

## **Lincoln University Digital Thesis**

### **Copyright Statement**

The digital copy of this thesis is protected by the Copyright Act 1994 (New Zealand).

This thesis may be consulted by you, provided you comply with the provisions of the Act and the following conditions of use:

- you will use the copy only for the purposes of research or private study
- you will recognise the author's right to be identified as the author of the thesis and due acknowledgement will be made to the author where appropriate
- you will obtain the author's permission before publishing any material from the thesis.

**An exploratory investigation into human resource practices and  
employee retention outcome in the Malaysian ICT industry**

---

A thesis  
submitted in partial fulfilment  
of the requirements for the Degree of  
Doctor of Philosophy in  
Business Management: Human Resource Management  
at  
Lincoln University  
by  
Parveen Kaur Sukhdarshan Singh

---

Lincoln University

2017

Abstract of a thesis submitted in partial fulfilment of the  
requirements for the Degree of PhD in Business Management: Human Resource  
Management.

An exploratory investigation into human resource practices and employee  
retention outcome in the Malaysian ICT industry

by

Parveen Kaur Sukhdarshan Singh

This thesis explores the human resource practices and employee turnover problem in several local and international ICT companies in Malaysia. Human resource practices are used as an intervention to investigate the turnover problem because various strategic human resource management (strategic HRM) and IT/ICT employee management studies advocate that companies should invest in employee-friendly and advanced human resource practices that are beneficial for their employees, because employees' positive responses will benefit the employers eventually, for example, by lowering the companies' turnover rates. However, by adopting the constructivist paradigm, qualitative research methodology and constructivist grounded theory approach along with interviews with senior managers, Human Resource Managers and ICT employees, this thesis finds that the impact of human resource practices on employees and employers is not as straightforward as what has been claimed in the studies. This thesis discovers three types of human resource practices, i.e. Paternalistic, Formal and Informal, which affect employees and employers in four different ways ranging from mutually benefitting both parties to not benefitting both parties.

In addition to the three types of human resource practices, this thesis also discovers four types of employee outcomes and two types of employer outcomes, which when compiled together, provides an in-depth understanding of what is happening in the Malaysian ICT industry in relation to adoption of human resource practices and employee retention outcomes.

**Keywords:** Strategic human resource management, human resource practices, employee retention, employee turnover, IT/ICT employees, ICT companies, Malaysia.

## Acknowledgements

I dedicate this thesis to my supervisors, Dr Anthony Brien and Dr Neil Ritson. I would not have completed this thesis without their expertise, guidance, patience and support. Thank you, Drs Brien and Ritson. Dr Ritson, I truly owe this to you. You have been extremely understanding and kind. Thank you so much for this PhD and for helping me through all those tough times in life.

I would also like to acknowledge and thank my respondents for their contributions to my thesis. This thesis would not have been possible without their willingness to share information and help me understand the issues that are involved in this research.

I also would like to thank Dr Bruce Chapman, Dr Christopher Gan, Dr Eric Scott, Dr Charles Brennan, Ms. Sarah Tritt, and Ms Bernadette Mani for going out of their way to help me and did more than what they needed to. Thank you.

Thank you to my examiners, Professor Stephen Procter, PhD, and Associate Professor Paul Toulson, PhD for giving me constructive comments in order to improve this thesis. A special thank you to Associate Professor Paul Toulson, for believing in my work, recognising my passion and in preventing me from failing this PhD. Dr Toulson, I got another chance of submitting the thesis just because of you. Thank you.

To my initial supervisors, Dr Ramzi Addison and Dr Rick Fraser, thank you for helping me grow and letting me discover the grit, I have within me to keep going in life.

A special thanks to the Commerce Faculty team, especially to Anne Welford and Marian Pearson for their kindness and support.

# Table of Contents

<b>Abstract .....</b>	<b>ii</b>
<b>Acknowledgements .....</b>	<b>iii</b>
<b>Table of Contents .....</b>	<b>iv</b>
<b>List of Tables .....</b>	<b>vii</b>
<b>List of Figures .....</b>	<b>viii</b>
<b>Chapter 1 Introduction .....</b>	<b>1</b>
1.1 Background .....	1
1.2 ICT industry in Malaysia .....	2
1.3 Employee retention problem in Malaysia and within the ICT industry .....	3
1.4 Literature relevant to this thesis.....	4
1.4.1 Global strategic HRM .....	4
1.4.2 Strategic HRM in Malaysia .....	5
1.4.3 IT/ICT employee management.....	6
1.5 Research questions .....	6
1.6 Thesis design .....	7
1.7 Information on the participating companies .....	8
1.8 Information on the respondents .....	8
1.9 Contributions of thesis to literature .....	9
1.10 Contributions of thesis to Human Resource Managers and ICT employers.....	9
1.11 Thesis outline .....	9
<b>Chapter 2 Literature Review.....</b>	<b>11</b>
2.1 Introduction .....	11
2.2 Section one: Review of global Strategic HRM literature.....	11
2.2.1 Observations from global strategic HRM literature.....	12
2.2.2 Section summary.....	21
2.3 Section two: Strategic HRM in Malaysia .....	21
2.3.1 Background to HRM in Malaysia .....	21
2.3.2 Observations from Malaysian strategic HRM studies .....	23
2.3.3 Section summary.....	27
2.4 Section three: IT/ICT employee management .....	27
2.4.1 Observations from IT/ICT employee management literature .....	27
2.4.2 Section summary.....	33
2.5 Research gaps and chapter summary .....	34
<b>Chapter 3 Methodology .....</b>	<b>37</b>
3.1 Introduction .....	37
3.2 Section one: Theoretical considerations.....	37
3.2.1 Research paradigm.....	38
3.2.2 Exploratory qualitative research methodology .....	41
3.2.3 Grounded Theory approach .....	44

3.2.4	Case study research strategy .....	47
3.2.5	Unit of analysis.....	48
3.3	Section two: Research design .....	48
3.3.1	The ICT companies .....	49
3.3.2	Choice of companies and the process of getting approval from the companies .....	49
3.3.3	Selection of ICT companies .....	50
3.3.4	Research sample .....	51
3.3.5	Selecting research sample.....	52
3.3.6	The interview programme .....	53
3.3.7	Data management.....	56
3.3.8	Data analysis .....	57
3.3.9	Ethics .....	58
3.4	Chapter summary .....	60
<b>Chapter 4 Data Results and Analysis – Part one .....</b>		<b>61</b>
4.1	Introduction .....	61
4.2	Information about the participating companies.....	61
4.3	Information about the respondents .....	64
4.4	Types of human resource practices .....	66
4.4.1	The Paternalistic type of human resource practices .....	73
4.4.2	The Formal type of human resource practices .....	82
4.4.3	The Informal type of human resource practices.....	89
4.4.4	Section summary.....	95
4.5	Types of organisational factors and companies .....	96
4.5.1	Influence of organisational factors on the adoption of human resource practices .....	96
4.5.2	Types of companies.....	99
4.5.3	Section summary.....	100
4.6	Chapter summary .....	101
<b>Chapter 5 Data Results and Analysis – Part two .....</b>		<b>102</b>
5.1	Types of employee outcomes .....	102
5.1.1	Employee outcomes using simple statistics.....	102
5.1.2	Qualitative analysis of employee outcomes .....	104
5.1.3	Section summary.....	128
5.2	Types of employee retention outcomes at the company level .....	130
5.2.1	The companies' employee retention outcomes using statistical employee turnover data .....	130
5.2.2	The companies' employee retention outcomes using qualitative data .....	131
5.2.3	Section summary.....	138
5.3	Theoretical coding and realities constructed .....	139
5.4	Chapter summary .....	141
<b>Chapter 6 Discussion.....</b>		<b>144</b>
6.1	Introduction .....	144
6.2	Impact of human resource practices on employees and employers typology.....	144
6.2.1	Mutual Loss reality .....	145
6.2.2	Employer gain reality .....	150
6.2.3	Mutual Gain reality .....	154
6.2.4	Employee Gain reality .....	158

6.3	Contributions to the research areas .....	162
6.3.1	Contributions to the Strategic HRM literature.....	162
6.3.2	Contributions to the IT/ICT employee management literature.....	164
6.4	Practical contributions to the Human Resource Managers and ICT employers .....	165
6.5	Chapter Summary .....	167
<b>Chapter 7 Conclusion .....</b>		<b>168</b>
7.1	Introduction .....	168
7.2	Thesis limitations .....	168
7.3	Thesis summary .....	168
7.4	Recommendations for future studies .....	171
<b>Bibliography .....</b>		<b>173</b>
<b>Appendix A.....</b>		<b>189</b>
<b>Appendix B.....</b>		<b>193</b>
<b>Appendix C.....</b>		<b>202</b>
<b>Appendix D .....</b>		<b>203</b>
<b>Appendix E .....</b>		<b>206</b>
<b>Appendix F .....</b>		<b>215</b>
<b>Appendix G .....</b>		<b>216</b>

## List of Tables

Table 6	Different research paradigms that were considered in this thesis.....	39
Table 7	Different qualitative methods that were considered in this thesis.....	42
Table 8	Process of getting approval from the ICT companies in Malaysia for their participations in the data collection.....	50
Table 9	Descriptions of the eleven ICT companies in this thesis.....	62
Table 10	Number of respondents interviewed I each company.....	65
Table 11	Information about the respondents.....	65
Table 12	Main codes and sub-codes related to human resource practices.....	68
Table 13	Rationale adopted in classifying the main codes and sub-codes under the nine categories.....	70
Table 14	Rationale adopted in grouping the nine subcategories under a specific major category.....	71
Table 15	Three types of human resource practices that emerged in the eleven Malaysian ICT companies sampled in this thesis.....	72
Table 16	Organisational factors of the eleven ICT companies and the types of human resource practices adopted by them.....	97
Table 17	Four types of ICT companies in Malaysia and their characteristics.....	99
Table 18	Reasons given by the employees in the ICT companies in Malaysia who indicated an intention to resign.....	102
Table 19	Initial codes that emerged in the eight companies, representing employees' perceptions of their companies' human resource practices.....	105
Table 20	Presence of 15 initial codes in the eight companies.....	105
Table 21	Companies ranked for their employee turnover using 2008 employee turnover data.....	130
Table 22	Initial codes about companies' employee retention outcomes.....	130
Table 23	Plotting of Functional and Dysfunctional employee retention codes in the eight companies.....	132
Table 24	Compilation of thesis findings for the eight companies along with justifications about why the types are compiled to construct a particular reality.....	139
Table 25	Reasons why the realities constitute as new findings for the strategic HRM literature.....	141



## **List of Figures**

Figure 1 Malaysian ICT employees' tenure of employment with their present employers .....	104
Figure 2 Impact of human resource practices on employees and employers typology .....	140
Figure 3 Impact of human resource practices on employees and employers typology .....	145

# Chapter 1

## Introduction

### 1.1 Background

Employees play an important role in the Information, Communication and Technology (ICT) industry because effective utilisation of ICT depends on employees' capability to develop, implement, integrate and maintain the systems (Agarwal & Ferratt, 2002; Agarwal & Ferratt, 1999). Besides that, they also have access to the employer's confidential information and personal knowledge about how to deploy specific equipment. The equipment is just a product from the shelves; it is the employees' creativity and knowledge that determines how the equipment is maximally exploited (Agarwal & Ferratt, 2002). Therefore, employee retention and its counterpoint, employee turnover are important concerns for ICT employers. Employee turnover causes employers to lose valuable skills, knowledge and experience as well as to incur additional financial costs in replacing an employee, disruptions to operations, have negative impact on workforce morale and productivity loss during replacement search and retraining (Ghapanchi & Aurum, 2011; Ponnu & Chuah, 2010).

Accordingly, ICT employers undertake great efforts in making sure their employees are satisfied and stay committed to them. For example, Google, a leading ICT company, provides its employees with a wide range of benefits, which includes free gourmet meals, 100 percent healthcare coverage for its employees and their families, onsite childcare service, free shuttle services, free laundry services, various sports facilities and allows employees to bring their pets to work (Bunyamin & Meyliana, 2013). Another leading ICT company, Apple Inc., offers the FlexBenefits programme to its employees, where they can choose from the following benefits that best fit their lives: insurance coverage, flexible spending accounts, an employee stock purchase programme, saving and investment plan, on-site fitness centre (LLiev, Lindinger & Poettler, 2004). Apple employees are also rewarded with year-end bonuses, vacation time and have the opportunity to work on big projects with some of the experienced players in the industry. These examples show some of the employee-friendly human resource strategies adopted by the ICT companies so that they attract and retain their employees.

The Malaysian ICT industry is beleaguered with a severe employee retention problem as Goh (2013) reports that in 2010/2011, the employee turnover rate for the industry was approximately 75 per cent, which was the highest in the country in comparison to other industries. However, there is no empirical evidence on how the ICT companies are managing the turnover problem. Thus, the purpose of the thesis is to explore how ICT companies in Malaysia can manage their turnover problem by using human resource practices. This thesis uses human resource practices as a means to manage

the turnover problem because various strategic human resource management (strategic HRM) and IT/ICT employee management studies have found that human resource practices such as selective recruitment, formal training and development programmes, formal appraisal, job security, formal information sharing programmes, internal promotions and formal employee involvement programmes benefit employees and result in positive outcomes among them, including reducing their tendency to resign, which in return benefit the companies, for example, by lowering their employee turnover rates (Kehoe & Wright, 2010; Luftman & Kempaiah, 2007a; Macky & Boxall, 2007; Medcof & Rumpel, 2007; Kochanski & Ledford, 2001; Niederman & Sumner, 2001; Jean-Marie, 1996; Huselid, 1995; Igbaria & Greenhaus, 1992).

This chapter introduces the thesis by providing the background that sets the stage for the problem to be investigated. Section 1.2 of this chapter describes the ICT industry in Malaysia while section 1.3 describes the employee turnover problem faced by the Malaysian employers particularly by the ICT employers in the country. Next, section 1.4 summarises the three research areas reviewed in this thesis, namely, global strategic HRM, Malaysian strategic HRM and IT/ICT employee management. Section 1.5 describes the research objectives and thesis design including brief information on the companies and respondents while section 1.6 explains how the thesis contributes to the body of knowledge and to Human Resource Managers and ICT employers. The chapter concludes with an outline of the thesis.

## **1.2 ICT industry in Malaysia**

The OECD (2005, p. 30) defines ICT as a “combination of manufacturing and service industries whose products capture, transmit or display data and information electronically”. The Malaysian government adopts a similar definition of ICT. This thesis uses the term ICT and not IT in order to be aligned with how the Malaysian government refers to the industry.

The Malaysian government has identified the ICT industry as a key economic area that has the potential to help boost productivity and raise the country’s overall competitiveness so that Malaysia becomes a high income, advanced nation by 2020 (Saleh & Ramasamy, 2013; EPU, 2010). In order to realise the potential of the industry, the government has invested extensively in the industry in terms of financial investment and infrastructure developments. For example, in 1996, the government established the Multimedia Super Corridor (MSC). The MSC is Malaysia’s pioneer ICT hub that is modelled on Silicon Valley in the United States of America. The purpose of the hub is to encourage foreign companies to invest in the country’s ICT industry (MOSTI, 2007). The government has also set up various organisations to boost and assist the country’s ICT industry. Some examples of such organisations are Multimedia Development Corporation (MDeC), Ministry of Science and Technology (MOSTI) and Malaysian Communications and Multimedia Commission (MCMC). The government

offers various incentives to foreign companies, such as temporary tax breaks, ICT equipment was made tax-free and allowing the use of skilled workers from overseas (Mhd Sarif, 2008).

The government also supports the ICT industry via monetary investments that have increased over the years. In the Eight Malaysia Plan (8MP) 2001-2005, RM7.9 billion was allocated to ICT-related development; in the Ninth Malaysia Plan (9MP) 2006-2010, the allocation rose to RM12.9 billion (MDeC, 2009; Prathaban & Shankar, 2006). The data on budget allocation for the ICT industry in the 10th Malaysia Plan (10MP) 2011-2015 is not reported, but the plan identifies the ICT industry as one of the main National Key Economic Areas (NKEAs), which means that the government aggressively invests in the industry.

Correspondingly, the ICT industry has been contributing significantly to Malaysia's economic growth. The industry grew at a Compound Annual Growth Rate (CAGR) of 13.6 per cent by increasing its value added services from RM12.7 billion in 2001 to RM55.1 billion in 2012 (Saleh & Ramasamy, 2013). The industry's contribution to the country's Gross Domestic Product (GDP) has also increased over the years. In 2012, the industry contributed 12 per cent to the country's GDP and the industry's contribution is targeted to increase to 17 per cent by 2020 (PIKOM, 2016). The ICT industry is also a key employer in the country. Jobstreet (2010), a leading online recruitment company in Asia Pacific, identifies the ICT industry as one of the top three hiring industries in Malaysia for three consecutive years, 2008, 2009 and 2010. The industry remains a key employer in the country till now as it experiences exponential growth especially in the areas of software development, data centres, cloud computing, shared services and network security. In terms of international recognition, for more than ten years, Malaysia is ranked as the world's third most popular IT outsourcing location after India and China by A. T. Kearney, a leading international management consulting firm (Sethi & Gott, 2016; MDeC, 2009; PIKOM, 2008; A.T. Kearney, 2008). The ICT industry is also a key driver of other industries in the Malaysian economy, including manufacturing, retail services and agriculture industries as the ICT industry's output is widely used by them (Saleh & Ramasamy, 2013; MDeC, 2009; Prathaban & Shankar, 2006). There is also a high demand for ICT among the general population especially in the urban areas as these areas are developing very fast, business people are becoming increasingly dependent on ICT and general Malaysians are using a lot of ICT in their daily lives (PIKOM, 2016). The details presented so far goes on to show that the ICT industry is lucrative and has a vast potential as well as opportunities in the country.

