begins with identifying research questions and choosing a sample or samples. Once chosen, the text must be coded into manageable content categories. The process of coding is basically one of

selective reduction. By reducing the text to categories consisting of a word, set of words or phrases, the researcher can focus on, and code for, specific words or patterns that are indicative of the research question. This coding process uses explicit and implicit words and phrases as described by Busch, et al. (2005) to evaluate and code the relevance of gathered information. Busch, et al. (2005) describes eight coding steps.  These steps are listed below, along with an explanation of how each is applied to this study.

1. *Level of analysis*: Explicit, meaning that the most relevant phrases relating to this literature review are coded for: organizational culture, IT employment statistics, employee retention, and employee motivation.

2. *Conceptual coding*: Implicit, meaning that phrases that relate to the affects of organizational culture on employees' loyalty, behavior, productivity, and satisfaction are also coded, in addition to the preliminary explicit phrases (Brache, 2002, pp. 102-105).

3. *Existence coding*: Sources are coded based on the existence of a concept regardless of how many times it appears within the literature.

4. *Distinguishing concepts*: Similar words or phrases are recorded in relation to key concepts, such as organizational culture, IT employment statistics, employee retention, and employee motivation as long as the underlining meaning does not change. Synonyms which describe implicit phrases such as enjoyment or frustration are coded as *satisfaction* as long as the reference conveys employee satisfaction as it relates to organizational culture and employee retention.  The same can be said for the other terms listed in items 1 and 2 above.

5.  *Rules for coding*: Sources are coded based on terms listed in items 1 and 2 above. Values are added to indicate whether the idea examines positive or negative results. As an example: motivation can be positive or negative, depending on the factor and context.

6.  *Irrelevant information*: Collected information that does not directly relate to organizational culture and employee retention, or IT salary survey information is not included.

7.  *Text coding*: References that make up the data set for coding are reviewed and coded. Coded information is collected in an Access database called coding.mdb, which contains the concept or quote, code, and citation details. Information is categorized in the Access database based on the codes listed in items 1 and 2 above and the subjects listed in the Purpose.

8.  *Analyze the results*: Using the query-function of the Access database, this researcher organizes, sorts, and filters the collected information to draw conclusions regarding the affects of organizational culture on IT employee retention. Information that does not fit the current outline are evaluated for possible inclusion under a new code or marked as irrelevant in the database.

*Writing Plan*

This study is organized to examine the affects of organizational culture on IT employee retention. Application of ideas presented in this literature review is left to the

audience, for there is no single solution for every situation (Pfeffer & Sutton, 2007,

pp. 109-122).

The study uses a thematic writing plan (*Literature Reviews*, n.d.) that is designed

to show patterns (known here as 'themes') relating to IT employee retention as outlined

below. The following themes are based on preliminary review of selected literature only,

and are thus subject to change after the final data analysis process:

1.  Theme #1: IT employment statistics: Setting the employment context

    1.1.  Shrinking IT workforce

    1.2.  Salaries continue to increase

    1.3.  Salary surveys - What do IT employees want in a compensation package

2.  Theme #2: Organizational culture

    2.1.  What is organizational culture

    2.2.  How does organizational culture affect employee behavior

        2.2.1.  Loyalty

        2.2.2.  Productivity

        2.2.3.  Attitudes

3.  Theme #3: Affects of organizational culture on employee retention

    3.1.  Factors that influence why employees stay at an organization

        3.1.1.  Success

        3.1.2.  Enjoyment

        3.1.3.  Challenge

    3.2.  Factors that influence why employees leave an organization

        3.2.1.  Frustration

3.2.2.   Bullies and certified assholes drive out employees

4.    Theme #4: Ways that financial incentives, salary and benefits packages influence employees

4.1.   What we think others want

4.2.   Doing more harm than good

4.3.   When do financial incentives work

**Annotated Bibliography**

An annotated bibliography represents references on a specific topic, used within a

literature review, to give bibliographic information and summarize the contents of each

source (Lester & Lester, 2007. p. 117). All entries in the annotated bibliography comprise

the key materials used to support the development of this study and are included in the

coding data set. Entries examine affects of organizational culture, employee retention,

and current employment trends in the IT industry. Annotations consist of an evaluation of

the credibility of the source; abstracts or book descriptions retrieved directly from the

published text or a summary created by this researcher if such text is not provided by the

literature being reviewed; and an explanation (see Comment) of how the reference is used

to support this study.

Bandow, D., & Hunter, D. (2008). *Developing Policies about Uncivil Workplace*

*Behavior*. Retrieved May 6, 2009 from http://0-

bcq.sagepub.com.janus.uoregon.edu/cgi/reprint/71/1/103

Diane Bandow is an associate professor at Troy University in Atlanta, where she

manages business programs and faculty. Debra Hunter is an assistant professor of

management at Troy University's Atlanta site and holds a DBA in management (p.4).

[Abstract] Workplace incivility, including aggression and bullying, is a troubling

phenomenon. Uncivil behaviors not only harm individuals but also diminish employee

performance and sometimes result in legal action against companies. Thus, it behooves

organizations and management to become vigilant and responsive to such behaviors. Yet

the evidence shows that with the recent exception of attempted legislation in Hawaii

(Chiem, 2007), few companies or jurisdictions in the United State have policies and procedures aimed at addressing uncivil behavior. In this article, the authors outline some points to consider when developing policies to counteract uncivil behavior in the workplace. In the process, they incorporate the views of two corporate representatives (a diversity manager at Georgia Power and a human resource manager at PepsiCo) and an attorney with the U.S. military. The authors conclude that the driving principles of the policy should be that every employee has a right to be treated with respect and that false accusations are taken as a serious offense. Some organizations have already included respect for each other in organizational mission statements, so providing linkage to the mission statement could further strengthen any policy developed on uncivil behavior. Most important, managers need to be aware of how uncivil behaviors affect working relationships and lead to legal, psychological, and retention issues.

[Comment] This review relates directly to affects of culture and behavior to employee satisfaction and retention by creating a civil work environment. The reference is part of the data set, selected for coding, and thus supports the presentation of factors and themes in the Review of Literature section of the study.

Baschab, J., & Piot, J. (2007). *The executive's guide to information technology. 2ⁿᵈ ed.* Hoboken, New Jersey: John Wiley & Sons, Inc.

Baschab is President of Technisource Management Services. He is an Adjunct Professor of Engineering Management Information Systems at Southern Methodist University. Piot is President of Technisource Solutions Group. He is an Adjunct

Professor of Engineering Management Information Systems at Southern Methodist University.

[Abstract] *The executive's guide to information technology* is a practical, comprehensive guide to running a cost-effective, efficient, and business delivery-focused corporate IT department. Eschewing the theoretical for the practical, the book gives managers the guidance they need to handle any problem effectively with specific policies, approaches, and tools for IT functions. Packed with perspective advice and hard-earned insight, this indispensible guide provides quick access to important information when you need it. (Front cover)

[Comment] Chapter 1, The IT Dilemma, outlines problems facing managers and executives. Statistics and scenarios describe frustration and missed opportunities. Chapter 5, The IT Organization, outlines roles and responsibilities that help and hinder an IT department. Organization and culture directly affects the success of a company (p. 90). Page 580 directly identifies culture and metrics used to increase employee performance, satisfaction, and reduce turnover. The reference is part of the data set, selected for coding, and thus supports the presentation of factors and themes in the Review of Literature section of the study.


Brache, A. (2002). *How organizations work: taking a holistic approach to enterprise health.* New York: John Wiley & Sons, Inc.

Brache is a partner executive vice president of Kepner-Tregoe, Inc., a Princeton, New Jersey-based consulting and training firm specializing in strategic and operational

improvement. Brache has co-authored several books, addressed groups of business executives in twenty-two countries, and contributed to articles in publications.

[Abstract] Editorial Reviews copied from http://www.amazon.com

Product Description:  A groundbreaking approach to successful performance improvement.

Almost every executive in business today is faced with the challenge of improving performance, from incremental improvements to wholesale organizational change. Here, a world-renowned expert in organizational improvement asserts that most hard-won changes don't last for long, however, because of the inability to identify the root causes of the problem. How Organizations Work offers a clear, integrated solution to performance improvement via a new "Enterprise Model"–which takes into account all variables that influence performance. Alan Brache provides a comprehensive "physical exam" for checking an organization's vital signs and a 360-degree picture of how organizational dynamics can be harnessed to effect permanent improvements in performance.

[Comment] Organizations play a vital role in creating a positive work environment. Chapter 7 defines organizational culture and why it has an influence on organizational operations – for good and bad.  Using organizational culture as a foundation, this research examines how it affects employee retention.

Chapter 7 of this work defines the context for organizational culture used within this literature review. The reference is part of the data set, selected for coding, and thus supports the presentation of factors and themes in the Review of Literature section of the study.