### **1.3 Employee retention problem in Malaysia and within the ICT industry**

Employee retention is a key challenge facing many employers in Malaysia. According to a survey conducted by Towers Watson Malaysia, a global professional services firm, turnover rates across various industries in Malaysia increased to 13.2 per cent in 2013 from 12.3 per cent in 2012 (Willis

Towers Watson, 2014). The company also found that in 2014 more employees are likely to leave their employers within two years than in 2012 (Willis Towers Watson, 2015). Employee turnover is also a serious concern for the ICT industry in Malaysia as AON, a global human resource consulting company, found that after India, ICT companies in Malaysia have the second highest annual voluntary employee turnover rates in the Asia-Pacific region (Aon Hewitt Singapore, 2016). Earlier on, in 2012, the Malaysian Employer Federation (MEF) reports that the ICT industry has the highest annual employee turnover rate in the country, at 75.72 per cent (Goh, 2013). The difference between the turnover rates of ICT as the highest in the country with the second highest is 43.32%. The second and third highest turnover is reported by the associations/societies at 33 percent and the hospitality industry at 32.4 percent (Goh, 2013). The problem is not new, as in 2009, Ahmad Pharmy (2009) also finds that the ICT industry has the highest employee turnover rate in Malaysia after comparing the employee turnover rate in various industries. Therefore, it is important for the industry to respond to the high employee turnover problem because otherwise the turnover problem has the potential to cause adverse effects to the bright outlook that is expected for the Malaysian ICT industry.

## **1.4 Literature relevant to this thesis**

The literature review for this thesis extends across three different research areas, namely, global strategic HRM literature, Malaysian strategic HRM and IT/ICT employee management. The three areas are summarised below:

### **1.4.1 Global strategic HRM**

Many western strategic HRM studies are in agreement with one another that there is a relationship between human resource practices and employee retention, and examples of such studies include Jiang, Lepak, Hu & Baer (2012), Kehoe & Wright (2010), Luna-Arocas & Camps (2008), Allen, Shore & Griffeth (2003) and Huselid (1995). The studies contend that employee-friendly and progressive human resource practices encourage employees to remain with their present employers; thus, benefitting the companies by reducing their turnover rates. Likewise, in a meta-analysis of 92 strategic HRM studies, Combs, Liu, Hall & Ketchen (2006) find that an increase of one standard deviation in the use of human resource practices is associated with a 4.4 per cent reduction in employee turnover. Despite the studies agreeing that human resource practices reduce employee turnover, it is not possible to identify the ideal practices to do so because each study has used different human resource practices, have measured a same practice using different indicators and have measured one outcome using different indicators (Boxall, 2012; Lepak, Liao, Chung & Harden, 2006; Paauwe & Boselie, 2005). The literature also has two conflicting views about how the practices affect employees and employers whereby some researchers, such as Aggarwal & Bhargava (2009b), Macky & Boxall (2007), Huselid (1995) and Arthur (1994), assert that the practices are mutually

beneficial for employees and employers whereas other researchers such as Truss (2001), Ramsay, Scholar & Harley (2000), Tsui, Pearce, Porter & Tripoli (1997) and Legge (1995) claim that the practices benefit only employers and not the employees, which is why the practices are implemented in the first place. Furthermore, the literature lacks unified conclusion about how companies' organisational factors influence adoption of human resource practices because the studies have used different factors and in some cases where the same organisational factor is used, the scholars have different interpretations about how a particular factor influences the adoption process (Zheng & Lamond, 2009; Wood & de Menezes, 1998). The literature also offers limited in-depth information about how the practices influence employee/company outcomes such as turnover/retention because most studies are undertaken using quantitative methods and the positivist paradigm (Guest, 2011; Hesketh & Fleetwood, 2006); therefore, their findings are limited to statistical information. On the contrary, this thesis, employs the qualitative grounded theory method and approaches both employees and employers, and is therefore, in a position to present in-depth explanation about human resource practices and employee retention issue within the Malaysian ICT industry.

#### **1.4.2 Strategic HRM in Malaysia**

The Malaysian strategic HRM research area has several limitations. Firstly, unlike global strategic HRM literature, the Malaysian strategic HRM literature consists of very few studies that investigate the relationship between human resource practices and employee/company outcomes. On top of that, the research area has no information from the ICT industry because the studies represent either the manufacturing industry or multiple industries. Moreover, the literature lacks in-depth information as it is dominated by quantitative studies that produce only statistical information. The researchers have also collected information from one party; either the line managers or employees and therefore, are not in the position to present a holistic picture of the studied phenomenon. In Malaysia, some studies find support for the relationship between human resource practices and employee/company outcomes while others did not find such support. For example, Johari, Yean, Adnan, Yahya & Ahmad (2012) find that compensation and benefit practice has a significant association with manufacturing employees' retention decisions, whereas Bawa & Jantan (2005) find that none of the human resource practices are effective in reducing voluntary turnover among 129 agriculture managers, possibly because the sector adopts simple human resource practices that have no bearing on employees' quit decisions. The Malaysian literature is more or less in agreement about how organisational factors such as company size, company ownership and type of industry influence companies' adoption of human resource practices. Studies find that foreign-owned manufacturing companies have more sophisticated human resource practices than local manufacturers Rowley & Abdul-Rahman (Rowley & Abdul-Rahman, 2007; Rowley & Warner, 2007; Chew, 2005), larger companies in Malaysia have more sophisticated human resource practices than smaller companies

(Osman, Ho & Galang, 2011; Chew, 2005) and that service companies have more sophisticated practices as compared to manufacturing companies (Othman, 1999). However, these studies are not from the ICT industry, so their findings may not apply to the industry. Overall, the main limitation of the Malaysian strategic HRM literature is that it lacks empirical evidence from the country's ICT industry because of which little is known about the kind of practices adopted within the industry, how employees respond to the practices and how employers perceive their companies' employee retention outcome. This thesis tackles this limitation as it focuses on the ICT industry in Malaysia and because the thesis employs the qualitative grounded theory method, it is in the position to present detailed description of the practices and responses from employees and employers.

### **1.4.3 IT/ICT employee management**

The IT/ICT employee management literature is also dominated by quantitative studies, which focused on investigating the relationship between certain antecedents and IT/ICT employee outcomes such as turnover, retention, commitment and motivation (Ghapanchi & Aurum, 2011). Where human resource practices are used as antecedents, for example in SamGnanakkan (2010), Westlund & Hannon (2008) and Hunter et al. (2008), the authors find that the practices influence IT/ICT employees positively. For example, SamGnanakkan (2010) finds that training and development as well as compensation reduce turnover intentions of 849 Canadian IT employees; likewise, Westlund & Hannon (2008) find that the software developers' satisfaction with their pay, fringe benefits, promotion opportunities and communication significantly reduces their turnover intentions. The above findings support the intention of this thesis to use human resource practices as a means to manage high employee turnover within the Malaysian ICT industry. However, the studies are mostly from the west and a large number of them, for instance, Joseph, Ang & Slaughter (2015) and Pare, Tremblay & Lalonde (2001a) sampled employees who are not necessarily attached to IT/ICT industries/companies; thus, their findings are not necessarily reflective of the IT/ ICT industry and cannot be accurately applied to the IT/ICT industry. The undertaking of this thesis addresses these limitations as it focuses specifically on the ICT companies in Malaysia and employs the qualitative grounded theory method and constructivist paradigm, which allows gaining in-depth information and multiple perspectives from different organisational members about their human resource practices and how they perceive the practices and employee retention issue in their respective companies.

## **1.5 Research questions**

The review of the three research areas presents two main gaps; one is that the three areas are dominated by quantitative studies that rely on the positivist paradigm. The second gap is that the areas lack evidence from the ICT industry in Malaysia; hence, almost nothing is known about the kind

of human resource practices adopted by the ICT companies, how the companies' organisational factors influence their adoption of human resource practices and feedback from members within the industry concerning employee turnover/retention issues. Because of these gaps, the following research questions are formulated:

1. What are the human resource practices adopted by ICT companies in Malaysia?
2. How do organisational factors influence adoption of human resource practices among the Malaysian ICT companies?
3. What are the employee outcomes in the Malaysian ICT industry?
4. What are the employee retention outcomes for the Malaysian ICT companies?

## **1.6 Thesis design**

As mentioned above, the three research areas are dominated by quantitative studies and by the positivist paradigm. There is lack of in-depth information and theoretical explanation about companies' human resource practices and their impact on employee retention outcome. To address this limitation, this thesis uses the constructivist paradigm, exploratory qualitative method and constructivist grounded theory approach. They are used because they complement and support one another in producing a detailed understanding on how human resource practices influence employee retention and in generating a grounded theory that explains the influence of human resource practices on companies' employee retention outcomes. All three of them also support the existence of multiple realities instead of a single reality (Charmaz, 2003) and support co-construction of the data, meaning both the researcher and the participant together generate meaning (Denzin & Lincoln, 2008; Creswell, 2007a).

Because the three aspects of the research design allow the researcher to take on an active role in the research, the researcher's influence on a research must be addressed and clearly explained (Yin, 2003; Strauss & Corbin, 1998). In this thesis, the researcher's professional experience in HRM, even if from a different industry, is likely to have influenced the data collection process, meaning what the researcher chose to investigate. The researcher's HRM background could have also allowed her to understand the human resource practices easily, spot the patterns amongst the different practices, construct codes and categories as well as in her interpretation and presentation of the findings. Another researcher with a different background may have a different way of approaching the same subject.



The three aspects of this thesis design also support the use of open-ended qualitative interviews, which is the main data collection technique used in this thesis. The main analytical procedure adopted in this thesis follows the initial coding and focused coding processes recommended by Charmaz (2006) although some simple statistics are also used to compute employee turnover data. Other analytical techniques used are constant comparative method, summarising data into tables and charts as well as constructing types and a typology. The research questions are answered through construction of types, whereby altogether three types of human resource practices, four types of companies, four types of employee outcomes and two types of employer outcomes are constructed. The theory generated in this thesis is in the form of a typology.

### **1.7 Information on the participating companies**

Data is collected from 11 ICT companies in Malaysia. Companies 1, 2, 3, 4, 7 and 8 are Malaysian companies whereas companies 5, 6, 9, 10 and 11 are foreign owned companies operating in Malaysia. Companies 3, 4, 5, 7, 8, 10 and 11 have approximately 100 employees, companies 1 and 9 have approximately 1000 employees and companies 2 and 6 have approximately 750 employees. The companies represent various segments of the ICT industry in Malaysia: systems integration, management of ICT infrastructure, ICT and business consulting, network provision as well as research and development. Companies 1, 2, 4, 5, 6, 8, 9 and 10 service external customers while companies 3, 7 and 11 provide IT services to subsidiaries within the same group. Of the 11 companies, companies 1 and 3 are founded from government-linked companies, companies 2, 6, 7, 9 and 11 have established parent companies whereas companies 4, 5, 8 and 10 are established either on their own or are established from newly founded parent companies.

### **1.8 Information on the respondents**

A total of 75 respondents were interviewed. Three different levels of respondents were interviewed in the companies: senior managers, Human Resource Managers and ICT employees. Senior managers consist of positions such as Vice President, Chief Executive Officer, Managing Director, Country Manager and General Manager. They were interviewed to understand the companies' goals, plans, business challenges, and employee retention challenges and human resource practices. The Human Resource Managers provided information on their role, employee turnover data, employee retention challenges and human resource practices in their companies. Some of the job classifications for the ICT employees interviewed were software developers, project managers, technical executives, systems engineers, network engineers, technical managers. They were asked about what is important to them, their perceptions of the human resource practices and their decisions as to whether they want to remain with their existing employer or resign in the near future.

## **1.9 Contributions of thesis to literature**

This thesis contributes to both strategic HRM and IT/ICT employee management literature. The main contribution of this thesis is that it identifies four ways of how human resource practices can affect employees and employers, whereas existing strategic HRM literature consists of only two views about how the practices affect both parties. Another important contribution of this thesis is that it provides empirical evidence from the ICT industry in Malaysia, which is severely lacking in the present literature. The identification of Paternalistic, Formal and Informal human resource practices as a means to manage Malaysian ICT employees is important because the existing literature consists of studies that propose so many different human resource practices, but they did not categorise the practices into meaningful groups.

## **1.10 Contributions of thesis to Human Resource Managers and ICT employers**

This thesis aids Human Resource Managers and ICT employers in various ways. For example, the identification of Paternalistic, Formal and Informal human resource practices provides them with options on how to manage their employees. The Informal practices are particularly useful for small and medium employers because it gives them a viable option to manage their people rather than to invest in expensive sophisticated practices. The thesis explains four ways how human resource practices can affect employees and employers as well as presents four types of ICT employees, namely, Complacent, Satisfied, Optimistic and Intrinsically Motivated, which the managers and employers can use to come up with effective strategies that benefit both parties. The contributions from this thesis are not expected to be exclusive to the ICT industry, and should be of value to employers in other industries that employ skilled employees.

## **1.11 Thesis outline**

This thesis consists of seven chapters, with contents as follows:

### Chapter 2: Literature review

Chapter 2 reviews three different research areas; the first section reviews the global strategic HRM literature, the second section reviews the Malaysian strategic HRM literature and the third section reviews the IT/ICT employee management literature. The outcomes from the reviews are presented as observations. The final section presents the research questions along with justifications for the questions. Additional literature to support the thesis findings is included in Chapters 4, 5 and 6.

### Chapter 3: Methodology

Chapter 3 explains the methodology used in this research. The chapter consists of two sections. The first section discusses the theoretical frameworks adopted in this thesis. The discussion revolves around the use of the constructivist paradigm, exploratory qualitative research method, a grounded theory approach and the multiple case studies strategy. This chapter also explains other research paradigms and qualitative approaches considered for this thesis, but were rejected because they were deemed unsuitable. The second section describes the methods and the step-by-step process involved in approaching the respondents and collecting data. In addition, the chapter explains the analytical strategy used to interpret, analyse and report the thesis findings. The final section explains the ethics issues relevant to the thesis.

#### Chapters 4 and 5: Results and Analysis

Chapters 4 and 5 explain the thesis results and analysis, whereby, chapter 4 answers the first and second research questions whereas chapter 5 answers the third and fourth research questions. Eleven companies agreed to participate on the condition that they remain anonymous in the thesis; therefore, the findings are presented in an aggregate manner to protect the identity of the companies. The research questions are answered by constructing three types of human resource practices, four types of employee outcomes and two types of employer outcomes. The theory proposed by the thesis is in the form of a typology. Where appropriate, quotes from respondents and references from the literature are included to support the findings.

#### Chapter 6: Discussion

Chapter 6 presents the constructed typology and discusses the thesis findings. Reference is made to existing literature in order to compare the findings from this thesis against other studies as and where appropriate and necessary. The last two sections of the chapter explain the contributions of the present thesis to the research areas and the practical propositions for the ICT employers as well as Human Resource Managers.

#### Chapter 7: Conclusion

The concluding chapter describes the thesis's limitations, summarises the thesis and provides recommendations for future studies.

## **Chapter 2**

### **Literature Review**

#### **2.1 Introduction**

As explained in Chapter 1, the ICT industry in Malaysia has the highest employee turnover rate in the country, which understandably is a concern because in an industry like the ICT, employees' creativity, innovativeness and expertise are essential for the employers' success. Accordingly, this thesis is undertaken to explore how ICT companies in Malaysia can use human resource practices as an intervention to address their employee turnover problem. Human resource practices are identified as a means to tackle the high employee turnover problem in the Malaysian ICT industry because various strategic HRM and IT/ICT employee management studies find that employee-oriented human resource practices play an important role in increasing employees' commitment and their intention to remain with their employers.

This chapter reviews three different research areas that are relevant to this thesis; the first section reviews global strategic human resource management (strategic HRM) literature and focuses mainly on studies that investigate the impact of human resource practices on employee/employer outcomes, with specific focus on employee turnover/retention and commitment. The second section reviews literature concerning strategic HRM in Malaysia and has two sub-sections; the first section provides a brief background regarding HRM scene in Malaysia whereas the second section discusses observations arising from the Malaysian strategic HRM studies. The third section reviews the IT/ICT employee management literature and includes studies that investigate IT/ICT employee turnover, intention to turnover, retention, commitment, motivation, career orientations and characteristics. The scope of the review is not limited to studies that investigate IT/ICT employee retention or turnover, which forms the focus of this thesis, but also extends to studies that examine IT/ICT employee commitment, motivation, career orientations and characteristics because these concepts are drivers that eventually influence employee turnover decisions (Igbaria & Greenhaus, 1992; Baroudi, 1985; Bartol, 1983). Section 2.5 summarises the chapter, identifies research gaps and bridges the review with the next chapter, Chapter 3. Additional literature to support the findings in this thesis is included in Chapters 4, 5 and 6.

#### **2.2 Section one: Review of global Strategic HRM literature**

As explained above, the purpose of this section is to review global strategic HRM studies that investigate the relationship between human resource practices and employee/company outcomes. This review consists of 70 studies, which are listed in Table 1 under Appendix A. Altogether 17

observations are identified from the review and they are discussed below. Where necessary, the observations are supported with theoretical studies. This section ends with a brief summary.

### **2.2.1 Observations from global strategic HRM literature**

The first observation concerns the agreement in the literature that human resource practices influence employee retention/turnover/commitment. From the 70 studies reviewed in this section, 24 studies focus on investigating the relationship between human resource practices and employee retention/turnover/commitment and of these 24 studies, 22 studies find positive association between human resource practices and the mentioned outcomes. These studies are explained separately in Table 2 under Appendix B and some examples of these studies are Jiang et al. (2012), Kehoe & Wright (2010), Luna-Arocas & Camps (2008), Shih, Chiang & Hsu (2006), Allen et al. (2003), Guest, Michie, Conway & Sheehan (2003), Boselie & van der Wiele (2002) and Huselid (1995). For instance, Shih et al. (2006) find that training programmes, participative work settings and incentive arrangements that provide proper motivation can enhance employee retention whereas Allen et al. (2003) find that supportive human resource practices reduce employees' turnover intentions by increasing their perceived organisational support. Remaining two studies that find no association between human resource practices and employee turnover are Wood & de Menezes (1998) and Ramsay et al. (2000), but their results must be accepted prudently because both studies use data that were collected for a different purpose. The consensus in global strategic HRM studies, that human resource practices influence employee turnover/retention, supports the agenda of this thesis in using human resource practices to manage employee turnover in the Malaysian ICT industry.