Bureau of Labor Statistic. (2007a, December 18). Computer Software Engineers. In

     *Occupational Outlook Handbook, 2008-09 ed.* Retrieved May 13, 2009 from

     http://www.bls.gov/oco/ocos267.htm


Bureau of Labor Statistics. (2007b, December 18). Tomorrow's jobs. In *Occupational*

     *Outlook Handbook, 2008-09 ed.* Retrieved April 5, 2009 from

     http://www.bls.gov/oco/oco2003.htm


Bureau of Labor Statistic. (2008, March 20). Professional and related occupations. In

     *Occupational Outlook Handbook, 2008-09 ed.* Retrieved April 6, 2009 from

     http://www.bls.gov/oco/oco1002.htm#comp

 [Abstract] "The Bureau of Labor Statistics is the principal fact-finding agency for the Federal Government in the broad field of labor economics and statistics...With the strongest commitment to integrity and objectivity, the BLS will be premier among statistical agencies, producing impartial, timely, and accurate data relevant to the needs of our users and to the social and economic conditions of our Nation, its workers, and their families" (http://www.bls.gov/bls/infohome.htm).

     [Comment] Information gathered by the BLS regarding employment statistics outlining hiring trends and the need to look beyond employee salaries. BLS statistics and articles regarding the IT industry relate directly to hiring IT employees and employee retention. BLS references are part of the data set, selected for coding, and thus support the presentation of factors and themes in the Review of Literature section of the study.

Chiem, L. (2007, April 20). *Workplace bullying studied as legislation stalls.* Retrieved

May 6, 2009 from

http://pacific.bizjournals.com/pacific/stories/2007/04/23/focus2.html

Linda Chiem has been a reporter for the Pacific Business News (Honolulu), a

division of Bizjournals.com, since June, 2006. Bizjournals.com is the online media

division of American City Business Journals, the nation's largest publisher of

metropolitan business newspapers. It operates the Web sites for each of the company's 40

print business journals and operates a web-only site with local business news and

information for Los Angeles (http://www.bizjournals.com).

[Abstract] In this article, Chiem cites surveys and recent attempts to pass

legislation regarding workplace bullying. This article is also cited by Bandow and Hunter

(2008). This article relates to issues that contribute to or detract from a positive

organizational culture, examined in the section relating to why employees leave an

organization and driving out employees - consequences for organizations with cultures

that tolerate bullying.

[Comment] This article refers to employee retention and how employees are

driven away by a hostile work environment. The reference is part of the data set, selected

for coding, and thus supports the presentation of factors and themes in the Review of

Literature section of the study.

Gallup Management Journal. (2006, October 12). *Gallup Study: Engaged Employees*

  *Inspire Company Innovation.* Retrieved April 13, 2009 from

  http://gmj.gallup.com/content/24880/Gallup-Study-Engaged-Employees-Inspire-

  Company.aspx

"Gallup has studied human nature and behavior for more than 70 years. Gallup's

reputation for delivering relevant, timely, and visionary research on what people around

the world think and feel is the cornerstone of the organization" (http://www.gallup.com).

  [Abstract] This study surveys employees to determine how being engaged affects

loyalty and destructive employee behavior. According to this survey, engaged employees

stay longer and are more likely to provide innovation. This article identifies three types of

employee engagement. Engaged: Employees work with passion and feel profound

connection to their company. Not-Engaged: Employees are essentially "checked out".

They're sleepwalking though their workday. Actively Disengaged: Employees aren't just

unhappy at work; they're busy acting out their unhappiness. Actively disengaged

employees undermine the work of others.

  [Comment] References to employee retention relate directly to this literature

review and are incorporated in sections of this report relating to affects of organizational

culture on employee retention. The reference is part of the data set, selected for coding,

and thus supports the presentation of factors and themes in the Review of Literature

section of the study.

InformationWeek. (2006). *National IT Salary Study.* Retrieved March 28, 2009 from

http://i.cmpnet.com/informationweek/reports/2006/IWKSalary_Report_2006_v2.

pdf

[Abstract] Summary copied from source website: With more than 10,000

respondents, the research explores IT compensation and benefits trends across twenty IT

job functions and management positions. Findings are segmented according to the job

functions of managers and staff for the most comprehensive analysis possible.

[Comment] This 20 page report is used to understand what IT professionals are

facing regarding salaries, compensation, benefits, and job satisfaction and how emerging

trends like outsourcing impact IT professionals. Statistics gathered by this report validate

IT employment and retention, and are used to support sections of this report examining

IT employment statistics.

InformationWeek. (2007). *National IT Salary Study*. Retrieved March 28, 2009 from

http://i.cmpnet.com/informationweek/research/Nationa_lIT_Salary_Study07.pdf

[Abstract] Summary copied from source website: With more than 7,000

respondents, the research explores IT compensation and benefits trends across twenty IT

job functions and management positions. Findings are segmented according to the job

functions of managers and staff for the most comprehensive analysis possible.

[Comment] Statistics gathered by this report validate IT employment and

retention, and are used to support sections of this report examining IT employment

statistics.

Kouzes, J., & Posner, B. (2007). *The leadership challenge, 4th ed.* San Francisco: Jossey-

Bass.

Kouzes is Dean's Executive Professor of Leadership, Leavey School of Business,

Santa Clara University.  Posner is Dean of the Leavey School of Business at Santa Clara

University (copied from back cover).

[Abstract] Editorial Reviews by Amazon.com (http://www.amazon.com):

In the 1980s and again in the '90s, James M. Kouzes and Barry Z. Posner published The

Leadership Challenge to address issues they uncovered in research on ordinary people

achieving "individual leadership standards of excellence." The keys they identified--

model the way, inspire a shared vision, challenge the process, enable others to act,

encourage the heart--have now been reexamined in the context of the post-millennium

world and updated in a third edition. "What we have discovered, and rediscovered, is that

leadership is not the private reserve of a few charismatic men and women," write Kouzes

and Posner. "People make extraordinary things happen by liberating the leader within

everyone." After explaining their concept and methodology, the authors detail the five

essentials noted above in a pair of chapters apiece that bring clarity to their theories with

case studies and recommended actions. The specificity of each (motivating through "the

meaningfulness of the challenge, not the material rewards of success," for example, and

being able to "accept the mistakes that result from experimentation") is enhanced by

advice on sustaining the commitment and making leadership skills accessible to all. The

results remain as relevant as when they were first published.

[Comment] This book outlines how leaders can motivate employees to

accomplish great things and build a positive work environment. This researcher was able

to find more then a dozen quotes directly related to the topic of this literature review; outlining employee retention, collaboration, leadership, engaging employees, situations to avoid, positive organization values, and more. The reference is used to support sections of this report that examine organizational culture and affects of organizational culture on employee retention. The reference is part of the data set, selected for coding, and thus supports the presentation of factors and themes in the Review of Literature section of the study.

Lee, K. (2006, February 1). *I.T. Hiring Heats Up*. Retrieved April 18, 2009 from

http://www.informationweek.com/news/global-

cio/showArticle.jhtml?articleID=180201680

Lee is executive director of Robert Half Technologies, a nationally respected technical recruiting company.

[Abstract] Lee investigates contradicting salary survey information to create a description of the current IT job market. According to Lee, some experts say the IT job market is A) promising, B) hardly worth pursuing, or C) somewhere in between. This article uses statistics from recruiting efforts by Robert Half Technologies and other recruiting sources to describe issues relative to hiring IT employees. Her insights and experience relating to culture and IT employees is relevant to this literature review.

[Comment] The reference is used to support IT employment statistics and affects of organizational culture on employee retention. The reference is part of the data set, selected for coding, and thus supports the presentation of factors and themes in the Review of Literature section of the study.

McGee, M. (2007, April 28). *Keep Your Rising Stars From Leaving.* Retrieved April 18,

    2009 from http://www.informationweek.com/news/global-

    cio/outsourcing/showArticle.jhtml?articleID=199202139&pgno=8

    McGee has been writing IT articles for InformationWeek for over twenty years.

Her articles include such topics as IT management, careers, skills, and trends in the IT

industry.

    [Abstract] This article cites recent salary surveys conducted by InformationWeek.

The report indicates that managers need to pay more attention to their employees' needs

and what an employee wants in a compensation package in order to retain talented

employees. This article evaluates statistics referring to "what employees want" and

reviews BLS employment statistics.

    [Comment] The reference is used to support IT employment statistics and affects

of organizational culture on employee retention. The reference is part of the data set,

selected for coding, and thus supports the presentation of factors and themes in the

Review of Literature section of the study.

McGee, M. (2008). *Pay crunch*. Retrieved March 28, 2009 from

    http://www.informationweek.com/whitepaper/Management/Salary-

    Compensation/informationweek-u.s.-it-salary-survey-2008-wp1213889413109

    [Abstract] Summary copied from source website: With more than 9,000

respondents, the research explores IT compensation and benefits trends across 20 IT job

functions and management positions. This article contains InformationWeek's 2008

salary survey information. Findings are segmented according to the job functions of managers and staff for the most comprehensive analysis possible.

[Comment] Statistics gathered by this report validate IT employment and retention and are used to support sections of this report examining IT employment statistics.

Pfeffer, J. (Author & Narrator). (2007a). *Evidence-based management* [i-tunes]. Stanford University: Stanford Center for Social Innovations.

Pfeffer is the Thomas D. Dee Professor of Behavior at Stanford Graduate School of Business.

[Abstract] This hour-long audio lecture focuses on the benefits of evidence-based management and summarizes two books: *Hard Facts, Dangerous Half-Truths & Total Nonsense* and *What Were They Thinking*. In this lecture, Pfeffer shares examples, based on surveys and personal experience, that outline why evidence-based management is so important. Examples show how programs used to motivate employees backfire creating more problems than they solve, motivation programs that work, and why people think money is a motivator for others – but not themselves.

[Comment] This audio lecture is one of the primary sources which lead to the topic of this literature review and relates to sections of this report that examine financial incentives and motivation.

Pfeffer, J. (2007b). *What were they thinking? Unconventional wisdom about management.* Boston: Harvard Business School Press.

Pfeffer is the Thomas D. Dee Professor of Behavior at Stanford Graduate School of Business.

[Abstract] Book description copied from http://www.amazon.com. There is much to laud about the objective perspective that Stanford professor and author Pfeffer brings to business. First and foremost, he calls em as he sees em, showcasing common management errors and building on four years as a Business 2.0 columnist. Trimming employees' compensation and benefits packages? Nothing is gained from that immediate cost savings, except plummeting morale and retention issues—as the airline and auto industries have learned. Thinking about a merger or acquisition? Think again, he urges; it's an easier strategy than fixing operations—but one that more often than not fails. No function or goal of corporate America is left unscrutinized, from strategy to human resources. Yet he softens his radical and common-sense opinions by offering a range of solutions and companies that practice them well. Pfeffer points to Whole Foods, to Larry Culp at Danaher, and to CEO Gary Loveman of Harrah's as leaders who have managed to set corporate priorities and agendas that succeed. Short chapters with clear-cut messages and examples allow time to contemplate and copy. This book is filled with examples of mistakes, like improper methods for employee retention, which organizations implement to retain and motivate employees; in many cases, doing more harm than good. Examples of motivation and de-motivation are used to show why employees stay or leave an organization.

[Comment] The reference is used to support organizational culture, affects of organizational culture on employee retention, and affects of financial incentives. The

reference is part of the data set, selected for coding, and thus supports the presentation of factors and themes in the Review of Literature section of the study.

Pfeffer, J., & Sutton R. (2006). *Hard facts, dangerous half-truths & total nonsense.*

Boston: Harvard Business School Press.

Pfeffer is the Thomas D. Dee Professor of Behavior at Stanford Graduate School of Business. Sutton is Professor of Management Science and Engineering at Stanford University.

[Abstract] Book description from http://www.amazon.com. The best organizations have the best talent. . . Financial incentives drive company performance. . . Firms must change or die. Popular axioms like these drive business decisions every day. Yet too much common management "wisdom" isn't wise at all—but, instead, flawed knowledge based on "best practices" that are actually poor, incomplete, or outright obsolete. Worse, legions of managers use this dubious knowledge to make decisions that are hazardous to organizational health.

This practical and candid book challenges leaders to commit to evidence-based management as a way of organizational life – and shows how to finally turn this common sense into common practice. This book uses facts and surveys to demonstrate how organizations succeed and fail when making decisions based on facts or conventional wisdom; many of which relate to culture, employee retention and motivation.

[Comment] The reference is used to support organizational culture, affects of organizational culture on employee retention, and affects of financial incentives. The

reference is part of the data set, selected for coding, and thus supports the presentation of

factors and themes in the Review of Literature section of the study.

Pogorzelski, S., Harriott, J., & Hardy, D. (2008). *Finding keepers: The monster guide to*

*hiring and keeping the world's best employees*. New York: McGraw-Hill Irwin.

As EVP of Global Sales & Customer Development for Monster, Pogorzelski is

responsible for sales and customer development in more than 40 countries worldwide.

Harriott is Vice President of Global Monster Insight, pioneered the Monster Employment

Index (MEI), the first measure of online recruitment activity now tracked in the United

States and Europe. Harding has run Monster's publishing program since 2002 and is the

coauthor of three books in the Monster Career series.

[Abstract] Monster.com is one of the world's leading internet job sites with over

40 million job seekers (p. xii). The book *Finding keepers* contains statistics collected

from the Monster.com website, online surveys, and references from experts in fields

relating to employee hiring and retention.  Drawing from original Monster data and

research, and sharing wisdom from dozens of experts in hiring and recruitment, *Finding*

*keepers* shows how to harness the power of your employer brand to hire and hold the best

people. (Front cover)

[Comment] The reference is used to support employment statistics, affects of

organizational culture on employee retention, and why is it important to retain good

employees. The reference is part of the data set, selected for coding, and thus supports the

presentation of factors and themes in the Review of Literature section of the study.

Robert Half Technology 2007 Salary Guide [booklet]. (2007). Copy ordered 2007 from

http://www.roberthalftechnology.com/FreeResources?rfmCandidate_5.dmreq=tru
e&rfmCandidate_5.Z=0&rfmCandidate_5.B=1093&rfmCandidate_5.A=RHTsg0
9CO

Robert Half Technologies provides employee recruiting services for companies
within the United States and internationally.

[Abstract] The Robert Half Technology 2007 Salary Guide provides projected
average starting salary ranges for 65 IT positions, plus an overview of current hiring
trends and advice on building and maintaining loyal work teams (text copied from the
link above). Information was gathered by surveying employees placed through their
service, executives who they serve, and sources like the U.S. Bureau of Labor Statistics.

[Comment] Robert Half Technology salary survey information is quoted as a
source by the Department of Labor Statistics to examine stating salary information for IT
jobs. Information from this source are used to show trends in the IT industry, and explore
hiring and retention ideas, examined in IT employment statistics and how financial
incentives influence employees. The reference is part of the data set, selected for coding,
and thus supports the presentation of factors and themes in the Review of Literature
section of the study.

Robert Half Technology 2009 Salary Guide [booklet]. (2009). Copy ordered March 30,

2009 from

http://www.roberthalftechnology.com/FreeResources?rfmCandidate_5.dmreq=true&rfmCandidate_5.Z=0&rfmCandidate_5.B=1093&rfmCandidate_5.A=RHTsg09CO

Robert Half Technologies provides employee recruiting services for companies within

the United States and internationally.

[Abstract] The *Robert Half Technology 2009 Salary Guide* provides projected

average starting salary ranges for 65 IT positions, plus an overview of current hiring

trends and advice on building and maintaining loyal work teams (text copied from the

link above). Information was gathered by surveying employees placed through their

service, executives who they serve, and sources like the U.S. Bureau of Labor Statistics.

[Comment]  Robert Half Technology salary survey information is quoted as a

source by the Department of Labor Statistics to examine starting salary information for

IT jobs. Information from this source are used to show trends in the IT industry, and

explore hiring and retention ideas, examined in IT employment statistics and how

financial incentives influence employees. The reference is part of the data set, selected

for coding, and thus supports the presentation of factors and themes in the Review of

Literature section of the study.

Rossheim, J. (n.d.). *Salary negotiation: What to expect in 2009*. Retrieved March 29,

2009 from http://hiring.monster.com/hr/hr-best-practices/recruiting-hiring-advice/managing-hiring-costs/negotiating-compensation-salary.aspx

Rossheim is a Senior Contributing Writer for Monster.com.

[Abstract] Summary copied from source website: Negotiating salary in a recession is a challenge, particularly if you want to attract top performers. These tips can help. In this article Rossheim summarizes sources to explore the upcoming 2009 job market for employees.

[Comment] This article helps frame the competitive job market for technical employees, examined in IT employment statistics. The reference is part of the data set, selected for coding, and thus supports the presentation of factors and themes in the Review of Literature section of the study.

Schein, E. (2004). *Organizational culture and leadership. 3$^{rd}$ ed*. San Francisco: A Wiley Imprint.

Schein has a master's degree in psychology and a PhD in social psychology. He was chief of the Social Psychology Section of the Walter Reed Amy Institute of Research while serving in the military from 1952 to 1956. Schein has held several positions at MIT and Sloan School. (Copied from p. xv)

[Abstract] Editorial Reviews (http://www.amazon.com): In this third edition of his classic book, Edgar Schein shows how to transform the abstract concept of culture into a practical tool that managers and students can use to understand the dynamics of organizations and change. Organizational pioneer Schein updates his influential understanding of culture--what it is, how it is created, how it evolves, and how it can be changed. Focusing on today's business realities, Schein draws on a wide range of contemporary research to redefine culture, offers new information on the topic of

occupational cultures, and demonstrates the crucial role leaders play in successfully

applying the principles of culture to achieve organizational goals. He also tackles the

complex question of how an existing culture can be changed--one of the toughest

challenges of leadership. The result is a vital resource for understanding and practicing

organizational effectiveness.