The second observation is that the global strategic HRM literature has two competing views about how human resource practices affect employees and employers. The first view, referred to as the 'mutual gains' perspective in Voorde, Paauwe & Veldhoven (2012) or the 'optimistic perspective' in Peccei (2004), posits that human resource practices benefit both employees and employers. The logic of this view is that companies ought to adopt advanced human resource practices that ensure their employees' well-being because then employees will reciprocate to their employers by working harder, putting in more effort and engaging in various forms of citizenship behaviour which, over a period of time, help to enhance the companies' productivity and performance (Peccei, 2004; Guest, 1999; Huselid, 1995). This is the dominant view in the literature and is the one adopted by many mainstream scholars, such as Macky & Boxall (2007), Huselid (1995) and Arthur (1994), even if they have only collected information from one party, which is either the companies' representatives or employees and focused on company level outcomes. In contrast, the second view, also referred to as the 'conflicting outcomes' perspective in Voorde et al. (2012) or the 'pessimistic perspective' in Peccei (2004), argues that employers benefit from the human resource practices at the expense of

employees, which is why employers adopt advanced human resource practices in the first place. Some authors who support this view are Truss (2001), Ramsay et al. (2000), Tsui et al. (1997) and Legge (1995), but not all of them have empirical evidence to support their beliefs. This observation signals to this thesis on the need to adopt a research paradigm that supports the discovery of multiple realities, which this thesis complies with by adopting the constructivist research paradigm.

The third observation arising from the strategic HRM literature is that most empirical studies examining the impact of human resource practices on employee/company outcomes are from the west. This review finds that most such studies are from the USA (24 studies), followed by the UK/Europe (20 studies), New Zealand/Australia (10 studies) and then followed by Asian countries such as China, Taiwan and Singapore (five studies each). Only one study, Chow (2005), involves Malaysia. This review also discovers that almost all studies in Table 2 under Appendix B, which examine the relationship between human resource practices and employee retention/turnover/commitment are from the west except for Shih et al. (2006), which is a Taiwanese study. This observation highlights that the literature severely lacks evidence from Asia including Malaysia, which this thesis fulfils.

The fourth observation is that majority global strategic HRM studies approached respondents from different industries (35 studies) and from the manufacturing industries (12 studies). Studies with respondents from multiple industries provide a snapshot of the research problem, but their findings cannot be applied accurately to any one particular industry. Only two studies, Chang, Jia, Takeuchi & Cai (2014) and Truss (2001) represent the IT industry, but their findings are limited and cannot be generalised to the Malaysian context because they took place outside of Malaysia plus Truss (2001) study consists of only one company, Hewlet Packard, which is a large IT multinational. Lack of evidence from the IT/ICT industry, including from the Malaysian ICT industry, is identified as a gap, which this thesis addresses.

Although the findings in Chang et al. (2014) and Truss (2001) cannot be generalised to the Malaysian context, the studies are significant to this thesis because they confirm that human resource practices are important to IT/ICT employees. Truss (2001) finds that with sophisticated human resource practices in place, employees in Hewlet Packard demonstrate high retention rates whereas Chang et al. (2014) find that human resource practices enhance the creativity of 1,059 Chinese IT employees. Thus, the fifth observation concerns the agreement in global strategic HRM studies that human resource practices generate positive outcomes in IT/ICT employees; thus, supporting the decision undertaken in this thesis to use human resource practices to manage high employee turnover problem within the Malaysian ICT industry.

The sixth observation is that half of the studies reviewed (36 studies) have approached a single respondent for data, whereby, 15 studies approached only employees for data, 12 studies approached only the Human Resource Managers, eight studies approached only the senior managers and one study involved only the line managers. Such studies are limiting because they only provide feedback from a single party. Various human resource researchers/theorists have criticised the tendency of existing studies to rely on a single respondent for information, for instance, Macky & Boxall (2007), Boselie et al. (2005), Wall & Wood (2005), Wright & Boswell (2002), Guest (2001), Marchington & Grugulis (2000), Purcell (1999) and Becker & Gerhart (1996). Purcell (1999), specifically, questions “how can one person be in a position to provide accurate information of what is happening inside the organisation?” Boselie et al. (2005) through their review of 104 empirical strategic HRM studies that were published in prominent international refereed journals between 1994 and 2003 also find that 63 of 104 empirical studies used single-source respondents, which makes the authors to question the reliability of conclusions made by such studies because the respondent may be biased. Their concerns are not unfounded because empirical studies that approached organisational members of different levels and roles, for instance Truss (2001) finds that in Hewlett Packard, employees perceive the company’s human resource practices differently than how they are intended by the senior managers. This thesis is not subjected to limitations caused by sampling a single-source respondent because data is collected from the senior managers, Human Resource Managers and employees. The purpose of approaching senior managers and Human Resource Managers is to find out about the companies’ human resource practices and to understand the management’s viewpoint concerning high employee turnover problem. As far as IT/ICT employees are concerned, it is important to seek their feedback because they are the ones who are at the receiving end of human resource practices and they are the ones who deliver business results, especially in a knowledge intensive industry like the ICT. Theoretical perspectives that dominate the strategic HRM literature such as the Resource Based View (RBV) and AMO frameworks also place a lot of importance on employees because skilled and motivated employees are vital in achieving organisational success (Boxall & Purcell, 2011; Wright, Dunford & Snell, 2001; Barney, 1995, 1991).

The seventh observation concerns the lack of input from senior managers in the global strategic HRM studies, especially in studies that investigate the relationship between human resource practices and employee turnover/retention/commitment. Such studies mainly report employee feedback. Guthrie, Flood, Liu & MacCurtain (2009), Bartram, Stanton, Leggat, Casimir & Fraser (2007) and Truss (2001) are the only three studies in Table 1 under Appendix A that report feedback from senior managers and all three conclude that greater use of human resource practices leads to low employee turnover rate and that low employee turnover rate is a desirable outcome for the employers. However, their findings are from western countries, plus, Guthrie et al. (2009) and Bartram et al.(2007) report

findings from non IT/ICT industries; thus, may not apply to the Malaysian ICT industry. Excluding Truss (2001), there are no other studies that have triangulated feedback from employees with feedback from management. This thesis addresses this gap by incorporating input from senior managers, Human Resource Managers and ICT employees; hence, has the advantage of presenting feedback from employees and employers.

The eighth observation is that the strategic HRM literature is dominated by quantitative empirical studies. In this review, as shown in Table 1 under Appendix A, 63 studies employ quantitative methods, seven studies employ qualitative methods while two are mixed-method studies. Almost all studies in Table 2 under Appendix B employ quantitative methods, indicating that the literature consists of mainly statistical information about the relationship between human resource practices and employee turnover/retention/commitment. Various human resource researchers, for example, Guest (2011), Boselie et al. (2005) and Purcell (1999) have criticised the dominance of the quantitative methodology because statistical analysis focuses on measuring and predicting the relationship between human resource practices and employee/company outcomes without offering in-depth understanding as to how human resource practices impact such outcomes. Consequently, the HRM researchers reckon there is a need to move beyond quantitative means to study the impact of human resource practices on employee/company outcomes in order to increase the research area's theoretical robustness (Guest, 2011) and this thesis uses such a methodology.

The ninth observation is that existing strategic HRM empirical studies tend to support the positivist paradigm although the scholars have rarely indicated which philosophical paradigm they adopt. However, because they use quantitative methodology to measure and predict the relationship between human resource practices and certain outcomes, their philosophical perspective seems to fit the positivist paradigm. The aim of the positivist paradigm is to use scientific and systematic method to measure and predict the relationship/association between variables as defined in predetermined hypotheses (Pathirage, Amaratunga & Haigh, 2008; Lin, 1998). On the other hand, this thesis adopts the constructivist paradigm and by doing so introduces a different philosophical perspective to the literature.

The tenth observation is that existing studies have made use of data that were originally collected for purposes other than to test the relationship between human resource practices and employee/company outcomes. For instance, for UK based studies, Ramsay et al. (2000) use data from the 1998 Workplace Employee Relations Survey (WERS 98), Guest (1999) uses data from a survey conducted by the Chartered Institute of Personnel and Development (UK CIPD) and Wood & de Menezes (1998) use data from two separate surveys namely, the 1990 UK Workplace Industrial Relations Survey and the Employers' Manpower and Skills Practices Survey. Meanwhile, for USA



based studies, Delaney & Huselid (1996) use data from the National Organisations survey (NOS), which studied US companies concerning their structure, context and personnel practices whereas Cappelli & Neumark (2001) use data from surveys of employment practices conducted by the U.S. Bureau of the Census for the National Center on the Educational Quality of the Workforce. More recently, Fabling & Grimes (2010) deploy data from the New Zealand's 2001 Business Practice Survey conducted by Statistics New Zealand in their study. Most studies mentioned above, except for Fabling & Grimes (2010), are leading studies in strategic HRM literature and are frequently cited. However, the credibility of their findings warrants some reservation because they relied on information collected by another party and for a different purpose.

The eleventh observation is that the human resource practices are described using different terms that cause a lot of confusion. Some of the more common terms are High Performance Work Systems, High Commitment Management practices and High Involvement Work Systems. Table 3 under Appendix C summarises empirical studies that have used these terms as well as some other terms found in the literature. The compilation shows that the most popular term is High Performance Work Practices (HPWP) / High Performance Work Systems (HPWS). This term was used by Huselid (1995) to describe a set of human resource practices. Huselid's (1995) work is regarded as the landmark study in strategic HRM research area and is the most cited body of work (Kaufman, 2010; Fernandez-Alles & Ramos-Rodríguez, 2009; Wright & Boswell, 2002; Rogers & Wright, 1998). The author's use of the term may have encouraged other researchers who undertook similar studies to adopt the same term to describe their human resource practices.

According to Austin & Knox (2007), DTI (2002) and Nadler & Gerstein (1992), even if strategic HRM studies use the term HPWS to describe a set of human resource practices, the term actually refers to an organisational architecture that pulls together work, people, technology and information in a way that optimises the congruence or fit amongst them in order to respond effectively to customer requirements and other environmental demands and opportunities. Therefore, HRM researchers, including Huselid (1995), who used HPWS/HPWP to refer to a set of human resource practices, have used the terms in a restrictive manner. The literature also explains that the term HPWP/HPWS is not a new discovery; rather, the term came into existence as a deliberate means to overcome problems faced by the American manufacturing industries who were threatened by the innovative approaches undertaken by the Japanese with regard to production systems, labour management and work organisation (Boxall, 2012; Boxall & Purcell, 2011; Wood, 1999; Nadler & Gerstein, 1992; Hendry & Pettigrew, 1990; Tichy, Fombrun & Devanna, 1982).

The literature also highlights that authors of existing studies tend to adopt a particular term in their respective studies and simultaneously say that the term they use carries the same meaning as other

terms used in the literature to describe a set of human resource practices. For example, Nadler & Gerstein (1992) use the term HPWS, but also state that the terms HPWS/High Involvement Management (HIM)/Total Quality Management/best practice carry the same meaning as one another because all refer to organisational form that is deemed most appropriate for modern competitive conditions and describe organisations that treat employees as a source of competitive advantage. Similarly, for Pfeffer (1998), the terms High Performance Practices, High Involvement Practices and High Commitment Practices draw on similar ideas about how organisations can manage people effectively via the use of the practices to enhance their economic outcomes. As a result, that author uses the different terms interchangeably. In an attempt to create clarity around the different terms, some authors have progressed beyond the differences and come to the conclusion that the different terms actually refer to the same thing. For example, Wood (1999) considers the different terms to be equivalent and represent a group of practices that aim to increase employees' welfare, commitment and skills. To Sung & Ashton (2005), these terms do not constitute radical "new practices", but are simply "common sense good practices" a company ought to identify and implement to achieve business goals and objectives.

The twelfth observation is that each study has adopted different human resource practices, implying that the practices adopted by each of them as the best practices that will benefit employees and employers. Such practice on the researchers' part has caused the literature to have so many different practices and it is impossible to identify the ideal human resource practices for a specific context. Studies in Table 2 under Appendix B have also used different numbers and types of human resource practices to investigate employee turnover/retention/commitment. Thus, it is impossible to draw a unified conclusion on the type of practices a company should implement in order to increase employee commitment and minimise turnover. Researchers decide on which practice to include by looking at what others have used and then they impose some theoretical justification for this ex post facto (Marchington & Grugulis, 2000). For example, in the US, in the influential Huselid's (1995) study, the author draws upon earlier work of Delaney et al. (1989) and identifies 13 human resource practices, namely, formal information sharing programme, formal job design, internal promotion, labour management teams, communication, quality of work programme, quality circles, profit sharing, training, formal grievance procedures, selective hiring, formal appraisal and merit based promotion. Pfeffer (1998) recommends seven management practices that were compiled based on the results produced from studies by other researchers. The practices are employment security, selective recruitment, self-managed teams, decentralised decision-making, performance based compensation system, extensive training, reduced status differences and extensive sharing of financial and performance information. In Asia, Shih et al. (2006) refer to various studies from western countries in coming up with practices such as team work, workers' involvement in problem

solving, information sharing, performance-based promotions, performance-based pay, team-based job design, comprehensive training, formal training and job security in its own study. Concerning the different number and mix of practices, Sung & Ashton (2005) believe that the type and number of human resource practices adopted in the studies are not important because there is no one set that represents an effective group of practices. If one company has three human resource practices and another company has six, it cannot be concluded that the performance of the latter is twice as good (Sung & Ashton, 2005). However, what is important is that the practices create opportunities for engagement, encourage employees to develop their skills, motivate employees, encourage participation among them, allow employees to contribute towards continuous improvements at their workplace and also allow them to build trust, loyalty and identity with the organisation (Sung & Ashton, 2002; Tamkin & Hillage, 1999; Huselid, 1995).

The thirteenth observation is that in existing studies, authors have used different human resource practices to measure the same outcome. For example, employee turnover outcome is measured using different human resource practices in seven different studies. For illustration purpose, Arthur (1994) uses 10 practices namely decentralisation, participation, general training, skill supervisor, social events, due process, wages, benefits, bonus and percentage unionised to measure employee turnover rate. Guthrie (2001) also uses 10 practices to measure the same outcome but they are different than the ones used by Arthur (1994) as Guthrie (2001) uses practices such as promotions, skill based pay, group based pay, employee stock ownership, employee participatory programmes, information sharing, attitude surveys, teams, cross training and training focused on future skills. This form of inconsistency creates confusion about which practice/set to adopt for an outcome and necessitates the need to explore the practices from scratch in this thesis. Such inconsistency also raises concern on whether any one set is more effective than others for an outcome.

The fourteenth observation concerns the inconsistencies in existing studies on how the human resource practices are measured. For example, different studies have used different proxies to measure compensation and benefits. For illustration purpose, Kehoe & Wright (2010) measure compensation by asking employees to rate the availability of bonus based on individual and group performance, merit-based pay raises and overall high pay levels for the type of work completed in their jobs. Macky & Boxall (2007) measure performance based pay by asking respondents: does your employer have a profit sharing or share ownership scheme that you are able to participate in? and have you received additional pay or a pay rise in the past year as a result of your job performance or work in a team? Delaney & Huselid (1996) measure the same practice by asking respondents how important job performance is in determining earnings. Hence, even if two studies have the same human resource practice, the practice carries a different meaning because it is measured differently. The different proxies used to measure a human resource practice raise concern about which proxies

are effective to represent a human resource practice. The difference also raises reservations about whether proxies developed to measure practices in a particular industry/country are applicable in another industry/country. Thus, this thesis employs an exploratory qualitative method and in-depth interviews to capture such idiosyncratic data.

The fifteenth observation is that some strategic HRM studies have identified more than one type of human resource practices. Some authors identify two contrasting types of practices that are different to one another, for instance, Delery and Doty (1996) label their two types of practices as the “market-type” and “internal” type employment systems whereas Arthur (1994) refers to his two contrasting types as Commitment and Control human resource practices. Other authors identify multiple types of human resource practices, for instance, Tsui et al. (1997) and Osterman (1982) identify four types of human resource practices, which Osterman (1982) categorises as the industrial, salaried, craft and secondary employment systems and Tsui et al. (1997) classify as the mutual-investment, overinvestment, under-investment and quasi-spot-contract types. In 1999, Lepak & Snell (1999) propose a theoretical model that categorises employees into four quadrants according to the value and uniqueness of their skills in relation to the “core processes” of the company. The authors propose four employment modes: internal development, acquisition, contracting and alliance. They recommend that core employees such as ICT employees should be managed under the using merit based and advanced human resource practices because their skills are vital for the companies’ success. More recently, Boxall & Purcell (2011) identify seven types of human resource systems that employers can use to manage their employees: familial, informal, industrial, salaried, high-involvement, craft-professional and outsourcing. According to MacDuffie (1995), the number of types is not important, but what is important is that in each set, the practices exist in harmony with one another in order to result in enhanced employee/company outcomes. If a set consists of conflicting practices, then the conflict is likely to weaken the net effect of the set (MacDuffie, 1995). Generally, the market-type, control, mass production, quasi-spot, industrial types of human resource practices are suitable to manage employees who perform narrowly defined tasks and are easily replaceable whereas the internal, commitment, salaried, craft, flexible production, mutual investment and high involvement types of practices are appropriate to manage employees who are required to put in discretionary effort and undertake wide variety of responsibilities. The implication from this observation is that it highlights the possibility of identifying more than one type of human resource practice; thus, the need to adopt a research paradigm that accommodates the identification of multiple types of human resource practices, which this thesis complies with by adopting the constructivist research paradigm.

The sixteenth observation concerns the issue of different proxies being used to measure an outcome, similar to how different proxies are used to measure the same human resource practice. For

example, Guthrie (2001) and Huselid (1995) measured annual turnover twice, once for low skilled employees and another one time for high skilled employees. A weighted average of these separate estimates was computed to present the overall average turnover rate for each company. On the contrary, Bartram et al. (2007) and Ramsay et al. (2000) used a more straightforward way and measured employee turnover by just computing the number of staff who have left for a given year.

The seventeenth observation is related to the influence of contextual factors in explaining the adoption of human resource practices. Existing theoretical and empirical studies have used various factors to explain adoption of human resource practices, for instance, the contingency framework theorises that the choice of human resource practices should be determined by the context within which they are applied, especially with the companies' business strategies (Boxall & Purcell, 2000; Delery & Doty, 1996; Baird & Meshoulam, 1988). The configurational framework, which is more complicated than the contingency framework, theorises that the choice of human resource practices should be the one that achieves high level of internal consistency in order to maximise horizontal fit and are consistent with external factors including competitive strategy to maximise vertical fit (Boxall & Purcell, 2011; Delery & Doty, 1996; Huselid, 1995; Schuler & Jackson, 1987). Other leading HRM researchers postulate that the choice of human resource practices should be influenced by internal factors such as technology, structure, size, organisational life cycle stage, and business strategy as well as external factors such as legal, social, and political environments, unionisation rates, labour market conditions, industry characteristics, and national cultures (Jackson & Schuler, 1995). Because of the wide variety of factors used to explain adoption of human resource practices, a decision is made not to review all factors, but to review the most commonly cited organisational factors (company size and age) and control factor most relevant to the present thesis (technology).

It is observed that empirical studies are in agreement over how size and technology impact adoption of human resource practices but for company age, they have different opinions. For company size, the consensus is that larger companies are more likely to adopt a greater number of and more sophisticated human resource practices than smaller companies because the former have more resources and means to do so (Boxall & Purcell, 2011; Macky & Boxall, 2007; Bartram, 2005; Chow, 2005; Guest, 1999; Jackson & Schuler, 1995). For the technology factor, empirical evidence in Truss (2001), MacDuffie (1995) and Osterman's (1994) shows that companies that employ advanced technology are more likely to adopt more sophisticated human resource practices than companies that adopt less advanced technology. Their rationale is that human resource practices are more essential in high-tech industries where employee skills are in demand and are important to achieve company goals (Boxall & Purcell, 2000). For company age, Baird & Meshoulam (1988) find that instead of new start-ups, mature companies are more likely to adopt sophisticated and professional human resource practices. However, Ichniowski, Shaw & Crandall (1995) find that younger

companies are more likely to adopt sophisticated human resource practices than older companies. The latter are likely to adopt such practices only when faced with the threat of the business being closed down or with the joining of new employees who support new work practices (Ichniowski et al., 1995). The above disagreements about how organisational factors influence the adoption of human resource practices in ICT companies is identified as a limitation, which is addressed in this thesis.

### **2.2.2 Section summary**

Overall, the review above reveals a few limitations. First, the literature lacks evidence from Malaysia as most studies are from the western countries. Second, the literature lacks qualitative/in-depth information as it is dominated by quantitative studies that rely on the positivist research paradigm. Third, the literature lacks empirical evidence from senior managers about how they view company outcomes such as employee turnover. Fourth, it is not possible to identify the ideal set of human resource practices because studies have used different human resource practices and they have used different ways to measure the same practice. Additionally, the literature also consists of conflicting views about how the practices influence employees and employers as some studies claim that the practices benefit both parties whereas others claim that human resource practices are unlikely to benefit employees as they meant to achieve employers' objectives. The literature also offers conflicting information about how organisational factors influence the adoption of human resource practices.

The review so far has western bias given that most studies are from western countries, especially from the US and the UK. The following section reviews Malaysian strategic HRM literature to find out how the local literature fares against the western literature.

## **2.3 Section two: Strategic HRM in Malaysia**

This section reviews Malaysian strategic HRM studies and has two sub-sections; the first sub-section provides brief background information about HRM in Malaysia and the second sub-section describes twelve observations arising from the review of eighteen Malaysian strategic HRM studies. The studies are summarised in Table 4 under Appendix D.

### **2.3.1 Background to HRM in Malaysia**

The review of Todd & Peetz (2001) and Teh (2006) shows that there are three pertinent factors in understanding HRM roots in Malaysia: ethnicity, legacy from British colonisation in Malaysia and government intervention. The ethnicity factor is related to the three major ethnic groups that make up the majority of Malaysia's population – the Malays, Chinese and Indians. The Malays make up 50

per cent of country's population, followed by the Chinese and Indians at 23 and seven per cent respectively with the remaining 20 per cent being indigenous people and other minorities (James & Merchant, 2013). The major ethnic groups have their own culture and value orientations, which influence their HRM preferences and leadership styles at the workplace (Hashim, 2009).

The existing human resource practices in Malaysia are also influenced by practices that were passed down from the British government when they colonised Malaysia. Some examples of practices from the British colonisation include the preference for vertical hierarchies and importance placed on ranks and status. These practices persist in the Malaysian workplace until today (Teh, 2006; Todd & Peetz, 2001).

Thirdly, business landscape and HRM in Malaysia has been and still is influenced by the government's intervention. The term government intervention refers to the deliberate action taken by the government to influence the economy by means of legislation, fiscal and monetary policy as well as direct government participation in the productive sectors of the economy (Simpson, 2005). In Malaysia, an example of the government's intervention in the country's economic activities is through the set-up of Government-Linked Companies (GLCs). The GLCs are managed by the Malaysian government via the Federal Government-Linked Investment Companies (GLICs) (Salleh & Selamat, 2007). The Malaysian government are involved in the companies in various ways, for example, they appoint the companies' board of directors and senior managers as well as makes major decisions related to contract awards, strategy, financing, acquisition and divestments (Lau & Tong, 2008). Because of the government's role in the companies, they cannot just be concerned about maximising profits, but they also need to contribute towards several social goals that contribute towards nation building (Lau & Tong, 2008). For example, such companies are the primary agents of spearheading the government's Bumiputera agenda of raising the living standards of the Malay ethnic group. Companies 1 and 3 that are part of this thesis are some examples of GLCs. The companies are described in Chapter 4 under section 4.2.

In addition to having ownership in GLCs, the Malaysian government also influences the business landscape by formulating and passing rules and laws that will support its vision and goals for the country. For example, in the 1980s, the government wanted to lure foreign investors to develop the country's manufacturing and export industries (Todd & Peetz, 2001). To do so, the government manipulated the industrial relations scene in Malaysia to favour employers more than it favours employees. For instance, the government enacted the Industrial Relations Act in such a way that it prohibits the inclusion of items deemed to be managerial prerogative – hiring, firing, redundancy, promotion, transfer and the allocation of duties (Todd & Peetz, 2001). The Promotion of Investments Act 1986 also prohibits workers in pioneer industries to negotiate working conditions more

favourable than the minimum standards stipulated in the Employment Act. The government also encourages the inflow of cheap labour into the country, which provides an alternative to employers to recruit these cheap labours instead of improving working conditions as demanded by the local workers (Todd & Peetz, 2001). These are some examples of how the government interferes and maintains control over HRM regulations and policies in Malaysia. More recently, when there was a shift towards to Knowledge Economy to achieve Vision 2020, the government set up the Human Resource Development Fund (HRDF) to promote skill development among employees (Todd & Peetz, 2001). In this thesis, some companies contribute to the HRD fund while others do not do so. This finding is presented in Chapter 4 under section 4.4.

### **2.3.2 Observations from Malaysian strategic HRM studies**

The first observation is that the Malaysian strategic HRM literature has no empirical evidence from the ICT industry. Most studies took place either in multiple industries or in a single industry such as the manufacturing and agriculture industries. Ibrahim & Shah (2012), Choi & Wan Ismail (2010), Abdullah (2009) and Abang Othman (2009) are some studies that were carried out in the manufacturing industries. Among the various manufacturing industries, most studies are from the electronics/electrical industry, may be because it is one of the country's leading industries and the largest contributor to the country's economy, accounting for nearly 25 per cent of the country's GDP in three consecutive years, 2011, 2012 and 2013 (MITI, 2013). The absence of empirical evidence from the ICT industry is identified as a gap, which this thesis addresses.

The second observation is that the majority of Malaysian strategic HRM studies employ quantitative methodology; in fact, all studies that investigate the relationship between human resource practices and employee/company outcomes are undertaken quantitatively. The same methodology also dominates the global strategic HRM literature. As mentioned earlier, via quantitative method, the authors focus only on predicting the statistical relationship between human resource practices and employee/company outcomes without in-depth discussion about how the practices influence a specific outcome. This thesis addresses this limitation by employing the qualitative grounded theory method.

The third observation is that the positivist epistemology paradigm dominates the Malaysian strategic HRM literature, given that majority studies employ the quantitative methodology. Alternatively, this thesis adopts the constructivist research paradigm, and by doing so, adds epistemological variety to the research area and is in the position to present multiple perspectives from different organisational members about employee turnover issue within the Malaysian ICT industry.



The fourth observation is that similar to global strategic HRM researchers, Malaysian authors have also collected feedback from single-source respondents, which mostly consists of Human Resource Managers as reflected in studies such as Abdullah (2009), Halim, Beck & Soo (2009) and Rowley & Abdul-Rahman (2007). Because these studies approached single-source respondents, their findings should be accepted with reservations because the respondents may be biased and; thus, provided inaccurate information or information that favours them (Paauwe, 2009). This thesis avoids such limitation where possible by collecting information from three groups of respondents in a company: senior managers, Human Resource Managers and ICT employees.

The fifth observation is that the Malaysian strategic HRM literature offers limited insight about how employees perceive their companies' human resource practices because only a few studies such as Juhdi, Pa'Wan & Hansaram (2013), Johari, Yean, Adnan, Yahya & Ahmad (2012) and Lo, Mohamad & Maw (2009) have collected information from employees but they are usually from the manufacturing industries. Furthermore, their responses are presented using statistics; hence, there is little opportunity to understand their perspectives and reactions in detail. Consequently, the undertaking of this thesis contributes to this gap as it presents qualitative feedback from ICT employees, who are considered as high skilled employees and are likely to perceive human resource practices differently than the manufacturing employees.

The sixth observation is that the strategic HRM literature from Malaysia is void of input from senior managers. There is no information about how they perceive their companies' outcomes, including employee turnover/retention. The absence of this information is identified as gap, and is addressed in this thesis as the fourth research question explores how senior managers perceive their companies' employee retention/turnover outcome.

The seventh observation is that Malaysian researchers, like global researchers, have also used different human resource practices in their respective studies; hence, it is not possible to identify the ideal human resource practices that result in a specific outcome. For example, Juhdi et al. (2013) and Bawa & Jantan (2005) both investigate the relationship between human resource practices and employee turnover, but they use different practices to measure the same outcome. Bawa & Jantan (2005) use recruitment & selection, orientation for new workers, training & development, performance appraisal, compensation, internal career opportunities, profit sharing, employment security, voice mechanisms and job definition whereas Juhdi et al. (2013) use only five practices; namely, career management, person-job fit, compensation, performance appraisal and job control to employee turnover. It is also observed that none of the strategic HRM studies from Malaysia has developed distinct types of human resource practices, which allows this thesis to make a new

contribution in the strategic HRM field as it identifies three different types of human resource practices from the Malaysian ICT industry.

The eighth observation is that Malaysian strategic HRM studies have used indicators from the west in measuring their human resource practices and employee/company outcomes. For instance, in Juhdi et al. (2013), performance appraisal was measured using items adopted and adapted from Dulebohn & Ferris (1999), career management items were adapted from Sturges, Guest & Davey (2000) and selection was measured using items developed by Cable & Judge (1996). Therefore, the practices in the Malaysian studies do not completely depict local practices, which are likely to be different from western practices as Malaysia's institutional and cultural setting is not the same as the western countries. This observation necessitates the need to explore human resource practices from scratch in this thesis without relying on existing studies.

The ninth observation is that Malaysian researchers that examine the relationship between human resource practices and employee turnover/retention, for instance, Johari et al. (2012) and Bawa & Jantan (2005), find limited support for the relationship between the two variables. On the contrary, global strategic HRM and IT/ICT employee management researchers find a strong relationship between human resource practices and employee turnover/retention. The Malaysian authors claim that in Malaysia, employees resign regardless of the practices implemented. It is possible that because human resource practices in Malaysian companies are traditional in nature and not sophisticated (Todd & Peetz, 2001), they have little influence on employees' turnover/retention decisions. Nevertheless, this thesis tackles this conflict as it seeks feedback from Malaysian ICT employees, who because their education and professional experience, are in good position to provide important feedback about how they perceive their employers' human resource practices and the impact of the practices on their retention/turnover decisions.

The tenth observation is that HRM appears to be a new area of interest in Malaysia given that the review found only a few strategic HRM studies that took place in Malaysia and they are dated in the 2000s, which is quite recent. Correspondingly, researchers who review Asian management research, for instance, Bruton & Lau (2008) do not find any published study concerning Malaysian HRM whereas White (2002) finds only 20 studies that include Malaysia, but the studies are mainly comparative in nature and offer limited information about strategic HRM in Malaysia. The fact that the Asian HRM literature has limited empirical evidence from Malaysia and the recentness of the reviewed studies further support the undertaking of this thesis, so as to contribute new knowledge in a relatively young Malaysian strategic HRM field.

The eleventh observation concerns the finding in several studies that Malaysian companies are unable to implement sophisticated human resource practices because they lack competent HRM

professionals. Teh (2006), for example, alleges that Malaysia has limited HRM experts who have the knowledge and skills to lead/undertake advanced level human resource practices. The author also finds that the Human Resource Managers in local companies are more likely to assume traditional roles of a Personnel Manager than of a Human Resource Manager. Similarly, Abdullah (2009) finds that the lack of intellectual HRM professionals as a leading challenge facing employers in implementing advanced human resource practices whereas Choi & Wan Ismail (2010) find that most Human Resource Managers in Malaysian companies are unable to implement practices that meet the companies' strategic needs because they lack knowledge and competencies to do so. Similarly, Halim et al. (2009) also report that Malaysian companies are unable to implement practices that nurture and develop human capital for long-term benefit because they lack competent Human Resource Managers. The finding from Halim et al. (2009) warrants serious attention because the study was carried out in companies that employ high skilled employees. In summary, the local strategic HRM studies imply that in Malaysia, companies settle for short-term gains such as daily productivity instead of long-term human capital development, retention and succession planning because they lack expertise to undertake long-term initiatives.

The twelfth observation concerns empirical evidence from Malaysian literature about how three organisational factors; company size, company ownership and type of industry, influence companies' adoption of human resource practices. In terms of company ownership, three studies, Rowley & Abdul-Rahman (2007, Rowley & Warner (2007) and Chew (2005), are in agreement that foreign-owned manufacturing companies have more sophisticated human resource practices than local manufacturers. Chew (2005) finds the above evidence by comparing human resource practices in five leading manufacturing companies: a Japanese multinational, an Anglo Dutch multinational, an US multinational, a Malaysian multinational and a local company. Rowley & Abdul-Rahman (2007) explain that local companies do not place high priority on human resource practices because the practices are costly to implement. As far as company size is concerned, Osman, Ho & Galang (2011) and Chew (2005) find that larger companies in Malaysia have more sophisticated human resource practices than smaller companies. In terms of industry type, Othman (1999) discovers that service companies have more sophisticated practices than manufacturing companies. The author came up with such conclusion by comparing the human resource practices of 112 manufacturing companies and 59 service companies in Malaysia. Unlike manufacturing companies, service companies focus on formal performance appraisal for making decisions on employee remuneration and training, adopt a long-term approach in human resource management planning and include a job enrichment element in the design of employees' jobs (Othman, 1999). However, these evidences are mostly for manufacturing companies and there is no available information about how organisational factors

influence ICT companies' adoption of human resource practices, which is another gap addressed in this thesis.

### **2.3.3 Section summary**

In summary, a significant gap in the Malaysian strategic HRM literature is that it lacks empirical evidence from the ICT industry. This gap is a justification for the undertaking of this thesis. The ICT industry serves as a good study context because it is thriving rapidly, is identified as a National Key Economic Area in Malaysia and is a driver to many other industries in the country. However, because none of the empirical studies is from the ICT industry, there is no information available in the literature on the kind of human resource practices adopted within the ICT industry, the influence of organisational factors on the adoption of human resource practices and perceptions of the industry members on employee turnover/retention issues.

Another gap in the Malaysian strategic HRM literature is that it consists of mostly quantitative studies that lean towards the positivist paradigm. The studies provide statistical information on the relationship between human resource practices and employee/company outcomes, but they do not provide detailed understanding on the subject. They only focus on how the human resource practices relate to certain outcomes without taking into consideration the views and perceptions of people whom use and experience the practices. This thesis fills in this gap as it presents in-depth information from different organisational members and to do so, employs the qualitative grounded theory method, which is rarely used in both global and Malaysian strategic HRM studies.

## **2.4 Section three: IT/ICT employee management**

While the preceding sections reviewed strategic HRM literature, this section reviews IT/ICT employee management literature. Altogether 64 studies are reviewed, with the following breakdown: IT/ICT employee retention/intention to remain (six studies), turnover/turnover intentions (31), commitment (six), motivation (12), career orientations (two) and characteristics of IT/ICT employees (seven). These studies are summarised in Table 5 under Appendix E and their review leads to the identification of fifteen observations. This section ends with a short summary.

### **2.4.1 Observations from IT/ICT employee management literature**

The first observation is that most empirical evidence concerning IT/ICT employee management is from North America, e.g. the USA and Canada (34 studies), followed by UK/Europe (11 studies) and then Asian countries such as Singapore (five studies), Taiwan and India (three studies each). The review did not find any evidence from Malaysia; therefore, this thesis addresses this limitation and contributes new knowledge in this context.

The second observation is that from the 64 studies, only 12 studies sampled IT/ICT employees in an IT/ICT company. The remaining studies sampled IT/ICT employees either in various industries or in a single industry but not IT/ICT. This review locates 27 studies that were carried out in various industries and some examples of such studies are Ferratt, Agarwal, Brown & Moore (2005) and Ang & Slaughter (2004). They are limiting because they do not reveal the happenings within the ICT industry and their findings cannot be applied accurately to any one particular industry. This thesis addresses this drawback by presenting empirical evidence from IT/ICT companies in Malaysia.

The third observation is that IT/ICT employee management research is also dominated by quantitative studies as the review finds 49 quantitative studies and only six qualitative studies. The rest are mixed method studies (three), review papers (three), conceptual studies (two) and one meta-analysis. Of the 37 studies that researched about IT/ICT employee retention/turnover, 35 are quantitative studies and only two are qualitative studies, namely Chang (2009) and Hunter, Tan & Tan (2008), which goes on to show that majority IT/ICT employee turnover studies are undertaken using quantitative methods, which is the same observation identified in the preceding two sections involving strategic HRM studies. Coombs (2009), Bryant, Moshavi & Nguyen (2007), Niederman, Sumner & Maertz (2007) Pare, Tremblay & Lalonde (2001a) and Barocci et al. (1983) are some examples of such quantitative studies. The dominance of quantitative studies causes the literature to have a lot of statistical/numerical information about the relationship between certain antecedents and employee outcomes such as retention and turnover, but lacks detailed explanation about how and why the relationship exists. This thesis adds methodological diversity in the literature as it employs the qualitative grounded theory method, which allows detailed presentation of employee turnover problem within the Malaysian ICT industry.