[Comment] This book directly relates to the research of this literature review by

defining what culture is and how it can be understood. This reference is used to support

organizational culture and affects of organizational culture on employee retention. The

reference is part of the data set, selected for coding, and thus supports the presentation of

factors and themes in the Review of Literature section of the study.


Smith, A., Oczkowski E., & Smith, C. (2008). *To Have and to Hold: Retaining and*

> *Utilising Skilled People. A National Vocational Education and Training Research*

> *and Evaluation Program Report.* Retrieved May 5, 2009 from

> http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content_storage_01/0000019

> b/80/41/e7/04.pdf

Smith, et al. conducted this report under the direction of the National Centre for

Vocational Education Research (NCVER) under the National Vocational Education and

Training Research and Evaluation (NVETRE) Program, which is coordinated and

managed by NCVER on behalf of the Australian government. Funding is provided

through the Department of Education, Employment and Workplace Relations. The

NVETRE program is based upon priorities approved by ministers with responsibility for

vocational education and training (VET).

[Abstract] Not being able to hire people with the required skills is an obvious impediment to the productivity and prosperity of any organization and, ultimately, to a country's economy. An equally important concern for employers is how to keep skilled employees and how to use their skills fully. This report examines the ways in which Australian employers retain skilled staff at a time of low unemployment and skills shortages. Retention or utilization of skilled people is not necessarily improved through strategies such as increasing wages, adopting family-friendly working policies, and the use of non-monetary rewards. These things help make people feel satisfied, but they are not sufficient to retain skilled people in a tight labor market.

[Comment]  This reference is used to support affects of organizational culture on employee retention, how financial incentives influence employees and why is it important to retain good employees. The reference is part of the data set, selected for coding, and thus supports the presentation of factors and themes in the Review of Literature section of the study.

Sutton, R. (Author & Narrator). (2007). *The No Asshole Rule: Building a Civilized Workplace and Surviving One That Isn't* [CDs: Audio book]. New York: Hachette Audio.

Sutton is Professor of Management Science and Engineering at Stanford University.

[Abstract] This audio book describes work environments created by hostile managers and employees and the consequences organizations suffer when they tolerate destructive behavior. Sutton relies heavily on statistic and surveys to validate the affects

of negative behavior in the workplace. Information from this audio book relates directly to why employees leave an organization, as described in the section of this study that examines affects of organizational culture on employee retention.

[Comment] The reference is part of the data set, selected for coding, and thus supports the presentation of factors and themes in the Review of Literature section of the study.

U.S. Equal Employment Opportunity Commission. (2008, September 30). *Tips on employee retention [electronic resource]*. Retrieved April 7, 2009 from http://www.eeoc.gov/federal/retention.html.

"EEOC has five commissioners and a General Counsel appointed by the President and confirmed by the Senate. Commissioners are appointed for five-year, staggered terms. The term of the General Counsel is four years. The President designates a Chair and a Vice Chair. The Chair is the chief executive officer of the Commission" (http://www.eeoc.gov/abouteeoc/commission.html).

[Abstract] This site contains statistics and articles relating to employment satisfaction and retention, as described in the section of this study that examines affects of organizational culture on employee retention. This EEOC article summarizes seven steps beginning with hiring and then lists steps to retaining employees.

[Comment] The reference is part of the data set, selected for coding, and thus supports the presentation of factors and themes in the Review of Literature section of the study.

**Review of the Literature**

The purpose of this literature review is to identify how organizational culture influences the retention of IT employees, beyond base salary. Attracting and hiring IT employees is only half the battle. Once hired, employers need to retain top talent within a shrinking market of IT professionals (Lee, 2006). In order to keep up with competition for IT employees, employers need to implement creative retention solutions (*Robert Half Technology*, 2009).

Organizational culture has an influence on various aspects of the enterprise: (a) how strategies are executed, (b) how performance is evaluated, and (c) overall employee satisfaction (Brache, 2002, p.103). By understanding organizational culture, managers should be better able to identify how organizational culture affects employee retention, why employees stay at an organization, why employees leave an organization, misunderstandings about employee retention, and efforts that have been implemented to retain employees – good and bad (Pfeffer, 2007b). Managers who do not understand the affects of organizational culture will be more likely to make no attempt to retain employees (Lee, 2006) or do more harm than good when they implement programs based on ideas such as "casual benchmarking" (Pfeffer & Sutton, 2006, pp. 6-8).

*Theme #1: IT Employment Statistics: Setting the Employment Context*

Attracting and retaining IT employees is becoming increasingly difficult. This section describes why IT employees are becoming scarce, as a way to set the context for understanding why organizational culture is so important.

*Shrinking IT workforce.* According to the BLS (2007b), baby boomers are retiring faster than younger people are entering the workforce, diminishing the total number of available employees. Baby boomers make up 40% of the current workforce; when these people retire there will be a significant decrease in experience and industry knowledge (Lee, 2006). In addition to fewer employees overall, demand for IT jobs continues to increase (BLS, 2007a), creating increased competition for IT employees (*Robert Half Technology*, 2009, p. 7). Demand for IT employees is growing, in part, due to business growth, business investments in technology, and increases in new technology (BLS, 2007a; Broadbent & Kitzis, 2004; *Robert Half Technology*, 2007).

In addition to fewer employees and increased IT demand, schools are not able to prepare enough students to fill science and engineering jobs (Pogorzelski, Harriott, & Hardy, 2008, p. 3). Not only are schools unable to keep up with demand, the number of students preparing to enter the IT industry is diminishing. Lee (2006) cites a UCLA survey that shows a decrease in IT enrollment between 2000 and 2004.

To make matters worse, as baby boomers retire and the applicant pool shrinks, IT employees are leaving the IT industry out of fear of competition due to offshore outsourcing and the fear of wage decreases, and they are not coming back (Lee, 2006). According to Lee (2006), this further increases competition for top IT performers and young IT employees entering the labor force (Lee, 2006).

In order to maintain an IT workforce, organizations that desire to keep top IT employees are required to compete for them (Pogorzelski, Harriott, & Hardy, 2008, p. 6). Hiring managers need to understand the context of the shrinking IT workforce, if they hope to maintain a competitive advantage (*Robert Half Technology*, 2009, p.1) in an

environment where unemployment in the IT industry is low relative to other occupations (p. 33).

*Salaries continue to increase.* The increased demand for IT employees, described above, is causing competition for IT employees and competition is driving up IT salaries ("IT Skills and Salary", 2009, pp. 2-3; *Robert Half Technology*, 2009, pp. 12-15) even though the world is currently in a recession (Domingo, 2008, p. 2; "IT Skills and Salary", 2009, p. 2). According to the article "IT Skills and Salary" (2009), seven out of ten IT employees received an average increase of 6% in compensation benefits during a 12 month period prior to the survey, and 36% of the survey participants expected to receive a bonus in 2009 (p. 3). In addition to competition driving up salaries, when surveyed, many IT employees said more money would make them happier ("IT Skills and Salary", 2009, p. 7).

Affects of the recession on IT have been minimal. Speaking about the IT industry, Hira, says, "The impact of the recession hasn't fully shown up yet" (as cited in McGee, 2008, p. 3). Some experts expect the recession will not show up in the IT industry, at least not like it has in other industries (Domingo, 2008; "IT Skills and Salary", 2009, p. 2).

*Salary surveys - What do IT employees want in a compensation package.* For IT employees, the primary desire is not always more money. According to Lee (2006), employees are as concerned about an organization's culture as they are about financial compensation.

In addition to collecting salary information, some salary surveys collect information regarding employee satisfaction and what employees would like in a

compensation package. The *National IT Salary Study* (2006) asked participants, "What matters most to you about your job?" (p. 16). Responses to questions like this vary from year to year and by survey, and money is not always the top desire.  In some cases cultural influences and work environment rank higher than money (McGee, 2008, p. 7; *National IT Salary Study*, 2006, p. 16; *National IT Salary Study*, 2007, p. 18; Pfeffer 2007b, p. 76; Pogorzelski, Harriott, & Hardy, 2008 p. 154). Organizational culture plays such an important roll, some IT employees who enjoy their work make concessions for benefits and salary (*Robert Half technology*, 2009, 10). Table 3 lists the top five survey results for what matters most to IT employees.