The fourth observation is that the IT/ICT employee management empirical studies tend to lean towards the positivist paradigm, as was also the case for strategic HRM studies. Although the researchers did not indicate which philosophical paradigm they adopt, but because they use quantitative methodology to measure and predict the relationship between certain antecedents and outcomes, their philosophical perspective seems to fit the positivist paradigm. On the other hand, this thesis adopts the constructivist paradigm and by doing so, adds philosophical variety to the research area, and allows the construction of multiple perspectives or realities.

The fifth observation is that most IT/ICT employee management studies focus on investigating the relationship between certain antecedents and employee outcomes such as retention and turnover. Theoretical efforts within IT turnover or general turnover research areas are also directed towards integrating the antecedents from various studies into a comprehensive model of turnover behaviour. For example, within IT turnover literature, Ghapanchi & Aurum (2011), via a review of 72 studies

from 1980 to 2008, came up with five broad categories of IT turnover antecedents: individual, organisational, job-related, psychological and environmental, each containing several sub-categories. In another example, Joseph, Ng, Koh & Ang (2007) plot 43 antecedents to turnover intention among IT professionals onto March & Simon's (1958) distal-proximal turnover framework and subsequently use the antecedents to propose a new theoretical model of IT employee turnover. The overemphasis on identifying antecedents quantitatively without providing in-depth information about how or why the antecedents influence employee outcomes leads to the literature being devoid of rich data, which hampers efforts to understand the research area. This thesis fills in this void as it not only provides information about companies' human resource practices and employees' reactions towards the practices, but also presents responses from senior managers about their companies' employee retention outcomes.

The sixth observation concerns studies that use human resource practices as antecedents, wherein they consistently find that progressive practices have positive impact on IT/ICT employees, regardless of country context. For instance, in a sample of 849 Canadian IT employees, SamGnanakkan (2010) finds that training and development as well as compensation reduce their turnover intentions. In another study carried out in the U.S., Westlund & Hannon (2008) find that software developers' satisfaction with their pay, fringe benefits, promotion opportunities and communication significantly reduces their turnover intentions. Hunter et al. (2008) find that New Zealand and Singaporean IT employees value training and promotion opportunities; therefore, the presence of these factors reduce their intentions to leave their employers. Evidences in these studies support the intention of this thesis to use human resource practices as an intervention to manage high employee turnover problem in the Malaysian ICT industry.

The seventh observation is that it is not possible to come up with a conclusive list of human resource practices that produce positive outcomes in IT/ICT employees because each study has used a different mix of practices, which was also the case for strategic HRM studies. For example, the study of Dockel, Basson & Coetzee (2006) identifies four human resource practices, namely, compensation, job characteristics, supervisor support and work/life policies that increase organisational commitment among high technology employees. On the other hand, Paul & Anantharaman (2004) identify nine human resource practices; namely, selection process, value based induction, training, team-based job design, compensation, employee friendly work environment, development oriented appraisal, career development and value added incentives that increase employees' commitment. Because studies have used different human resource practices, a decision is made in this thesis not to adapt practices from existing studies, instead, to explore the human resource practices from scratch using the qualitative grounded theory method.

The eighth observation concerns the revelation in two studies that certain types of human resource practices result in higher employee retention than others do. In the first study, Ang & Slaughter (2004) find that industrial type of human resource practices groom employees to have knowledge and skills that are unique to a company; therefore, making it difficult for them to transfer their skills to another company. Consequently, employees are compelled to remain with their present employers. On the other hand, the craft type practices provide generic knowledge and skills to employees; hence, they have greater mobility to seek employment with other companies (Ang & Slaughter, 2004). In the second study, Ferratt et al. (2005), using a sample of 106 U.S. companies, find that capital-focused human resource practices result in lower employee turnover rates than task-focused human resource practices. Capital-focused type of practices demonstrate concern for employees, for instance, by encouraging employers to promote employees from within and send them for training and development programmes, which encourage employees to build a long-term employment relationship with their employers. On the contrary, task-focused human resource practices focus on maximising output by employees without demonstrating concern for their skills and growth; hence, employees have higher tendency to leave. Although the literature consists of very few studies that develop different types of human resource practices in examining their impact on IT/ICT employees, this observation presents an opportunity for this thesis to identify different types of human resource practices to manage the Malaysian ICT workforce. This observation also supports the decision to adopt constructivist research paradigm, which supports the construction of multiple views and perspectives.

The ninth observation is that the literature offers no feedback from senior managers about how they perceive IT/ICT employee retention/turnover. This review finds only one study, Chan (2003), whose respondents are companies' senior managers, but the findings are not directly relevant to this thesis because the study investigates career orientations of technology entrepreneurs. Studies that investigate IT/ICT employee turnover issue, such as Baroudi (1985), Igbaria & Greenhaus (1992) and Coombs (2009) appear to mask the employer's side of story with the generic assumption that because the IT/ICT industry suffers from high employee turnover, employers ought to do all that is necessary to prevent employees from resigning. This thesis responds to this limitation by seeking feedback from senior managers about how they perceive employee retention/turnover in their respective companies.

The tenth observation is that the literature is dominated by employees' voice as most studies present findings from employees only. Raman, Bharathi, Sesha & Joseph (2013), Mahatanankoon (Mahatanankoon, 2007) and Wynekoop & Walz (1998) are some examples of such studies. Because it is possible that employees are not informed sufficiently about the actual and overall human resource practices in their companies, but instead are aware only of the practices that they experience, they

are able to report only their personal experiences, which may not be complete for the overall company. Moreover, because the studies only focus on reporting employees' points of view, there is no opportunity to triangulate employees' feedback with employers' feedback. This thesis overcomes this limitation by reporting findings from different members in a company: senior managers, Human Resource Managers and employees. By doing so, this thesis hopes to provide holistic and as accurate as possible information on human resource practices and employee retention issues within the Malaysian ICT industry.

The eleventh observation is that there are no conclusive results to describe the characteristics of IT/ICT employees although researchers recognise that the professionals form a distinct occupational group in comparison to other occupations. For example, Wynekoop & Walz (1998) describe IT professionals as more confident, ambitious, logical, analytical, hardworking and creative than the general population whereas Beecham et al.(2007) describe IT personnel as more flexible and familiar with the use of jargon than other occupational groups. IT employees are also different to one another depending on the roles that they occupy, for instance, system engineers are more open and conscientious, IT consultants are extroverts, programmers rank high in neuroticism whereas system administrators rank high in agreeableness (Eckhardt, Laumer, Maier & Weitzel, 2014). It is important to determine IT employees' characteristics because in a recent study, Maier, Laumer, Eckhardt & Weitzel (2015) find that IT employees' characteristics influence their turnover behaviour. Specifically, the authors find that IT personnel who are more resistant to changes are less likely to resign, even if they indicated an intention to do so. However, the literature consists of very few studies that examine the characteristics of IT employees. Apart from the above studies, this review finds Enns, Ferratt & Prasad (2006) as the only study that examines IT employee characteristics and then classifies them into different types depending on their characteristics. In conclusion, the authors identify three types of IT employees; the High Maintenance type, who expect their employers to reward them with attractive pay and benefits, interesting work, recognition, opportunities for growth and development and are confident of finding alternative employment. The Lifestyle type, who are more balanced, intrinsically motivated, place higher priority on non-work commitments and are more self-sufficient; therefore, they seek less recognition, less career development opportunities and are less achievement oriented than the High Maintenance type and lastly the Technology Anchored type, who are motivated by technical skills and are not keen to be in managerial roles. The inconclusive results and limited research undertaken to identify different types of IT/ICT employees signal there is a lot of potential for this kind of research. Correspondingly, this thesis undertakes such effort and categorises IT/ICT employees into four different types. It is important for IT/ICT employers to identify the different types of employees so that they can design and align human resource practices with employees' actual needs, without wasting their resources (Enns et al., 2006).



The twelfth observation is that the literature offers limited information about how ICT companies' organisational factors influence their adoption of human resource practices or employee retention/turnover outcomes. This review identifies Batt, Colvin & Keefe (2002) as the only study that explains how company size, as an organisational factor, influence employee turnover/retention. The authors argue that larger companies have higher employee turnover rates than smaller companies but they did not elaborate on their argument. This thesis fills this gap by examining the sampled companies' organisational characteristics and use the information to construct four different types of ICT companies in Malaysia.

The thirteenth observation is about IT/ICT employees' motivation. The review of various studies indicates that IT/ICT employees' main motivators are the job itself, career advancement opportunities, training and development opportunities and remunerations (pay and benefits). As far as the job is concerned, IT/ICT employees are motivated by 1) jobs that are in-sync with their career orientations (Igbaria, Greenhaus & Parasuraman, 1991); 2) freedom and ability to make own decisions about work without having to take on detailed instructions from one's supervisor (Hunter et al., 2008; Ramakrishna & Potosky, 2003; Marks, Scholarios & Lockyer, 2002); 3) meaningful jobs that make significant contributions to others (S. Beecham, Baddoo, Hall, Robinson & Sharp, 2008; Chan, 2003; W.-G. Tan & Gable, 1998; Couger, Zawacki & Oppermann, 1979); 4) having sufficient information about their jobs (Thite, 2006; Thatcher, Liu, Stepina, Goodman & Treadway, 2006); and 5) jobs that require wide-ranging skills and talents rather than jobs that are routine and mundane (Ifinedo, 2005; Ramakrishna & Potosky, 2003; Couger & Zawacki, 1980). IT/ICT employees are also motivated by career advancement opportunities because such opportunities allow them to progress in the companies and achieve their career goals and ambitions, which result in positive job satisfaction and commitment; thus, lowering their intention to leave (Westlund & Hannon, 2008; Ifinedo, 2005; Mak & Sockel, 2001; Lee, 2000; Igbaria & Baroudi, 1995; Tan & Igbaria, 1994). As far as training and development opportunities are concerned, IT/ICT employees who perceive their employers are supportive in developing their competencies feel more motivated and are less likely to resign (Marks & Huzzard, 2010; Tseng & Wallace, 2009; Guzman, Stam & Stanton, 2008; Chui, Tong & Mula, 2007; Lowry, Turner & Fisher, 2006; Scholarios, Van der Schoot & Van der Heijden, 2004). IT/ICT employees are also motivated by salary and other incentives, such as healthcare coverage; thus, when they are rewarded adequately, they report higher levels of job satisfaction and commitment, which reduces their propensity to resign (Dinger, Thatcher, Treadway, Stepina & Breland, 2015; Sivarethinamohan & Paranganathan, 2015; Joseph et al., 2015; Sharp, Hall, Baddoo & Beecham, 2007; Medcof & Rumpel, 2007; Ifinedo, 2005; Tan & Gable, 1998). This observation has two implications; first, it highlights the important role played by human resource practices in motivating IT/ICT employees because all of the motivators mentioned above are related to human

resource practices. Second, it supports the agenda of this thesis in using human resource practices as an intervention to manage high employee turnover problem within the Malaysian ICT industry.

The fourteenth observation is about job dissatisfaction factors among IT/ICT employees. The review shows that IT/ICT employees are likely to resign if they experience: work exhaustion (Rigas, 2009; Moore, 2000), high job demands that require a lot of physical and psychological effort from employees (Hoonakker, Carayon & Korunka, 2013), work-family life conflict (Lee & Lin, 2008; Ahuja, Chudoba, Kacmar & McKnight, 2006) and high risk encountered from jobs (Agarwal, Ferratt & De, 2007). Because these factors are also related to companies' human resource policies, they reinforce the important role played by human resource practices in retaining IT/ICT employees and lend additional support to this thesis, which uses human resource practices as a means to manage high employee turnover in the Malaysian ICT industry.

The fifteenth observation is related to IT/ICT employees' commitment. Several studies find that human resource practices increase employees' affective commitment (Shropshire & Kadlec, 2012; SamGnanakkan, 2010; Igbaria, Meredith & Smith, 1994; Igbaria & Greenhaus, 1992; Bartol, 1983) and that commitment effectively mediate the relationship between human resource practices and employee turnover intention (Pare & Tremblay, 2007; Dockel et al., 2006; Paul & Anantharaman, 2004; Baldry, Scholarios & Hyman, 2004; Pare, Tremblay & Lalonde, 2001b). Affective commitment refers to an employee's emotional attachment to, identification with and involvement in the organisation (J. P. Meyer & Allen, 1997). This observation lends additional support to this thesis in using human resource practices to address employee turnover problem in the Malaysian ICT industry.

#### **2.4.2 Section summary**

Overall, the review above reveals a few similar limitations between the IT/ICT employee management literature and the strategic HRM literature. Both literature offers no information from the Malaysian ICT industry even though Malaysia is an attractive ICT investment destination and remains as one of the top three IT outsourcing country around the world (Sethi & Gott, 2016). Second, they are dominated by quantitative studies that focus on establishing a statistical relationship between various antecedents including human resource practices and employee/company outcomes, but lack in-depth information on the subject. Next, there is an agreement in both literature that human resource practices result in positive outcomes among employees including IT/ICT employees given that numerous studies confirm that human resource practices increase employee motivation, organisational commitment and reduce their tendency to resign. However, there is no unified conclusion from these studies on the actual practices that result

in such positive outcomes because they have all used different types of human resource practices even if they are measuring the same outcome.

Another important limitation from the IT/ICT employee management literature is that the studies are from various industries or from industries other than IT/ICT; thus, their findings do not reveal the events in an IT/ICT company and cannot be applied accurately to any one particular industry. Furthermore, the literature mostly offer findings from employees only; hence, there is a lot of information about their employees motivation, commitment and job dissatisfaction factors, but limited information about how employers view the human resource practices and the companies' outcomes including employee turnover. The researchers mostly imply that high employee turnover is a serious concern and that companies must do all that they can to prevent turnover among their employees. In addition, the IT/ICT employee management literature offers little information about how do organisational factors of IT/ICT companies influence their adoption of human resource practices. Furthermore, although the literature offers some evidence of IT/ICT employees being different from other occupational groups, very little effort is invested into identifying and understanding the different types of IT/ICT employees, which is a crucial information for employers so that they can implement practices according to their employees' actual needs.

## **2.5 Research gaps and chapter summary**

This chapter reviewed literature concerning global strategic HRM, followed by Malaysian strategic HRM and lastly on IT/ICT employee management. The review of the three research areas leads to the identification of two gaps. The two gaps justify the uptake of this thesis and are explained below:

The first gap is that the three research areas are dominated by quantitative methodology and the positivist paradigm. Given the quantitative nature of the studies, they focus on predicting the relationship between certain human resource practices and employee/company outcomes using statistical means without providing in-depth information on the subject. The use of the positivist paradigm is also limiting because it does not allow a researcher to incorporate subjective perceptions and views of the research participants, but instead the researcher is compelled to adhere closely to the variables and questions that were established in the predetermined hypothesis/research questions. Thus, the paradigm is deemed inappropriate in a study that is closely related to human beings. This thesis is an example of such study because human resource practices are unlikely to influence company outcomes on their own. Instead, they affect company outcomes through their impact on employees and their interpretations of the practices. Besides that, the positivist paradigm seeks a single reality whereas the findings from the reviewed studies demonstrate and support the existence of multiple realities. This thesis addresses this gap by employing the qualitative research methodology and the constructivist paradigm. Such philosophical paradigm and methodology

support the existence of multiple realities, encourage close interactions between the researcher and respondents and allow in-depth probing of the respondents' views through the use of open-ended interview questions, which is why they have the capacity to provide in-depth information about a research subject.

The second gap is that the strategic HRM and IT/ICT employee management literature does not have evidence from the Malaysian ICT industry. IT/ICT employee management literature also has limited information from pure IT/ICT companies. Hence, they do not accurately report the human resource practices of an ICT company and views of employees who are members of ICT companies. This thesis fulfils this gap as it focuses purely on the ICT industry in Malaysia.

Overall, this thesis has four research questions, which arise mainly because both literature has no empirical evidence from the Malaysian ICT industry. The research questions and reasons for their development are explained below:

- What are the human resource practices adopted by ICT companies in Malaysia?

The aim of this research question is to investigate the human resource practices adopted by the ICT companies in Malaysia. This research question is selected primarily because there is no information about the human resource practices adopted by the Malaysian ICT companies in the present literature. Moreover, strategic HRM researchers have used different human resource practices and different indicators to measure the same practice; therefore, there is no conclusion among them on the most appropriate set of human resource practices. Furthermore, Malaysian strategic HRM scholars have somewhat relied on western literature in coming up with their human resource practices; thus, ignoring the possibility of Malaysian companies having different types of human resource practices in comparison to companies in the west.

- How do organisational factors influence adoption of human resource practices among the Malaysian ICT companies?

The purpose of this question is to explain how organisational factors influence adoption of human resource practices among the Malaysian ICT companies. This research question is selected because the IT/ICT employee management and Malaysian strategic HRM literature lacks empirical evidence from the ICT industry in Malaysia; thus, it is not known how organisational factors influence adoption of human resource practices among the Malaysian ICT companies. Global strategic HRM studies have investigated the influence of organisational factors on the adoption of human resource practices, but they have used different organisational factors and found mixed results on how an organisational

factor influences a practice. Hence, there is no unified conclusion from them that can be transferred directly to the Malaysian ICT industry.

- What are the employee outcomes in the Malaysian ICT industry?

The purpose of the above research question is to report the employee outcomes. There is a pertinent need to find out about their views because the Malaysian ICT industry is beleaguered with a high employee turnover problem, but all the three research areas provide no information about how the employees' within the industry perceive their human resource practices and what are their outcomes.

- What are the employee retention outcomes for the Malaysian ICT companies?

The aim of the above research question is to report employers' views concerning their companies' employee retention outcomes. This question is selected because there is no empirical evidence about how employers within the Malaysian ICT industry perceive their companies' employee retention outcome. Moreover, the IT/ICT employee management literature is dominated by studies that are taken from the employees' perspectives, causing little to be known about how senior managers view the turnover issue.

The subsequent chapter explains the method employed in this thesis to answer the above research questions.

## **Chapter 3**

### **Methodology**

#### **3.1 Introduction**

Chapter 2 reviewed the literature in three areas, namely, global strategic HRM, Malaysian strategic HRM and IT/ICT employee management. The review demonstrates that the three research areas are dominated by quantitative studies, which are carried out within the positivist paradigm. There is little attempt by researchers to use qualitative research methods and a different paradigm. To this end, this thesis uses the constructivist paradigm and exploratory qualitative research methods. The purpose of this chapter is to explain why such approach is undertaken, which can be considered as relatively rare in this field of research, even if the approach has a potential to reveal new findings. The overall purpose of this chapter is to explain the decisions undertaken in this thesis to answer the four research questions listed below:

- What are the human resource practices adopted by ICT companies in Malaysia?
- How do organisational factors influence adoption of human resource practices among the Malaysian ICT companies?
- What are the employee outcomes in the Malaysian ICT industry?
- What are the employee retention outcomes for the Malaysian ICT companies?

The chapter consists of two sections. The first section focuses on theoretical considerations while the second section explains the research design.

#### **3.2 Section one: Theoretical considerations**

This section has several sub-sections; sub-section 3.2.1 focuses on the research paradigm and sub-section 3.2.2 explains why this thesis adopts the exploratory qualitative research methodology and the other methodologies that were considered for the thesis. Sub-section 3.2.3 describes the three common grounded theory approaches, the constructivist grounded theory approach that is selected for this thesis and theoretical sensitivity issues. Sub-section 3.2.4 explains the case study strategy whereas the unit of analysis in this thesis is explained under sub-section 3.2.5.

### 3.2.1 Research paradigm

A paradigm “is a worldview – a way of thinking about and making sense of the complexities of the real world” (Patton, 2002, p. 69). A study paradigm consists of three beliefs: ontology (the nature of reality), epistemology (the relationship between the researcher and the known) and methodology (the study process – how do we get knowledge of the unknown?) (Guba & Lincoln, 1994). It is imperative for a researcher to be aware of and choose his or her paradigm that is congruent with his or her beliefs about the nature of reality because that influences how the researcher makes sense of things, interprets what is happening and ultimately shapes the study (Denzin & Lincoln, 2008; Creswell, 2007a; Babbie, 2004; Patton, 2002).

As mentioned in Chapter 2, the majority of studies within global strategic HRM, Malaysian strategic HRM and IT/ICT employee management are carried out using quantitative research methodology where the researchers adopt the positivist paradigm. According to Guba & Lincoln (1994), the positivist paradigm adopts methods and forms of explanations that have been successful in natural sciences; thus, in social science, positivism also advocates scientific laws and the use of scientific and systematic methods to measure and predict the relationship/association between variables in explaining a social phenomenon (Pathirage et al., 2008; Lin, 1998). The positivist paradigm is based on an objectivist ontology – it believes that there is an objective reality that exists out there, which is independent from our knowledge and it is possible to arrive at a definite and accurate knowledge of the world through the use of a systematic research methodology (Guba & Lincoln, 1994). The positivist paradigm also adopts a realistic epistemological stand where the reality is viewed to exist independently and not dependent on the researcher’s interpretations. Correspondingly, a researcher in a positivist study adopts an “outside” position, which means that the researcher is not allowed to incorporate subjective personal perceptions and views of the respondents. Instead, the researcher is to adhere closely to the variables and questions that were established in the predetermined hypothesis/research questions.

The positivist paradigm is considered inappropriate for this thesis because the studies reviewed in Chapter 2 reject definiteness as they have arrived at different conclusions by linking different antecedents/human resource practices with employee/company outcomes. The studies have used different mixes of human resource practices, have measured the same practice in different ways, have linked different combinations of practices with a same outcome, have measured a particular outcome differently and found mixed results about how organisational factors influence the companies’ adoption of human resource practices.

The positivist paradigm is also considered inappropriate for this thesis because it requires the researcher and the respondents to adopt an ‘outside’ position, but the third and fourth research

questions in this thesis require the researcher to interact closely with the respondents and also use her HRM knowledge and experience in reporting subjective perceptions of the respondents. It is not possible to investigate employees' reactions towards human resource practices without taking into consideration their feelings and perceptions because they are the ones who experience and use the practices. The practices on their own cannot affect companies' outcomes.

Instead, to address the research questions in this thesis, the constructivism/constructivist (hereafter referred to as constructivist) paradigm is deemed appropriate and is; therefore, employed. The constructivist paradigm assumes a relativist ontology, which means that the paradigm supports multiple perspectives/realities as opposed to a single "truth" or definiteness (Creswell, 2007a; Patton, 2002). Such ontological stand is more appropriate for this thesis because it explores human resource practices of different companies and perceptions of different organisational members. Companies are likely to have different human resource practices while organisational members within the same company and across different companies are likely to have different interpretations and perceptions of the human resource practices, depending on their background and experience of the practices.

The constructivist paradigm also supports a subjectivist epistemology, which means that the researcher and the respondents co-create understandings in a natural setting using a set of methodological procedures (Denzin & Lincoln, 2008). Such belief allows the researcher to engage with the respondents and not to disengage from them in capturing, interpreting and presenting their perceptions of the companies' human resource practices and employee turnover problem. Employees' perceptions and interpretations are important because they influence their reactions and behaviours, which in return influence companies' outcomes. Practices are mere practices and cannot influence a company's outcome on their own.

### **Consideration of other research paradigms**

Before a decision was made to adopt the constructivist paradigm, other paradigms were considered but found inappropriate for this thesis; they were postpositivism, advocacy/participatory, pragmatism and critical theory (Creswell, 2007a; Guba & Lincoln, 1994). The paradigms are summarised and compared with one another as well as with the constructivist paradigm in Table 6 below.

**Table 6 Different research paradigms that were considered for this thesis**

Criteria	Criteria description	Paradigms				
		Postpositivism	Critical theory	Constructivism	Advocacy/participatory	Pragmatism



Criteria	Criteria description	Paradigms				
		Postpositivism	Critical theory	Constructivism	Advocacy/participatory	Pragmatism
Objective	Purpose of research	Scientific, focus on explanation and prediction. It is cause and effect oriented	Describes interface between natural and social worlds	Provides understanding on the research subject	Contains an action agenda to change the lives of marginalised participants	Focuses on the practical implication/outcome of the research
Epistemology	What is the relationship between researcher and participants?	Researcher remain detached from participants in order to minimise bias	Researcher and participants are interactively linked with the values of the researcher impacting the research outcome	Researcher and participants interact to construct findings	Researcher may get the participants to collaborate in designing and executing the research so as not to suppress them further	Not definite. Researcher is free to choose his/her role in the research
Ontology	What is the nature of reality?	A reality is assumed to exist but cannot be completely understood	Historical Realism. Reality can be understood, but only as constructed historically and connected to power	There are multiple realities that are outcomes of mental constructions. So, the realities can change but they are more or less true	Varied as reality is what we make of it through active participation of our minds	Pragmatists are more interested in what works than what is the reality
Methodology	Data collection	Employs both quantitative and qualitative data collection	There must be a dialogue between researcher and participants to transform ignorance into more informed consciousness	Broad and general open ended questions	Participants may be actively involved in designing and executing data collection, analysis and end result. Uses whichever method that is suitable	Employs both quantitative and qualitative data collection
	Data analysis	Uses quantitative or qualitative data analysis. Employs rigorous analysis and use computer programmes to aid analysis	Qualitative data analysis	Qualitative data analysis	Uses whichever method that is suitable	Uses both quantitative and qualitative data analysis
	Presentation of end report	Like a scientific report	Subjective	Subjective	The report includes an agenda for change	Somewhat like a scientific report with strong focus on practical implications

The first paradigm that was considered but rejected is postpositivism, which involves predicting the relationship between variables and requires the researcher to be independent of the investigations (Creswell, 2007a). This paradigm was rejected because the research questions in this thesis are not the predictive type and it is not possible for the researcher to be independent of her research as her judgement and HRM background influences the sampling process, the development of the interview questions, the coding process and presentation of the findings. The critical theory paradigm investigates what is wrong with current social reality and is particularly concerned with the issue of power relations within the society and interaction of race, class, gender, education, economy, religion and other social institutions that contribute to a social system (Bohman, 2005). These issues are irrelevant to the present thesis, which concerns itself with the employee turnover problem, which is an internal organisational issue and; thus, this paradigm was deemed inappropriate. The next paradigm considered in this thesis was the advocacy paradigm, which aims to introduce social,

cultural and political empowerment/changes into the participants' lives and encourage active participation of the respondents in the research design, analysis and final presentation in order to give them enough voice (Creswell, 2007a). Because the purpose of this thesis is not to empower any particular group, the advocacy paradigm is not appropriate. Lastly, the pragmatism paradigm was considered, but then rejected because it emphasises on practical implications from a research study, which does not fulfil the objective of a PhD study.

### **3.2.2 Exploratory qualitative research methodology**

This thesis adopts an exploratory qualitative research methodology. This thesis is of exploratory nature, primarily because the global strategic HRM and IT/ICT employee management literature lacks evidence from the ICT industry in Malaysia. The lack of such evidence means that there is no information available about the kind of human resource practices adopted by the ICT companies, the influence of organisational factors on the adoption of the practices and organisational members' perceptions and interpretations of the practices and of the overall employee retention/turnover subject. The thesis is also of an exploratory nature because three of the four research questions are of 'what' type. Yin (2003, p. 6) stated, "a 'what' question is a justifiable rationale for conducting an exploratory study".

The decision to employ a qualitative methodology was made primarily because such methodology fits with the ontological and epistemological positions of the constructivist paradigm. The qualitative methodology shares the relativist ontological position of the constructivist paradigm: that there are different views of reality in terms of what defines "knowledge" (Denzin & Lincoln, 2008). Therefore, researchers need not look for a single reality but can present multiple perspectives/realities of their findings. The qualitative methodology also supports the researcher and respondents to work together in generating meaning (Denzin & Lincoln, 2008; Creswell, 2007a); thus, in this thesis, the researcher was able to understand how human resource practices influence employee retention/turnover outcome through respondents' stories and narrations as well as use her HRM knowledge and experience to construct the codes/types and present the findings.

The qualitative methodology is also deemed appropriate for this thesis because the thesis meets several other principles of a qualitative research methodology. For example, the purpose of a study using qualitative research methodology is to probe social life in its natural habitat – that is to study attitudes and behaviours within the natural setting (Denzin & Lincoln, 2008; Creswell, 2007a; Babbie, 2004; Denzin & Lincoln, 1994). Correspondingly, fieldwork for this thesis takes place in companies in their natural setting. A qualitative research uses the inductive approach, where a researcher generates a new theory from the emerged data (Denzin & Lincoln, 2008). Likewise, the purpose of

this thesis is not to test a hypothesis, but to produce grounded theory on issues that are of importance to the respondents.

### Consideration of other qualitative methods

Before the decision was made to use the constructivist grounded theory method in this thesis, a range of methodologies were considered, with a particular focus on qualitative methods described in Creswell (2007a) and Merriam (1998). Five qualitative methods were considered, namely, basic or generic qualitative study, narrative inquiry, ethnography, phenomenology and case study. The methods are summarised in Table 7; followed by a brief description of the methods and reasons for rejecting their use in this thesis.

**Table 7 Different qualitative methods that were considered in this thesis**

Dimensions	Generic qualitative	Narrative research	Phenomenological	Grounded theory	Ethnography	Case study
Focus	Seeks to discover and understand a phenomenon, a process or the perspectives of the people involved	Focuses on detailed stories and experiences told by an individual	Describes the lived experiences of several individuals or a phenomenon	Generates or discovers a theory that explains a process, action or interactions about a topic	Describes and interprets the shared and learned patterns of values, behaviours, beliefs and language of a culture-sharing group	Provides in-depth understanding about issues explored through one or more cases within a specific setting
The relationship between researcher and participants	The researcher may be a passive observer or an active participant	Researcher and participants negotiate the meaning of the stories	Researcher interpret the meaning of the lived experiences	Researcher and participants negotiate the meaning of the stories	Researcher is immersed in the day-to day lives of the people as he/she observes/interviews them	The researcher may be a passive observer or an active participant
Unit of analysis	Persons who have information about the studied phenomenon or process	One or small number of individuals	Persons who have experienced the same phenomena	Persons who have information about the studied process, action or interactions	An entire cultural group	Persons who show different perspectives on the problem or process
Data collection	This method is described as a loose method that incorporates the use of unstructured or semi-structured interviews, observations and document analysis	In-depth interviews to collect extensive information about the individual(s). Includes interviews with personal contacts, review personal memorabilia such as photographs	In-depth interviews to collect information about what they experienced and how they experienced it	In-depth interviews that focus on understanding how individuals experience/view the process	Involves extended observations of the group	In-depth interviews along with observations, and review of documents
Data analysis	Systematic data analysis and findings are summarised into themes	Analyses stories and re-story them into a logical framework	Analysis and presentation consists of textural description of the experiences (what participants experienced) and structural description (how they experienced it)	Happens concurrently with data collection. Findings are summarised into themes	Analyses descriptions/themes about the culture-sharing group	Describes the case followed by analysis of themes to understand complexities of the case

Dimensions	Generic qualitative	Narrative research	Phenomenological	Grounded theory	Ethnography	Case study
			in order to convey overall essence of the experience			
End product	No definite format	Narration of an individual's life	Description of a phenomena	A theoretical framework	Description of a group that shares similar culture	Detailed analysis of individual cases and cross case comparisons
Examples	Phenomena such as teacher burnout and attitudes or describing perceptions of students who are in academically weak classes	A biographical study, autobiography & a life history	Human experience of phenomena such as insomnia and anger		Studies that describe how a cultural group works in areas such as socialization, learning, domination, inequality and child/adult development	

The generic qualitative method was considered but rejected because it lacks definite guidelines in conducting a research. For example, it does not establish the role of the researcher properly; thus, causing a researcher to assume either an active or a passive role in the study and the method's epistemological position is also not explicitly set out within a clear philosophical stance. Narrative inquiry focuses on the narration of an individual's life, which is more suitable for autobiographic studies and for that reason is deemed inappropriate for this thesis. The other method considered was phenomenology, which focuses on exploring individual experiences of everyday phenomena. There are two main strands of phenomenology, descriptive phenomenology developed by Edmund Husserl (1838-1959) and hermeneutic phenomenology developed by Martin Heidegger (1889-1959) (Creswell, 2007b). The descriptive phenomenological approach requires the researcher to set aside his/her experiences of a phenomena so that new understandings are formed. This approach is not considered for this thesis because it is not possible to meet this condition. Hermeneutic phenomenology was considered for the present thesis because it is located within the constructivist paradigm and acknowledges the inclusion of researcher's perspective in the research process. It also uses in-depth interviews to collect data just like the grounded theory method. However, phenomenological method is not selected because it focuses on understanding the meaning of a lived experience. If this method were followed in this thesis, then, the focus would be on why the participants perceive the practices in a certain way. This is not what the thesis intends to investigate. Instead, the thesis aims to explore just their perceptions and to find out how human resource practices influence employee retention. Ethnographic method, which originates from the anthropology field and involves participant observation, was also considered for this thesis, however, it was deemed inappropriate because it focuses on explaining participants' shared values and culture through observation and participation in their everyday activities over a period of time (Creswell, 2007a), which are subjects not covered in this thesis. Furthermore, the method relies mainly on

observations for data. It is unlikely that perceptions of the employees and employers can be understood from only observations.

### **3.2.3 Grounded Theory approach**

This thesis adopts the grounded theory approach, which is an approach that allows social science researchers to study and theorise social processes within particular settings, such as chronic illness management and the socialization of nurses (Glaser & Strauss, 1967). The approach comprises of a “systematic, inductive, and comparative way of conducting inquiry for the purpose of constructing theory” that clarifies and explains a social process and its consequences” (Bryant & Charmaz, 2007, p. 1).

The grounded theory approach is suitable for various fields of study including management.

According to Locke (2001), the grounded theory approach is particularly suitable for theorising ‘new’ substantive areas in management studies, and for practice oriented studies, including exploring processes and issues associated with individual or group behaviour. The approach is also suitable for generating a new theory or elaborating and modifying existing theories (Locke, 2001; Strauss & Corbin, 1994).

There are at least three popular variations of the grounded theory approach: the Glaserian approach (developed initially by Glaser & Strauss and thereafter mostly by Glaser) (Glaser & Strauss, 1967), the Straussian approach (by Strauss and Corbin) (Strauss & Corbin, 1998, 1994) and the constructivist approach, which is associated with Charmaz (Charmaz, 2008, 2006). The variations came into existence because, after their initial offering (Glaser & Strauss, 1967), Glaser and Strauss began to disagree on appropriate procedures and the methodological basis of the approach; hence, decided to pursue their own ideologies in constructing what the grounded theory method ought to be. Meanwhile, the third constructivist approach came from Charmaz’s response to the invitation in Glaser & Strauss (1967) in which the authors encouraged others to use the grounded theory strategies flexibly in their own way (Charmaz, 2006). Thus, Charmaz proposed the constructivist approach. This thesis employs the constructivist grounded theory approach.