Table 3: What Matters Most?

| | National IT Salary Study, 2006,  p. 16 | National IT Salary Study, 2007,  p. 18 | McGee, 2008, p. 40 | |
|---|---|---|---|---|
| Source and Rank | | | | |
| Job stability | 1 | | 4 | |
| Challenge and responsibility | 2 | 2 | 3 | |
| Flexible schedule | 3 | 4 | 5 | |
| Base Pay | 4 | 1 | 1 | |
| Vacation time | 5 | | | |
| Benefits | | 3 | 2 | |
| New innovations | | 5 | | |

Pfeffer (2007b) believes that creating an organizational culture focused on intrinsic motivators will have a greater affect on employees then extrinsic motivators, like incentive pay (p. 7; p. 76). According to Hertzberg, primary motivators for IT employees, when money is not a factor, are "recognition, achievement, the work itself, responsibility, advancement, and the chance to learn new skills" (as cited in Dennis, Wixom, & Roth, 2006, p. 82). As proposed by Schilling (2008) an organizational culture that focuses on

extrinsic motivators undermines employees by distracting them from what is important

(p. 18). Using intrinsic motivators will have a greater affect on employee satisfaction and

retention (Pfeffer, 2007b, p. 7; p. 76). Table 4 contains lists of intrinsic motivators that

have a positive affect on employee satisfaction and retention.

Table 4: Intrinsic Motivators.

| INTRINSIC MOTIVATOR | SOURCE |
|---|---|
| Build an environment that promotes emotional intelligence, self awareness, self-management, social awareness, and social skills | Broadbent, M.,  Kitzis, 2004, p. 99 |
| Recognize achievement, the work itself, responsibility, advancement, and the chance to learn new skills | Dennis, Wixom, Roth, 2006, p. 82 |
| Develop a culture that clearly demonstrates the organization's appreciation | Lee, 2006, p.3 |
| Create new IT innovations | McGee, 2007 |
| Work towards a common goal | Pfeffer, 2007b, p. 23 |
| Create pride in the organization or a belief that both leadership and managers care personally about employee welfare. . . Prospects, professional growth that stimulate a sense of belonging. | Pogorzelski, Harriott, Hardy, 2008, p. 150 |
| Create an organizational climate in which employee learning, growth and development are fostered and where people feel that their best opportunities and experiences for the future will be realized. | Smith, Oczkowski, Smith, 2008, p, 9 |
| Create a work environment in which employees want to establish careers rather than merely have jobs | EEOC, 2008 |
| Allow employees to enjoy their jobs | *Robert Half technologies*, 2009, p. 10 |

Money should not be completely discounted. Money does have a positive affect on employee retention, satisfaction, and is desired by employees (Pfeffer, 2007b, p. 174). According to Lee (2006), most IT employees place money and organizational culture at the same level or closely desired (p. 3). And both money and organizational culture can have positive and negative affects, as will be shown later in this report.

*Theme #2: Organizational Culture*

"You have to learn why things work…"
– Captain Kirk – Star Trek: Wrath of Khan

By understanding organizational culture, employers are able to create an environment where employees want to work and where employees are successful (Brache, 2002, p. 103). Many job seekers consider organizational culture as important as financial compensation; employers who focus on just salary and ignore the affects of organizational culture are missing half the battle for talented employees (Lee, 2006).

*What is organizational culture?*

"Leaders set the tone for the entire organization,
and employees look to them for cues about
what constitutes acceptable conduct"
- Cortina as cited in Estes and Wang, 2008, p. 19.

Organizational culture defines values, rolls, communication and acceptable behavior for how we work and interact with each other; organizational culture influences employee satisfaction, customer satisfaction, productivity, and employee retention (Brache, 2002, pp. 102-105). According to Schein (2004), "Culture is both a dynamic phenomenon that surrounds us at all times, being constantly enacted and created by our

intentions with others and shaped by our leadership behavior, and a set of structures,

routines, rules, and norms that guide and constrain behavior. . . Culture constrains,

stabilizes, and provides structure and meaning to the group members" (p. 1). Brache

provides a summary of things affected by organizational culture (see table 5).

Organizations create a culture of behaviors in part to establish an advantage over

their competition (Brache, 2002, p. 103). Brache provides a summary for the dimensions

of culture which organizations focus on to implement their strategy (pp. 104-105). His

list is not exhaustive nor does the list provide connotations of good or bad, but the list

does give a sense for the characteristics and influences of culture. Table 5 provides a

partial list of Brache's cultural characteristics, each of which can be interpreted as a

continuum (Brache, 2002, pp. 104-105).

Table 5: Continuum of Characteristics of Organizational Culture.

| CULTURAL CHARACTERISTICS ||
|---|---|
| Risk tolerant | Risk averse |
| Fast paced | Plodding |
| Fact based | Intuition based |
| Customer focused | Internally focused |
| Trusting | Suspicious |
| Candid | Duplicitous |
| Innovative | Traditional |
| Analytical | Emotional |
| Strategic | Tactical |
| Clear | Ambiguous |
| Social | Asocial |
| Work focused life | Work-life balanced |
| Flexible | Rigid |

*How does organizational culture affect employee behavior*? Employees become

engaged when they feel a direct connection with their employer ("Engaged Employees",

2006). Engaged employees are happier, more loyal, drive innovation, and are more likely

to remain at their current job. The article "Engaged Employees" (2006) also shows that engaged employees are likely to have a positive relationship with their coworkers.

By nature, IT employees are typically "pleasers" who want to delight their managers (Baschab & Piot, 2007, p. 546; Pfeffer, 2007b, p. 65). An organizational culture that leverages this situation will find greater success by creating engaged employees ("Engaged Employees", 2006).  Happy employees produce more high quality goods and offer greater customer service; creating happier customers (Brache, 2002, p. 10). However, the opposite is true too. An organizational culture that treats employees harshly or imposes excessive workloads is vulnerable to bullies, lawsuits, and the loss of valuable employees (Gray & Larson, 2006, p. 284; Pfeffer, 2007b, p. 54; Sutton, 2007).

*Loyalty.* Employees who feel like they are part of a team are loyal to an organization (Kouzes & Posner, 2007, p. 61). Loyalty has a significant influence on the way employees work and communicate within a team. According to Kouzes and Posner, "The quality and accuracy of communication and integrality of the decision-making process increase when people feel part of the same team" (p. 61).

A loyal employee is worth more to the organization than a disloyal employee ("Engaged Employees", 2006). A brilliant disloyal employee, while perhaps capable of doing excellent work, might be unwilling to work; whereas a loyal employee will (hopefully) learn and grow with the organization (Kouzes & Posner, 2007, p. 265; p, 298; Pfeffer, 2007b, pp. 40-43; Pfeffer & Sutton, 2006, pp. 74-76; pp. 122-124).

Organizations that build a culture where training and skill-investments are made in their people are more likely to retain employees that will reciprocate through loyalty, increased ability, and higher motivation (Pfeffer, 2007b, p. 8; p. 31).

*Productivity.* Creating a positive organizational culture influences how employees execute projects and plans (Brache, 2002, pp. 103-104) and how employees contribute to a project's success (Gray & Larson, 2006, p. 72). Productivity and creativity increase when employees feel relaxed and refreshed (Pfeffer, 2007b, p. 73).  In addition to increased productivity, engaged employees are more likely to contribute to new innovations ("Engaged Employees", 2006).

*Attitudes.* People reciprocate emotion by reflecting what they feel in an organization (Pfeffer, 2007b, p. 8). When a culture fosters a positive attitude, employees reflect that positive culture to each other and their customers (Chalofsky & Griffin, 2005, pp. 5-6; Pfeffer, 2007a, 57:42). The opposite is true as well. When employees are dissatisfied or feel disengaged, they will not only be less productive, they will work to undermine the efforts of others ("Engaged Employees", 2006).

People are social creatures who enjoy being with others (Pfeffer, 2007b, p. 23). Building employee relations, by building positive attitudes, will increase interaction, communication and ultimately engage employees to work together towards a common goal (Chalofsky & Griffin, 2005, pp. 5-6; Pfeffer, 2007a, 57:42).

*Theme #3: Affects of Organizational Culture on Employee Retention.*

Creating a positive organizational culture will affects employees' success and satisfaction which affects employee retention (Pogorzelski, Harriott, & Hardy, 2008, pp. 149-150; 163-164).

*Factors that influence why employees stay at an organization.*

"Hire the right people and treat them right."
- Pogorzelski, Harriott, & Hardy, 2008, p. 174.

Retaining IT employees requires an in-depth knowledge of the IT industry, culture, and defining what IT employees want; and the answer is not always more money.

*Factor #1: Success.* Employees want to be a part of a successful group and are more likely to remain at their job when they are successful (Pogorzelski, Harriott, & Hardy, 2008, p. 173). Well-defined organizational culture will contribute to the success of the organization. (Baschab & Piot, 2007, p. 90; Gray & Larson, 2006, p. 72).

*Factor #2: Enjoyment.* Employees who enjoy what they are doing are more likely to be engaged and contribute to a positive work environment (Chalofsky & Griffin, 2005, pp. 5-6; *Robert Half Technology*, 2009, p. 10). Organizations that build a friendly culture are considered to be more attractive to employees because of their positive nature (Pfeffer & Sutton, 2006, p. 63).

*Factor #3: Challenge.* Loyal employees find their work challenging (Pogorzelski, Harriott, & Hardy, 2008 p. 156). IT employees ranked challenge within the top three for "What matters most" in InformationWeek's salary surveys between 2006 and 2008 (*National IT Salary Study*, 2006; *National IT Salary Study,* 2007; McGee, 2008), however less than 34% of IT workers feel as though their job is challenging (2006, p. 1). Employees are likely to stay at an organization that creates a culture of challenge and

employees are more likely to seek out a new job when they are bored (Pogorzelski,

Harriott, & Hardy, 2008, p. 154).

*Factors that influence why employees leave an organization.*

> "If you don't know why people are leaving, you probably
> don't know the real reasons why they're staying."
>   – Pogorzelski, Harriott, & Hardy, 2008, p. 154.
>   –

Organizational culture plays an important roll in why employees seek out a new job.

Table 6 lists the top 5 reasons why employees leave an organization, according to Fitz-

enz (2007, p. 23): Rank number one refers to the top reason why people seek out new

employment.

Table 6: Top 5 Reasons for Leaving a Job.

| RANKING | SOURCE |
|---------|--------|
| 1 | Lack of two way communication |
| 2 | Work not exciting or interesting |
| 3 | No opportunity to learn or grow |
| 4 | Not recognized for their performance |
| 5 | Little control over job |

*Factor #1: Frustration.* According to Pogorzelski, Harriott, and Hardy (2008),

employees may tell employers they are leaving their current position for more money, but

when the same employees are surveyed by an independent researcher, the reason they

reveal for finding a new job has to do with a poor relationship with the current employer

(p.154). As Poteete said, "People don't quit jobs; they quit managers" (as cited in McGee,

2007, p. 26).

According to Kaye and Jordon-Evens, employees leave their jobs "when they are

bored, stagnate, work in a bad environment, or they have lousy bosses" (as cited in

Pogorzelski, Harriott, & Hardy, 2008, p. 154). An organizational culture with "poorly

defined processes will hold people back from their maximum contribution, de-motivate them, and ultimately cause them to leave" (Brache, 2002, p. 70)

*Factor #2: Bullies and "certified assholes" drive out employees*

"The rotten apple spoils his Companions"

- Benjamin Franklin as cited in *Barnes*

*& Noble Library of Essential Reading,* p. 41

Employees exposed to a type of co-worker or manager known as a "certified asshole" will suffer "Asshole Poisoning" and run the risk of becoming a certified asshole themselves; propagating negative attitudes to others (Sutton, 2007, Disk 3, Track 11). An organizational culture that tolerates bullies and certified assholes drive employees out of an organization by increasing anxiety, tension, anger, depression, and reduce job satisfaction for everyone; including observers who are not the target of the assault (Sutton, 2007, Disk 1, track 5-6). According to Sutton, victims of bullying and employees who witness bullying are likely to become reclusive or quit their job in an attempt to avoid bullies.

Due to circumstances beyond their control, some employees have little choice but to endure a bully in the workplace (Sutton, 2007, Disk 3). Sutton warns that confronting a bully has varying affects. Bullies become more aggressive, disarmed, or less aggressive when confronted (Disk 3, Track 6). Parker (1982) recounts a story where avoiding conflict may be the best option:

[President] Lincoln, in his youth, was hated by Sam Brown. Brown was constantly trying to fight Lincoln. One day Brown corned Lincoln and challenged him to an axe fight. Brown suggested Lincoln pick the place. Lincoln was over six feet tall; Brown stood less then six feet. Lincoln thought for a minute and suggested they meet in the middle of the river on the bend, where the water level is six feet deep. Brown realized he had lost the fight before it began. He shook Lincoln's hand and both men escaped uninjured. Later Lincoln and Brown became good friends (pp.115-116).

Sometimes it is better not to participate or engage an aggressor when dealing with extreme forms of conflict. Parker (1982) describes a potentially dangerous situation where the best option is to find the nearest exit, "… your favorite word in the English Language should be the word EXIT. If an EXIT is near by and the opportunity presents itself, do not hesitate to take it." (p. 47) For some employees, "finding an exit" means leaving a company when exposed to an organizational culture that allows bullying (Estes & Wang, 2008, p. 3).

Bullying has become such a problem that many states are considering enacting laws prohibiting such behavior (Chiem, 2007). At the time of publication, state legislatures in Hawaii, Connecticut, Montana, New Jersey, New York, Oklahoma, Oregon, and Washington had proposed anti-bullying bills, but no state had passed any bills making bullying illegal.

*Theme #4: Ways That Financial Incentives, Salary and Benefits Packages Influence*

*Employees*

Money has a motivational affect (McGee, 2007), but employers need to be

mindful of the affects of monetary or other rewards in order to avoid making the situation

worse with "casual benchmarking" (Pfeffer & Sutton, 2006, pp. 6-8).

*What we think others want.*

> "Quit building me a space shuttle, when
> all I want is a trip to the grocery store."
> - Client CEO as cited in Baschab, Piot, 2007, p. 521.

Too often organizations motivate behavior they do not want, with the use of financial

incentives (Pfeffer & Sutton, 2006, p. 114). Throwing money at the problem of employee

motivation and retention is a common practice because most people think others are

motivated by money (pp. 115-116). In some cases more money will make matters worse;

"…organizations treat financial incentives as the solution to everything—including

problems caused by financial incentives…" (Pfeffer & Sutton, 2006, p. 26). Pfeffer and

Sutton (2006) site a survey of law students where 12% said they attended law school for

the money, but 62% of the same law students thought their classmates studied law for the

money (p. 115). Organizations spend huge amounts of effort to build financial reward

schemes and more money is usually the first option. (Pfeffer & Sutton, 2006,

pp. 109-111).

There is a definite disconnect between what employers think their employees want

and what employees really want (Pogorzelski, Harriott, & Hardy, 2008, p. 150). When

asked, many employees do not rank money as their first choice. According to Pfeffer and

Sutton (2006), "… over a 25 year period, respondents to a general survey rated 'important

work' that 'gives a feeling of accomplishment' as the most important aspect of their job,

with pay typically ranking third", while 73 percent of the same people surveyed thought

money motivated others (p. 115).

*Doing more harm than good with financial incentives.*

"We sometimes get the behavior we reward
only to discover we didn't really want it."
- Pfeffer, 2007a, 46:47.

Efforts to motivate employees do not always have the desired affect. According to

Pfeffer (2007b),"financial incentives often have undesired and unanticipated

consequences." (p. 79). Here are a few examples:

- In an attempt to cut costs, garbage collectors in the city of Albuquerque were

  motivated with an incentive to finish their routs early. Garbage truck divers were

  told they could go home when they finished their rout and still be paid for the full

  shift. Costs increased because drivers skipped houses, caused accidents by driving

  too fast, and the city paid several fines for overweight trucks (Pfeffer, 2007b,

  p. 77-78).

- Chicago school teachers were given incentive pay based on students' test

  performance. Several principals and teachers were fired for cheating (Pfeffer &

  Sutton, 2006, pp. 23, 24).

- Providing stock options to corporate officials is likely to increase fraud and cause

  the company to restate their financial information (Pfeffer & Sutton, 2006, p. 16).

When it comes to financial incentive, organizations need to stop doing harm to themselves.

*When do financial incentives work*? Financial incentives work well when the business model is simple and teamwork is not a primary concern (Pfeffer & Sutton, 2006, pp. 119-122). Pfeffer and Sutton (2006) cite a survey of auto windshield installers who were paid based on the number of problem-free window installations, instead of an hourly rate. Productivity went up 44% and continued to climb over time and employee turnover decreased. In this case money had a positive motivational affect without compromising quality (pp. 119-120).

Large bonuses and incentive pay will not increase an employee's knowledge or skills, but financial incentives like the option of support for employee education can have mutually beneficial affects on employee satisfaction, skills, ability, and will benefit the organization (Smith, Oczkowski, & Smith, 2008, p. 9). According to Hebert, George and Epstein, the best way to increase long-term employee retention is through a full range of training programs to build job readiness, skills, and professional development  (as cited in Fisher, 2005 p. 3; *Robert Half technology*, 2009, p. 3).

## Conclusion

The purpose of this study is to identify factors that influence retention of IT employees, beyond base salary. To reach this goal, the study examines the affects of organizational culture on the retention of technical employees. In addition to examining organizational culture, employment statistics are presented to show why retaining technical employees is so important. Employee salary and hiring costs are secondary subjects for this review, so employee salary and costs are mentioned because they are affected by an organization's culture (Estes & Wang, 2008, p. 3).