Charmaz (2006) describes the key tenets of constructivist grounded theory approach as below:

- Meanings are created through interactions between the researcher and participants as well as through the researcher’s interpretations of the participants’ stories
- There is no objective truth; instead, there are multiple social realities
- Data collection takes place at a natural setting

- Its methods are flexible and; thus, support creative process of coding
- Initial coding explores whatever theoretical possibilities that can be churned out from the data and theoretical coding's purpose is to sharpen the analysis without imposing a forced framework
- The end product of constructivist grounded theory is an unique construction of the researcher

Charmaz (2006) explains various similarities and differences between the constructivist approach and the other two approaches. According to the author, the constructivist approach is similar to the Glaserian approach because both approaches encourage researchers to use the method as flexible guidelines in their own research rather than rigidly follow the prescriptions of the authors. At the same time, the constructivist approach is also different from the Glaserian and Straussian approaches on the basis of "how data, analysis, and methodological strategies are constructed, and takes into account the research contexts and researchers' positions, perspectives, priorities, and interactions" (Bryant & Charmaz, 2007, p. 10). For example, the constructivist grounded theory agrees with the constructivist paradigm whereas the Glaserian version is in line with positivism and Strauss and Corbin's approach has a vague philosophical stance that is subject to various interpretations. The constructivist grounded theory contends that the researcher is not independent of a study and that data are composed from the interactions between the researcher and participants. The Glaserian approach, on the other hand, calls for the researcher to remain detached from the study process. Furthermore, the constructivist approach defines theory differently than the Glaserian approach. The constructivist approach adopts an interpretive view and for that reason emphasises on understanding and interpreting the studied phenomenon whereas the Glaserian approach adopts a positivist view and emphasises on explaining and predicting the relationships between variables (Glaser, 2002). The theory from the constructivist grounded theory method is applicable only to a specific context whereas the Glaserian approach calls for a theory to be abstract enough to move beyond the specifics of the original study (Charmaz, 2006; Glaser, 2002). The constructivist grounded theory method supports the existence of multiple social realities; hence, it does not abide by the positivist notion of finding a single basic process or core category in the studied phenomenon (Charmaz, 2006; Glaser, 2002; Strauss & Corbin, 1998). The Glaserian approach also asks researchers to enter the study field with as few assumptions as possible and without reviewing any of the literature, but since this thesis is part of a PhD study; there is a need to refer to existing literature to identify the gaps and to provide background information in coming up with the research questions (Strauss & Corbin, 1998; Glaser & Strauss, 1967). The idea that a study can be carried out without clear research questions is simply illogical (Suddaby, 2006).

### **Reasons for selecting the constructivist grounded theory approach**

There are several reasons why the constructivist grounded theory approach is chosen for this thesis. Firstly, it has a clear philosophical stance, which fits with the tenets of the constructivist paradigm and a qualitative research methodology. All three of them (qualitative research, constructivist paradigm and constructivist grounded theory) support the presence of multiple realities because they accept that human realities are seldom one-dimensional but depend on individual interpretations. Consequently, they do not focus on the quest to capture a single reality. All three of them also support co-construction of data through interactions between the researcher and study respondents. Charmaz believes that it is not possible for the researcher to remain detached from the respondents because the data is presented through the understanding and interpretation of the researcher (Charmaz, 2008, 2006).

Additionally, the grounded theory approach is used in this thesis because the thesis is not undertaken with the purpose of confirming the relationship between certain variables, as what has been done in quantitative studies that dominate the three research areas. Instead, the purpose of this thesis is to provide a detailed understanding on how human resource practices influence employee retention in the Malaysian ICT industry and to produce a grounded theory that incorporates issues that are important to the respondents. The constructivist grounded theory method is also appropriate to study social processes that involve a range of subjective perceptions and experiences. The subject in this thesis constitutes a social process as it investigates how human resource practices influence employee retention.

Grounded theory is also used because the existing literature on global strategic HRM and IT/ICT employee management lacks evidence from Malaysia and that Malaysian strategic HRM literature does not have empirical evidence from the country's ICT industry. Because of that, little is known about the kind of human resource practices present in the industry, the perceptions/viewpoints of members of the industry and how organisational factors of companies influence their adoption of the human resource practices. Hence, this research is exploratory and uses the constructivist grounded theory approach to make new contribution in the above research areas.

The constructivist grounded theory method is also adopted in this thesis because it is flexible in terms of coding and analysing data as Charmaz believes that the analytic methods should be flexible instead of prescriptive (Charmaz, 2006). The grounded theory method is also selected because it does not have a rigid definition for what constitutes a theory; hence, a theory can also be in the form of a typology and model (Locke, 2001). The constructivist grounded theory approach allows the use of multiple sources of data; hence, there is no rigidity in collecting information (Charmaz, 2006; Goulding, 1999), which is another reason why this approach is selected for the present thesis.

### **Researcher sensitivity**

Theoretical sensitivity refers to the researchers' insight into the study, their ability to give meaning to data, their ability to understand and their capability to separate the pertinent from that which isn't (Strauss & Corbin, 1998). Researchers, especially those involved in qualitative studies, recognise and normally comment on the premise that it is impossible for the study to be free of bias given that every researcher brings personal interpretations and presumptions to the problem being studied (Williams, 2008). Interpretations of findings depend on the values and assumptions of the researcher involved, and the experiences and knowledge of the researcher always affect the study. Even the most rigorous scientific data collection method is the result of perceptive choices that are made, for example, where and how to sample, what to exclude and what parameters of the sample to investigate (Williams, 2008). Thus, it is imperative for researchers to be aware of and acknowledge both the known and unknown influences that affect the process, analysis and conclusions drawn from a study.

In this thesis, it is acknowledged that the researcher's values, principles, knowledge and professional experience in HRM (albeit in a different industry) influence the sampling process, interviews, interpretations of data and in the construction of codes, types and typology. It is argued, however, that this does not necessarily negate the validity of the thesis findings, but instead formed an integral part of the research design.

### **3.2.4 Case study research strategy**

A case study research strategy is an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident and in which multiple sources of evidence are used (Yin, 2003). The study strategy is most appropriate when the researcher attempts to understand complex contemporary events in situations over which the researcher has little or no control. In this thesis, the researcher clearly does not need to and does not have any control over the respondents' behaviour; therefore, the case study strategy is deemed as an appropriate strategy. Moreover, the case study strategy fits with the rest of the approaches adopted in the thesis, which focuses on gaining in-depth understanding of how human resource practices influence employee retention in the Malaysian ICT industry.

For Yin (2003), a study design is the logic that links the data to be collected (and conclusions to be drawn) to the initial research questions. Likewise, in this thesis, the purpose of identifying a case study design is to ensure necessary information is collected to answer the four research questions. Yin (2003) explains four types of case study designs: single-case (holistic), single-case (embedded), multiple-case (holistic) and multiple-case (embedded). In this thesis, the multiple case study strategy is used. The next step is to decide whether the study adopts a holistic (takes into consideration the



entire company) or an embedded (takes into consideration a specific part of the whole) case study design. Considering that representatives from three different organisational levels are approached to answer the research questions and their responses are combined; thus, the holistic multiple case study design is identified as the most appropriate case study design for this thesis. The multiple case study strategy refers to an in-depth study or investigation of a phenomenon using multiple sources of evidence within its real life context (Yin, 2003). Various advantages associated with this strategy prompted the use of this strategy to collect data. For example, as Yin (2003) indicates, multiple case study strategy allows the collection of comprehensive and varied data that lead to a more compelling evidence and robust conclusions. Multiple cases also facilitate cross-case comparisons and triangulation that clarifies whether an emergent finding is unique to a case or consistently replicated by other cases (Eisenhardt, 1991) and allows the theory to be better grounded, more accurate, more robust and more generalisable (Eisenhardt & Graebner, 2007).

### **3.2.5 Unit of analysis**

Unit of analysis refers to the object that is examined, whose characteristics are described and from whom a researcher intends to draw conclusions for his or her study; and it is not surprising if some studies have more than one unit of analysis (Babbie, 2004). According to Yin (2003), a researcher can use research questions as guidelines to determine the study's unit of analysis. The units of analysis in this thesis are the respondents and the ICT companies. The respondents are considered as the unit of analysis because they are interviewed and their responses are analysed in order to answer the research questions and to construct holistic understanding of the studied phenomenon. The ICT companies are also considered as the unit of analysis because they are analysed for their organisational factors such as company size, age and origin factor in order to answer the second research question, which is about how the organisational factors influence adoption of human resource practices.

## **3.3 Section two: Research design**

This section explains the research design. Section 3.3.1 describes the steps involved in approaching the ICT companies. Section 3.3.2 provides information on how the companies were selected and the stages involved in getting an approval from the companies. Section 3.3.3 discusses how the thesis complies with the theoretical sampling requirement of the grounded theory approach in selecting the ICT companies. Section 3.3.4 describes the research sample that consists of senior managers, Human Resource Managers and ICT employees. The subsequent section discusses how the theoretical sampling rule was followed when selecting the research sample. Section 3.3.6 provides details on the data collection technique used in this thesis. Data management, which is about how data was recoded, transcribed and the use of research software, is explained under

section 3.3.7. Section 3.3.8 discusses data analysis in brief, as this topic is covered extensively in Chapter 4. The final section discusses ethical issues that are related to this thesis.

### **3.3.1 The ICT companies**

The Malaysian Communications and Multimedia Commission (MCMC) the Multimedia Development Corporation (MDeC) were approached to obtain a list of ICT companies in Malaysia and to seek advice on how to identify and categorise the companies. MCMC regulates the ICT industry in Malaysia and issues licenses to new entrants into the industry whereas MDeC is a government-funded agency that oversees the country's Multimedia Super Corridor (MSC) initiative. Hence, it was presumed that these agencies would have a complete list of all ICT companies in Malaysia. However, their lists were found to be incomplete or inappropriate.

Failing to get the needed cooperation from MCMC and MDeC, the Association of the Computer and Multimedia Industry, Malaysia (PIKOM) was approached. PIKOM is an association that represents the ICT industry in Malaysia and its membership is open to all Malaysian companies who supply ICT products and services in the computing and telecommunication industries. The PIKOM's database includes only companies who are members of PIKOM. ICT companies who are not members of PIKOM are not listed. Like previous efforts, this effort did not allow the researcher to obtain a complete list of ICT companies in Malaysia. However, a decision was made not to look further for a complete list of ICT companies in Malaysia mainly because of time and resource constraints.

The process involved at approaching the above agencies was not straightforward. A step-by-step process was followed before permission was given to meet the officials from MCMC, MDeC and PIKOM. First, the agencies were contacted via phone, after that, emails were sent to explain the purpose of the study together with official application letters, to the secretaries. After that, the secretaries were contacted via phone calls. Only then, their representatives gave appointments to meet the officers-in-charge. The overall process was time consuming because of the procedures and steps involved and there was also a need to wait further for the availability of the officers. For that reason, a decision is made not to approach other IT related councils or associations, but to use the PIKOM directory as the reference.

### **3.3.2 Choice of companies and the process of getting approval from the companies**

In this thesis, the target companies were local and foreign ICT companies in Malaysia. The research took place among ICT companies in the Klang Valley and in the state of Selangor. These locations contribute the highest ICT output for the country, whereby the ICT sector in the Klang Valley contributes 96.3 per cent of the total value of gross output in the country and the ICT sector in

Selangor contributes 95.3 per cent of the total value of gross output in the country (DOS Malaysia, 2013b).

The thesis consists of local companies that are publicly listed, large or medium-scale in size; the foreign companies also include large or medium scale companies. The thesis uses the number of employees to determine company size. Other studies have used number of employees to determine organisational size, for example, Arthur (1992) and Macky & Boxall (2007). Publicly listed, large and medium sized local companies were selected because it is assumed that their understanding and implementation of human resource practices is likely to be greater than small sized companies. Small companies are defined as companies with fewer than 50 employees. These conditions were established when the thesis was initially undertaken and remained unchanged during data collection. A few stages were involved before the companies confirmed their participation in the study and they are explained in Table 8.

**Table 8 Process of getting approval from the ICT companies in Malaysia for their participations in the data collection**

Steps	Activities involved
Step 1	It was not possible to identify total number of ICT companies that were located within Klang Valley and the state of Selangor. Nevertheless, thirty-one companies were approached. For all companies, first contact was made with the Human Resource Managers, mostly via phone. In the initial contact, the Human Resource Managers were asked about the company's number of employees in order to verify the company's eligibility to be part of the research. Only then, the companies were invited to participate in the research.
Step 2	All companies willing to participate in the research requested a formal application. E-mails were sent to every company and a formal letter from the researcher and her main supervisor was attached as reference. A sample of the formal letter from the researcher is enclosed in Appendix F.
Step 3	Step 3 was the follow-up on the emails sent. This step did not help to increase the response rate, but it helped to expedite response from the companies.
Step 4	At this stage, companies started to send their replies. All companies requested a preliminary meeting so that a manager/the Human Resource Manager could understand the study better before presenting the research idea to their bosses. It was important for them to get approval from their senior management as the research also involves interviewing senior managers.
Step 5	An appointment was made to present a brief outline of the research to the representatives of the companies.
Step 6	Responses came in from the companies. Where they agreed to participate, the researcher proceeded to discuss and confirm the initial interview schedules. Companies that agreed to participate were labelled numerically, starting with number 1 for company that first interviewed, number two for the second interviewed company and so on. Twenty companies refused to participate.
Step 7	The interviews started.

### 3.3.3 Selection of ICT companies

Abiding by the grounded theory methodology, ideally, the cases should be selected in an iterative process, via the use of the theoretical sampling. Strauss & Corbin (1998, p.201) define theoretical sampling as "data gathering driven by concepts derived from the evolving theory and based on the concept of "making comparisons", whose purpose is to go to places, people, or events that will maximise opportunities to discover variations among concepts and to densify categories in terms of their properties and dimensions". This sampling technique necessitates that participants are selected

in such a way that they contribute to the researcher's emerging understanding of the research subject.

As mentioned above, the process involved in getting approvals from the companies was costly and time consuming; hence, it was not practical to sample the companies in an iterative manner as required by the grounded theory methodology. Instead, initially, the most obvious companies that have a high potential to provide rich data and are in good position to be key informants were approached. As the data collection progressed, and when ideas started to develop in a particular company, companies with different characteristics that could strengthen the initial ideas were approached, for example, multinationals from different countries of origin were approached and at least two companies from the same sub-continent. This decision was taken to allow the replication of ideas and to discover the similarities and differences between the cases, which could possibly strengthen the findings. Because throughout the process of approaching and selecting the companies, consideration was given to how the companies contribute to replicating previous cases and how the companies fared in their capability to provide rich information to the research, it is deemed that theoretical sampling is used in this thesis to a certain extent. Furthermore, during data collection, the respondents' willingness to share information and stories was deemed more important than the number of companies; thus, a decision was made not to focus not on the number of companies, but to focus on the ability of the thesis to answer the research questions.

### **3.3.4 Research sample**

The research sample consists of senior managers, Human Resource Managers and ICT employees. These three groups were interviewed because they represent different levels of the organisation hierarchy. By interviewing different members in a company, it was possible to verify what is being experienced and reported by individuals at one level with individuals from different levels. For example, if a senior manager or a Human Resource Manager describes the availability of certain policies or practices, this piece of information can be easily verified with the employees. Such a technique also allowed triangulation, which increased the findings' validity and removed bias (Eisenhardt & Graebner, 2007). Moreover, by approaching members from different hierarchies, this thesis is able to avoid "single respondents answering quick questions" (Purcell, 1999, p. 28) problem that exists in many existing strategic HRM studies such as Jiang, Chuang & Chiao (2014), Liao (2005), Guthrie (2001) and Delaney & Huselid (1996).

Senior managers are members occupying the most senior management positions in the company. They had the following titles: Country Manager, Vice President, Chief Executive Officer, General Manager and Managing Director. Interviews with Human Resource Managers took place in all, but four companies, two multinationals and two local companies, not because they did not have a

dedicated Human Resource Managers in their respective offices. In these companies, the senior managers take on the human resource responsibilities. The fact that the multinationals do not have a dedicated Human Resource Managers was an interesting finding because it is often presumed that multinationals have a better human resource infrastructure in place than local companies. Some Human Resource Managers/senior managers were interviewed more than once because of the need to probe and verify with them what was shared by the ICT employees. The purpose of verification was not to seek confirmation, but to gain a proper understanding as the researcher recognises that employees could have different interpretations of the human resource practices from the Human Resource Managers/senior managers.

Lastly, the ICT employees were selected by consulting the companies' Human Resource Managers or senior managers. A few inclusion criteria were established in determining ICT employees' eligibility in the research. Firstly, the ICT employees must be involved in core activities. This thesis adopted the definition provided in Holm, Lahteenmaki, Salmela, Suomi, Suominen, & Viljanen, (2002) to define core ICT employees: "employees whose main scope of responsibilities lies in the conceptualisation, design, implementation, operation and maintenance of ICT systems" (p.338). The core employees were approached because: 1) they have valuable skills and knowledge that make them attractive to competitors, and 2) previous studies, such as Osterman (1994) and Delery & Doty (1996), maintain that no single answer regarding human resource practices is likely to be applicable to all occupational groups in a company. Therefore, by approaching only core employees, the thesis aspires to generate valid comparisons and confident interpretations. The second criterion used was that the ICT employees interviewed must have a minimum of one year's work experience in the company. This criterion was selected so that the respondents were able to provide a valid and realistic account of their experiences in their respective companies. The third criterion used was that the ICT employees interviewed must be full-time employees. ICT employees included job classifications, such as Network Engineer, Programmer, Software Developer and Project Manager.

### **3.3.5 Selecting research sample**

Because each company normally has only one person occupying the most senior management position and one Human Resource Manager, theoretical sampling was not really a concern when selecting these members. However, theoretical sampling was a greater concern in selecting and interviewing the ICT employees, as grounded theory method requires interviewing as many respondents as possible until 'saturation' was arrived at (Glaser & Strauss, 1967). The initial plan was to interview one or two employees a day, transcribe the interviews, construct codes from the transcriptions, and then move on to interviewing additional respondents who could contribute in elaborating and refining the existing codes and categories.

However, the senior managers and Human Resource Managers in all companies did not agree to such sampling method because they were concerned about the number of respondents that will be required to reach the saturation point and that the interviews will drag on for several days. They were also concerned about how other line managers would react if their employees were interrupted at work, the effect of the researcher's presence at the workplace and that they had no control over who was approached and what is shared. Moreover, because the interviews involve core employees, these employees are likely to be busy and have access to companies' confidential information, which the companies did not want them to share with the researcher.

The researcher faced the dilemma of complying strictly with the grounded theory rule and in the process of doing so, jeopardise the research's potential in uncovering new knowledge. The researcher knew she had two options; one was to adhere rigidly to the theoretical sampling requirement and be prepared with the possibility of having more companies pull out of the research; the second was to start collecting data and only then review and decide on the quality of the data. The researcher opted for the second option, which was perceived as more realistic and practical. According to Suddaby (2006, p. 639), because of the 'messy' nature of grounded theory, grounded theory researchers should be skilful in using their judgement in deciding when "purist admonitions may not be appropriate to their research and may be ignored". It was important for the researcher to be sensitive to the companies' concerns so that their cooperation was assured and the research could proceed smoothly.