Employers who do not pay attention to the affects of organizational cultural or do not have a retention plan are likely to lose IT employees to companies that implement an organizational culture that focuses on building a positive work environment (Lee, 2006), where IT employees feel they are successful and as though they are part of a team (Gray & Larson, 2006, p. 344; Smith, Oczkowski, & Smith, 2008, p. 9).

*Why it's Important to Retain Good Employees*

*Retention plans.* Competition for IT employees is increasing due to a shortage of IT workers, increased demand, and retiring baby boomers (BLS, 2007a; 2007b; 2008). Because the pool of potential IT employees is shrinking, employers need to anticipate the upcoming IT employee shortage so they can plan a viable retention plan (Domingo, 2006; EEOC, 2008).

Managers need to create retention plans for IT employees to avoid the cost of employee turnover and the costs for lost productivity. Managers who understand the cost of employee turnover will realize why employee retention makes sense from a financial point of view (Pogorzelski, Harriott, & Hardy, 2008, pp. 150-153; *Robert Half Technology*, 2007, p. 22). In addition to costs avoidance, managers can increase productivity when employees are engaged ("Engaged Employees", 2006).

*Costs.* Hiring and training new employees can cost as much as 30% of an employees' salary (Pogorzelski, Harriott, & Hardy, 2008, pp. 153). Sutton (2007) cites a survey where the cost of a bully driving out other employees is as high as $160,000 per year (Disk 1, Track 8, 3:00).

*Lost productivity.* Cost is incurred when an employee leaves an organization, but a larger cost is incurred by lost productivity. When an employee leaves a company they take valuable business knowledge with them and training new employees takes time and can be expensive (Pogorzelski, Harriott, & Hardy, 2008, p. 151).

*Culture Affects Employee Satisfaction and Retention*

Managers who identify their organizational culture, as defined by Brache (2002), can have a significant affect on how employees work and interact (chap. 7). Managers who understand organizational culture are more likely to be able to retain employees by targeting employee satisfaction and productivity (Lee, 2006).

Hiring managers need to understand that IT employees want to be successful and work in a constructive team environment where they can be challenged, and in some cases organizational culture and work environments are equal to or more important to IT

employees than financial incentives (Chalofsky & Griffin, 2005, pp. 5-6; Gray & Larson, 2006, p. 344; *National IT Salary Study*, 2006, p. 16).

*Why Employees Stay at an Organization*

Technical employees want a balanced mix of salary and an organizational culture that promotes challenging and meaningful work (Kouzes & Posner, 2007, p. 120; *National IT Salary Study*, 2006, p. 16). Technical employees stay at an organization when they enjoy what they are doing and in some cases IT employees will make concessions in salary and benefits in order to work at an organization with a positive culture (*Robert Half Technologies*, 2009, p. 10). This researcher can relay personal experience in relation to making concessions, in order to work in a positive environment. A year and a half ago this researcher took a $26,000 pay cut and a cut in benefits to leave an organization, that changed from a positive to a frustrating work environment, and started over at an organization with an culture that promotes success and teamwork. This researcher saw other IT employees leave the frustrating work environment to take lower paying jobs as well. If managers had realized the change in organizational culture they may have limited the loss of valuable employees, some of whom had been loyal employees for more than ten years.

Employee education and training are incentives that benefit the employee and employer by increasing employee skill, knowledge, ability, and employee retention (Smith, Oczkowski, & Smith, 2008). Employees are likely to be more motivated and reciprocate loyalty to an organization when the organization provides the opportunity for an educational investment (Pfeffer, 2007b, p. 8; p. 31).

*Why Employees Leave an Organization*

Employees are more likely to leave an organization when they are bored (Kaye & Jordon-Evens as cited in Pogorzelski, Harriott, & Hardy, 2008, p. 154), disengaged ("Engaged Employees", 2006), or they are pushed out by bullies, who create frustration and hostility (Sutton, 2008). Managers who do not understand the many reasons why employees might leave are more likely to continue to lose people (Pogorzelski, et al., p. 154) in a market where IT employees have the upper hand due to a shortage of IT employees and increased competition (BLS, 2007b; Lee, 2006). Just as bad or worse; disengaged employees who do not leave an organization may lower their productivity by as much as 50 percent (Pfeffer as cited in Kouzes & Posner, 2007, p. 298) and circumvent the efforts of other coworkers ("Engaged Employees", 2006). Managers who understand the affects of organizational culture are more likely to be able to alter their organizational culture to build a positive constructive environment where employees want to work (Brache, 2002, pp. 103-104; pp. 110-111).

*Creating Incentives: Don't Pay More, Ask*

Money and financial incentives should not be the primary source for motivating employees, retaining employees, or fixing problems that exist within an organization; financial incentives are overrated and over used (Pfeffer & Sutton, 2006, pp. 129-130). According to Treybig, "If people come for money, they will leave for money" (as cited in Pfeffer & Sutton, 2006, pp. 122-123). Employers should start with a fair salary and then evaluate their culture to insure that employees enjoy what they are doing and feel

challenged (Hertzberg as cited in Dennis, Wixom, & Roth, 2006, p. 82). In fact, Schilling

(2008) suggests that employers avoid financial incentives because they tend to lower

intrinsic motivation (p. 18). Pfeffer (2007b) agrees, and says financial incentives may

create additional problems (Pfeffer, 2007b, pp. 77-78) and financial incentives have a

limited affect. According to Russo, "a raise is only a raise for 30 days. After that, it's just

somebody's salary" (as cited in Pfeffer & Sutton, 2006, p. 129).

Mangers should take time to ask employees what they want (McGee, 2007;

*National IT Salary Study*, 2006, p. 16; Pogorzelski, Harriott, & Hardy, 2008, p.156); what

a novel idea! By asking employees what they want, managers are more likely to be able

to custom tailor incentives and identify what is meaningful to an employee, for there is

not a single program that will solve employee retention for every organization (Fischer,

2005, pp. 4-5, Rossheim, n.d.). Managers can learn a lot by talking to their loyal

employees and then implementing viable retention strategies based on employee

feedback (Pogorzelski, et al., p 156-157). By addressing employees' concerns and

creating a retention plan, including employee training, Harrah's Casino Hotels was able to

reduce employee turnover by almost 50 percent (Pfeffer & Sutton, 2006, p. 16).


*Don't Tolerate Bullies*

Bullying should not be tolerated at all! (Sutton, 2007) Bullying has become such a

problem that some states including Hawaii, Connecticut, Montana, New Jersey, New

York, Oklahoma, Oregon, and Washington are looking at ways to pass legislation against

workplace bullying (Chiem, 2007).

As mentioned above, organizations that allow bullying will incur increased costs and employee turnover. Bullying should not be tolerated even if bullying is not illegal and causes no additional costs. To summarize Sutton's (2007) perspective, regardless if the data supports the need to eliminate bullying or not, no one should have to work in an environment where they are constantly exposed to 'certified assholes', regardless of who the offending person is (Disk 3, Track 11, 5:10). As noted by Sutton (2007), one does not need to be an asshole to be successful (0:08).

*Final Word on Affects of Organizational Culture*

"Letting people know how they are doing and what is important can have substantial effects on their behavior, even in the absence of financial incentives."

- Pfeffer & Sutton, 2006, p. 117.

As presented in this review of literature, organizational culture has a profound affect on employee motivation, success, and retention. A short time ago this researcher saw the affects of organizational culture and success on a coworker. The coworker took on a project that no one else could solve. He was not forced, intimidated, or bribed to do so; he saw the project as a challenge. The coworker was excited when he proclaimed to the team that he had succeeded in solving this difficult project. The culture that exists within his department rewards success with gratitude and appreciation. Employees are engaged because they enjoy what they are doing; that was enough to drive this coworker to attempt a difficult challenge. The project solved by the coworker added functionality to common code, used by several corporate computer programs. Solving this difficult

project cleared the way for employees within the IT department to move forward on other

projects, increasing success for everyone in the IT department.

# References

Bandow, D., & Hunter, D. (2008). *Developing Policies about Uncivil Workplace Behavior*. Retrieved May 6, 2009 from http://0-bcq.sagepub.com.janus.uoregon.edu/cgi/reprint/71/1/103

Barnes & Noble Library of Essential Reading. (2004). *Poor Richard's Almanack*. New York: Barnes & Noble Publishing.

Baschab, J., & Piot, J. (2007). *The executive's guide to information technology. $2^{nd}$ ed.* Hoboken, New Jersey: John Wiley & Sons, Inc.

Bell, C., & Smith, T. (2008). *Critical Evaluation of Information Sources.* Retrieved April 28, 2009 from http://libweb.uoregon.edu/guides/findarticles/credibility.html

Brache, A. (2002). *How organizations work: Taking a holistic approach to enterprise health.* New York: John Wiley & Sons., Inc.

Broadbent, M., & Kitzis, E. (2004). *New CIO leader: Setting the agenda and delivering results.* Boston: Harvard Business School Press.

Bureau of Labor Statistic. (2007a, December 18): Computer Software Engineers. In *Occupational Outlook Handbook, 2008-09 ed.* Retrieved May 13, 2009 from http://www.bls.gov/oco/ocos267.htm

Bureau of Labor Statistics. (2007b, December 18). Tomorrow's jobs. In *Occupational Outlook Handbook, 2008-09 ed.* Retrieved April 5, 2009 from http://www.bls.gov/oco/oco2003.htm

Bureau of Labor Statistic. (2008, March 20): Professional and related occupations. In

    *Occupational Outlook Handbook, 2008-09 ed.* Retrieved April 6, 2009 from

    http://www.bls.gov/oco/oco1002.htm#comp

Busch, C., De Maret, P. S., Flynn, T., Kellum, R., Le, S., Meyers, B., et al. (2005).

    *Content Analysis.* Writing@CSU. Colorado State University Department of

    English. Retrieved April 26, 2009, from

    http://writing.colostate.edu/guides/research/content/

Chalofsky, N., & Griffin, M. (2005). *Work-Life Programs and Organizational Culture:*

    *The Essence of Workplace Community.* Retrieved May 5, 2009 from

    http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content_storage_01/0000019

    b/80/1b/da/34.pdf

Chiem, L. (2007, April 20). *Workplace bullying studied as legislation stalls.* Retrieved

    May 6, 2009 from

    http://pacific.bizjournals.com/pacific/stories/2007/04/23/focus2.html

Collins, J. (2001). *Good to Great.* New York: HarperCollins Publishers Inc.

Dennis, A., Wixom, B., & Roth, R. (2006). *Systems analysis & design. 3$^{rd}$ ed.* Hoboken,

    New Jersey: John Wiley & Sons, Inc.

Domingo, M. (2006). *In the money: IT salaries rise again.*  Retrieved March 28, 2009

    from

    http://download.101com.com/techlibrary/salary2006/redmond_salary_survey_200

    6.pdf

Domingo, M. (2007). *2007 Redmond IT salary survey.* Retrieved March 28, 2009 from

http://techlibrary.redmondmediagroup.com/downloads/salary2007/2007_redmond

_salary_survey.pdf

Domingo, M. (2008). *The 13th Annual Redmond Salary Survey shows IT job and salary*

*strength.* Retrieved March 28, 2009 from

http://techlibrary.redmondmediagroup.com/downloads/salary2008/2008_redmond

_salary_survey.pdf

Estes, B., & Wang, J. (2008, March 26) *Integrative Literature Review: Workplace*

*Incivility: Impacts on Individual and Organizational Performance.* Retrieved May

12, 2009 from http://0-hrd.sagepub.com.janus.uoregon.edu/cgi/reprint/7/2/218

Fischer, D. (2005). *The road to good employment retention. Three successful programs*

*from the jobs initiative*. Retrieved May 5, 2009 from

http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content_storage_01/0000019

b/80/1b/ae/69.pdf

Fitz-enz, J. (2007) *How to improve your recruitment ROI.* Retrieved March 28, 2009

from

http://media.monster.com/a/i/intelligence/pdf/RecruitmentROI_03012007_webina

r.pdf

Gallup Management Journal. (2006, October 12). *Gallup Study: Engaged Employees*

*Inspire Company Innovation.* Retrieved April 13, 2009 from

http://gmj.gallup.com/content/24880/Gallup-Study-Engaged-Employees-Inspire-

Company.aspx

Global Knowledge (2009). *IT Skills and Salary Report.* Retrieved March 28, 2009 from

http://www.informationweek.com/whitepaper/Management/Salary-

Compensation/2009-it-skills-and-salary-repor-

wp1236081331777;jsessionid=5CTB3F4WJVNPCQSNDLOSKH0CJUNN2JVN

?articleID=65100003

Gray, C., & Larson E. (2006). *Project management: The management process. Third ed.*

New York: McGraw-Hill Irwin

Hewitt, M. (2002). *Carrying Out a Literature Review.* Retrieved April 18, 2009 from

http://ce.uoregon.edu/aim/Capstone07/HewittLitReview.pdf

InformationWeek. (2006). *National IT salary study.* Retrieved March 28, 2009 from

http://i.cmpnet.com/informationweek/reports/2006/IWKSalary_Report_2006_v2.

pdf

InformationWeek. (2007). *National IT salary study*. Retrieved March 28, 2009 from

http://i.cmpnet.com/informationweek/research/Nationa_lIT_Salary_Study07.pdf

Kouzes, J., & Posner, B. (2007). *The leadership challenge, 4$^{th}$ ed.* San Francisco: Jossey-

Bass.

Lee, K. (2006, February 1). *I.T. Hiring Heats Up*. Retrieved April 18, 2009 from

http://www.informationweek.com/news/global-

cio/showArticle.jhtml?articleID=180201680

Leedy, P., & Ormrod, J. (2005). *Practical research: Planning and design, 8$^{th}$ ed*. Upper

Saddle River, NJ:  Pearson Prentice Hall.

Lester, J., & Lester, J. Jr. (2007). *Writing research papers: A complete guide. 12$^{th}$ ed.*

New York: Pearson Longman.

McGee, M. (2007, April 28). *Keep Your Rising Stars From Leaving.* Retrieved April 18,

    2009 from http://www.informationweek.com/news/global-

    cio/outsourcing/showArticle.jhtml?articleID=199202139&pgno=8

McGee, M. (2008). *Pay crunch*. Retrieved March 28, 2009 from

    http://www.informationweek.com/whitepaper/Management/Salary-

    Compensation/informationweek-u.s.-it-salary-survey-2008-wp1213889413109

Obenzinger, H. (2005). *What can a literature review do for me? How to research, write,*

    *and survive a literature review.* Retrieved April 26, 2009 from

    http://ce.uoregon.edu/aim/Capstone07/LiteratureReviewHandout.pdf

Parker, E. (1982). *Infinite insights into Kenpo karate. Volume1*. Los Angeles: Delsby.

Pfeffer, J. (Author & Narrator). (2007a). *Evidence-based management* [i-tunes]. Stanford

    University: Stanford Center for Social Innovations.

Pfeffer, J. (2007b). *What were they thinking? Unconventional wisdom about*

    *management.* Boston: Harvard Business School Press.

Pfeffer, J., & Sutton R. (2006). *Hard facts, dangerous half-truths & total nonsense.*

    Boston: Harvard Business School Press.

Pogorzelski, S., Harriott, J., & Hardy, D. (2008). *Finding keepers: The monster guide to*

    *hiring and keeping the world's best employees*. New York: McGraw-Hill.

Robert Half Technology 2007 Salary Guide [booklet]. (2007). Copy ordered 2007 from

    http://www.roberthalftechnology.com/FreeResources?rfmCandidate_5.dmreq=tru

    e&rfmCandidate_5.Z=0&rfmCandidate_5.B=1093&rfmCandidate_5.A=RHTsg0

    9CO

Robert Half Technology 2009 Salary Guide [booklet]. (2009). Copy ordered March 30,

2009 from

http://www.roberthalftechnology.com/FreeResources?rfmCandidate_5.dmreq=tru

e&rfmCandidate_5.Z=0&rfmCandidate_5.B=1093&rfmCandidate_5.A=RHTsg0

9CO

Rossheim, J. (n.d.). *Salary negotiation: What to expect in 2009*. Retrieved March 29,

2009 from http://hiring.monster.com/hr/hr-best-practices/recruiting-hiring-

advice/managing-hiring-costs/negotiating-compensation-salary.aspx

Salary Surveys. (n.d.). Retrieved April 2, 2009 from

http://certcities.com/editorial/salary_surveys/

Schein, E. (2004). *Organizational culture and leadership.* San Francisco: A Wiley

Imprint.

Schilling, M. (2008). *Strategic Management of Technological Innovation*. New York:

McGraw-Hill Irwin.

Smith, A., Oczkowski E., & Smith, C. (2008). *To Have and to Hold: Retaining and

Utilising Skilled People. A National Vocational Education and Training Research

and Evaluation Program Report.* Retrieved May 5, 2009 from

http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content_storage_01/0000019

b/80/41/e7/04.pdf

Sutton, R. (Author & Narrator).  (2007). *The No Asshole Rule: Building a Civilized

Workplace and Surviving One That Isn't* [CDs: Audio book]. New York: Hachette

Audio.

U.S. Equal Employment Opportunity Commission. (2008). *Tips on employee retention*

[*electronic resource*]. Retrieved April 7, 2009 from

http://www.eeoc.gov/federal/retention.html.

University of North Carolina. (n.d.). *Literature Reviews.* Retrieved May 11, 2009 from

http://www.unc.edu/depts/wcweb/handouts/literature_review.html