Therefore, a decision was made to follow the interview schedule and employees provided by the companies. However, where the researcher felt that there was a need for more respondents or to re-interview the same respondents in order to confirm a code and category, she requested accordingly from the Human Resource Managers/senior managers.

### **3.3.6 The interview programme**

The interviews were carried out in two phases. The first phase was between October 2008 and March 2009 and the second phase was between January and March 2010. The in-between period gave an opportunity to reflect and analyse the data in hand before continuing with the second phase of data collection. Interviews with the respondents were carried out in a semi-structured manner and involved open-ended questions. Semi-structured interviews are recommended for qualitative studies including for grounded theory studies because they allow the researcher to ask questions in the same way each time, but at the same time allow flexibility in the sequence of questions and the depth of exploration (Patton, 2002).

The interviews were recorded by taking notes and, whenever necessary, by using a tape recorder. The decision to take notes was made following Lincoln & Guba's (1985) strong support for such a method. The authors recommend taking notes for several reasons: 1) participants feel comfortable, 2) the researcher remains responsive and alert to what is being said, 3) it is not subject to mechanical disadvantages that are associated with electronic recording, 4) ready access to go back to earlier points of discussion, and 5) enables the researcher to document thoughts consistently.

This section explains the leading questions asked to each group:

### **Interviews with senior managers**

The leading questions asked to senior managers are as follows:

- Can you tell me about the company.

General question and to gain more information about the company.

- What is the role of people in achieving the company goals?

To understand how the senior manager views their employees and the importance accorded to employees in achieving company goals.

- How do you view the HRM department in your company?

To understand how the senior manager views the HRM department and the role/status of the department in the company.

- What is your opinion of the employee related problems in the ICT industry in Malaysia?

To understand the senior manager's opinion on the employee turnover problem.

- How do you view the company's employee retention ability?

To understand the senior manager's opinion on the company's employee turnover/retention.

- What are your main challenges?

To understand the problems faced by the employer and to gauge whether the problem is related to employee turnover.

- How are the human resource practices formulated?

To understand how the company adopts and implements its human resource practices.

- What are the key strengths of the company in managing its employees?

To understand the company's strong points.

In companies where the senior managers undertake HRM responsibilities, they were also asked about the human resource practices. These questions were similar to the ones asked to Human Resource Managers in other companies.

### **Interviews with the Human Resource Managers**

The Human Resource Managers were asked the following leading questions:

- What is your area of responsibility?

To understand scope of duties.

- Whom do you report to?

To understand reporting chains in the company and the structure of the HRM department.

- Is HRM a separate department or does it exist as part of some other departments?

To understand the company's organisation structure.

- Please explain the human resource practices that you have in your company.

To understand the company's human resource practices and to answer research question one.

- What is the employee turnover rate in your company?

To understand the company's employee turnover situation.

- What is the role of the human resource department in the company?

To understand the position and function of the human resource department in the company.

- What are the pulling factors for people to stay on in the company?

To understand the company's strengths in relation to retaining employees.

- What are the main reasons for people to leave?

To understand the company's weaknesses that contribute towards resignations.



### **Interviews with the ICT employees**

The ICT employees were asked the following leading questions:

- What is your job designation? Please explain your main responsibilities in the company.

General question and to understand scope of duties.

- Who do you report to and who are your subordinates?

To understand the reporting chain as well as to assess an employee's position and workload in the company.

- Why did you join the company?

To understand reasons for joining the company / organisational factors which were attractive to an employee.

- How do you view the human resource department in your company?

To understand employees' perceptions of the human resource department.

- How do you view the human resource practices in your company?

To understand employees' perceptions of the human resource practices experienced by them.

- What do you like about working here?

To understand favourable factors which encourage employees' to continue employment in a particular company.

- What do you not like about working here?

To understand factors which employees dislike about working in a particular company.

- What is your career plans in the near future?

To understand whether they intend to remain with their present employers or resign in the near future.

### **3.3.7 Data management**

This section explains how the data were transcribed and why research software was only used at the initial stages.

The researcher personally transcribed the hand-written notes and recordings. The decision to transcribe personally was taken so that there was an opportunity to personally 'interact' with the data in order to understand the data better. The transcribing was done separately for each respondent. The transcribing was done using Microsoft Word.

An initial attempt was made to code the transcribed data via the NVIVO research software. NVIVO is a useful database to cluster data but unfortunately, it did not allow the researcher to feel and interpret the data and to see connections between data as much as pen and paper. Holton (2008) mentions that a coding software program is largely mechanistic, is time consuming and counter-creative in generating good grounded theory. Suddaby (2006) states that software may be a tool for analysis, but it cannot interpret data and construct meaning to what is going on, which is the objective of a grounded theory study. The stipulations by the above authors helped the researcher to resolve her dilemma and provided confidence to carry on with her decision to switch to manual analysis of the data. Consequently, subsequent stages of coding and analysis were carried out manually as it was easier to note the reasoning, thinking, interpreting and making sense of the data this way.

Memo writing is an essential step between data collection and drafting of the theory. In grounded theory, memo-writing is a crucial step because it forces the researcher to analyse data and codes early in the research process and because that memos are free and flowing, the researcher can write freely regarding the analysis that is being undertaken (Charmaz, 2006). This approach was adopted in this thesis. Writing of the memos started at the beginning of the research and continued until the completion of the chapters related to the findings. Memos were kept as notes to self and these notes provided a means of documenting thoughts and constructing the different stories. These notes are in the form of handwritten and typed notes depending on when the ideas surfaced.

### **3.3.8 Data analysis**

The analytical procedure adopted in this thesis combines the initial and focused coding strategies described in Charmaz (2006) with constant comparison, clustering and construction of types and typology. The analysis also incorporates Miles & Huberman's (1984) recommendation of summarising data into tables and charts as it enables data to be analysed in a more visual and simplified manner. This section provides a summary of the analytical procedure. The detailed procedure and the thesis findings are presented in Chapters 4 and 5.

The analytical step starts with initial coding, which is the preliminary stage of sorting and grouping data into codes (Charmaz, 2006). This step involves examining each of the transcripts from the participant interviews line-by-line, involves sticking as close as possible to the data, and codes the

data as actions to initiate conceptualisation of ideas (Strauss & Corbin, 1998). The initial coding step allowed analysis of the data from the ground up, based on the participants feedback and reduced the likelihood of imposing the researcher's preconceived ideas. The initial coding took place manually and the codes were then transferred to computer file using Microsoft Excel 2010. During initial coding, data/incidents were constantly compared with one another to identify uniformities, variations and patterns in the data (Holton, 2008). Chunks of data with similar theme were clustered together and their grouping led to the emergence of a specific initial code. Every code was labelled accordingly and an example of initial codes is included in Chapters 4 and 5.

The second analytical step represents focused coding in Charmaz (2006) and this step consists of two stages. The first stage involved organising initial codes with similar themes into higher-level categories (Strauss & Corbin, 1998). For example, in answering the first research question, codes related to sourcing, attracting and selecting employees were grouped under the recruitment category. In this thesis, the comparisons of initial codes across the companies led to the emergence of nine categories of human resource practices, four categories of employees' outcomes and two categories of employers' outcomes.

The second stage of focused coding involved using the constant comparative and clustering methods to locate patterns across the eleven companies (Glaser & Strauss, 1967). Where similar patterns are identified, they are clustered under the same type (Strauss & Corbin, 1998). Overall, in the eleven companies, three types of human resource practices, four types of company types, four types of employees' outcomes and two types of employers' outcomes were identified. Every type was labelled according to its characteristics.

The third analytical step involved constructing a typology, which represents the theory that this thesis contributes. The typology explains the four types of outcomes at employee level and two types of outcomes at companies' level as a result of the human resource practices that are in place.

Although qualitative analysis dominates the thesis, simple statistics are used to compute the employees' retention outcomes and the companies' employee turnover rates. The statistical results are presented in the form of a table and a pie chart.

### **3.3.9 Ethics**

As mentioned earlier, in this research, senior managers, Human Resource Managers and ICT employees were approached and interviewed for information. However, as per Lincoln University's policy, because they were not asked for any personal information, approval from the ethics committee was not necessary. The requirement is stated under sub-item 2 of item 6.2.3 on page 4 of the Lincoln University Policies and Procedure (Human Ethics Committee – ACHE) and enclosed below:

**Activities ordinarily exempted from review include the following:**

**(2) Research projects involving interviews with and/or observations of public figures or professional persons in the areas of their duties or competence (for example, a farm manager/owner or a forestry worker, as part of a field trip), provided that this is in accordance with the provisions of the Privacy Act.**

Nevertheless, general good practices were followed, for example, a cover letter was given to each participating company that included information about the research, contact details of the researcher and main supervisor and a clause explaining that participation is purely on a voluntary basis and respondents can opt to withdraw at any given time during the interview should he/she feel uneasy by the questions. Additionally, the respondents were also briefed by their Human Resource Managers or senior managers on the purpose of the interviews and why they were selected to participate in the interviews. The respondents were identified by the companies' Human Resource Managers or senior managers and the researcher was introduced to them before the interviews. Because no respondent was in a dependent relationship with the researcher, they were not compelled to participate in the interviews and there were no negative repercussions affecting them from the interviews.

Majority companies did not require the researcher to provide a copy of the transcripts to the respondents for them to review the recordings and request for changes. However, a couple of companies require the researcher to send them a summary of her findings from their own respective companies and this request was complied with accordingly by the researcher.

Good practice was also followed in ensuring companies and respondents' anonymity. The thesis findings are reported in an aggregate basis so that the data cannot be linked back to the companies and respondents; thus, maintaining their anonymity. It was important to report some information about the companies as the second research question aims to investigate how organisational factors such as company size and age influence the adoption of human resource practices; however, these information are presented in a range form and not specifically although the researcher collected such information and has the information in her possession. The respondents' designations are also changed to protect their identity and to make sure the respondents and the published data cannot be linked. The researcher has also maintained a separate list that links respondents' names to the given designations.

Good practice was also followed in storing documents related to the study, for example, respondent details were set aside from the transcriptions and physical documents, such as transcribed interviews and company information were kept in a locked cabinet and soft data were protected by passwords so that other people do not see them.

Data collected is only for the use of completing this thesis and there will be no future use of the data. Therefore, data will be destroyed once this thesis is completed.

### **3.4 Chapter summary**

This chapter provides the rationale for the methodological concepts chosen for this thesis. The first section of the chapter discussed theoretical aspects of the thesis. The constructivist paradigm, exploratory qualitative methodology, the constructivist grounded theory approach and the multiple case study strategy were explained, along with the justification for using them. The second section of the chapter discussed the study design, which includes discussion on the sampled companies, research respondents, theoretical sampling, qualitative interviews, data management, data analysis and ethical issues, which are related to the thesis.

The next chapter details the analytical procedure undertaken to answer the research questions and to come up with a grounded theory, which in the case of this thesis is in the form of a typology. The chapter also explains the emergence of initial codes, which are used to construct various categories and types that answer the research questions. The categories and types are eventually consolidated to construct the Impact of human resource practices on employee and employer outcomes typology.

## **Chapter 4**

### **Data Results and Analysis – Part one**

#### **4.1 Introduction**

The analysis and results of the thesis are presented in two chapters – Chapters 4 and 5. Both chapters are organised and linked to the research questions, whereby, this chapter answers the first and second research questions whereas Chapter 5 answers the third and fourth research questions as well as compiles all the findings into a typology. Where necessary and appropriate, the results from this thesis are briefly discussed and compared with existing literature in order to demonstrate the similarities and differences between them. As mentioned under section 3.3.9 in Chapter 3, the research findings are presented in an aggregate basis in order to ensure anonymity of the companies and respondents. The companies' actual workforce size, age and nature of business are not revealed, instead, approximate values for the company size and age are provided. The multinationals' country of origin is also not specified and the respondents' designations are changed to protect their identity and to make sure it is not possible to link the data with them.

This chapter starts with Section 4.2, which presents information about the participating companies and followed by section 4.3, which presents information on the respondents. Section 4.4 answers the first research question, which is about the human resource practices found in the ICT companies in Malaysia and is answered by presenting three types of human resource practices. Section 4.5 answers the second research question, which is about how organisational factors influence the adoption of human resource practices and is answered by comparing the ICT companies using the five organisational factors that emerged during data collection.

#### **4.2 Information about the participating companies**

Data was collected from eleven companies. The eleven companies are labelled numerically, whereby number 1 represents the company that was interviewed first, number 2 represents the company that was interviewed second and so on. Six of the companies are locally-owned (companies 1, 2, 3, 4, 7 and 8) and five are multinationals (companies 5, 6, 9, 10 and 11). Two of the multinationals (companies 6 and 11) originated from western countries whereas the rest (companies 5, 9 and 10 are from Asian countries). Six companies are between 10 to 20 years old, one company is between 20 to 30 years old, two companies (companies 1 and 6) are the oldest as they were founded in Malaysia for more than 30 years while company 5 is the youngest as it is less than 10 years old. Thus, all participating companies are reasonably established. Companies 1 and 9 have approximately 1000 employees, companies 2 and 6 have approximately 750 employees and the remaining seven

companies have approximately 100 employees. Thus, all participating companies are reasonably large. Companies 1, 2, 4, 5, 6, 8, 9 and 10 serve external customers whereas companies 3, 7 and 11 serve internal customers. Examples of external customers are government agencies and private companies while internal customers consist of subsidiaries that belong to the same parent company. Thus, all participating companies are reasonably customer-focussed. All participating companies are pure ICT companies with ICT service being their focus and main business activity. They represent a range of sectors in the ICT industry, for example, research and development, systems integration, providing IT services and managing the ICT infrastructure for subsidiaries, IT and business consultancy and providing total ICT solutions. Therefore, this sample is representative of the variety in the industry. Table 9 summarises these vital information of the companies.

**Table 9 Description of the eleven Malaysian ICT companies**

Characteristics	Categories	Companies										
		1	2	3	4	5	6	7	8	9	10	11
Ownership	Local	•	•	•	•			•	•			
	Foreign					•	•			•	•	•
Size	Close to 1000 employees	•								•		
	Close to 750 employees		•				•					
	Close to 100 employees			•	•	•		•	•		•	•
Age	30 years old and above	•					•					
	20 - 30 years old		•									
	10 - 20 years old			•	•			•	•	•	•	
	Less than 10 years old					•						•
Customers	Internal			•				•				•
	External	•	•		•	•	•		•	•	•	
	Located within Malaysia		•	•				•	•		•	
	Located within Malaysia and in other countries	•			•	•	•			•		•
Origin	A government-linked company	•		•								
	Established parent company		•				•	•		•		•
	On its own or from recently founded parent company				•	•			•		•	
Has a separate / standalone human resource department	Yes	•	•	•			•	•		•		•
	No				•	•			•		•	

Company 1 is a local company that is around 30 years old. It has approximately 1000 employees. The company's customers consist of local and foreign private or public companies. The company was

founded from a government-linked company and has inherited its human resource practices and policies from the founding company. Company 1 has a separate human resource department that is managed by a senior manager. The senior manager is assisted by several Managers; each being in-charge of different human resource functions. The overall human resource team consists of ten people.

Company 2 is a 20 to 30 years old local company that has approximately 750 full-time employees. The company's customers consist of private companies and government agencies located within Malaysia. The company inherited its human resource policies and practices from a foreign owned company, which is its founding company. The Human Resource Manager is in-charge of the human resource department that exists as a standalone department. The manager reports to the Managing Director and oversees a team of ten people.

Company 3, a 20 years old local company has approximately 100 employees. It is an IT subsidiary of a Malaysian government linked company. It provides IT support to the parent company and to other subsidiaries that belong to the parent company. Company 3 does not have its own human resource department; instead, the whole group has a Group human resource department who oversees the human resource needs of the parent company as well as of the subsidiaries. A Vice President leads the Group human resource department and reports to the company's Chief Executive Officer. The Vice President is supported by a Manager and a team of about ten executives.

Company 4 is a multinational that originated in Malaysia with branches in several Asian countries. The Malaysian office employs approximately 100 people on full-time basis. The company provides IT and business consultancy to private companies in Malaysia and neighbouring Asian countries. The company does not have a HR department; instead, the company has a Recruitment Officer who is responsible for new staff recruitment for the Malaysian office. The Chief Executive Officer oversees the rest of the human resource responsibilities. The fact that the company's most senior manager takes on human resource management responsibility in the absence of a formal and separate human resource department signals that the human resource function is perceived importantly in the company.

Company 5 is approximately 10 years old multinational with branches in Malaysia and a few other Asian countries. It has approximately 100 employees and offers IT and business consultancy to private small and medium companies. The company does not have a standalone human resource department in Malaysia and; therefore, the Managing Director takes on most human resource responsibilities and decision-making. Similar as company 4, the human resource function in company 5 also takes on an important role in the company.



Company 6 is a multinational that was founded approximately 30 years ago and has close to 750 full-time employees, of which approximately 100 are expatriates. The company's human resource practices such as the performance appraisal system, talent management, employee benefits are developed and passed down by the headquarters and monitored by the regional Human Resource Director. In Malaysia, the Human Resource Manager oversees the human resource department with the support of approximately ten executives. The manager reports to the Country Manager and to the regional Human Resource Director.

Company 7 is between 10 to 20 years old and is an IT subsidiary of a large local group of companies. It has approximately 100 employees and it designs and manages IT infrastructure, develops applications and provides IT support for the overall group. The General Manager oversees the company's daily operations and management. The company does not have its own human resource department and; therefore, relies on the Group human resource for their human resource management needs just like the rest of the subsidiaries. Having said that, there is Executive who is the intermediary party between company 7 and the Group human resource department.

Company 8 is a local company, which is approximately 10 years old with approximately 100 employees. The company does not have a human resource department; hence, the Chief Executive Officer oversees the company's human resource management needs, which indicates the importance of the function despite the company not having a standalone human resource department.

Company 9 is a multinational and in Malaysia; the company is approximately 10 years old with 1000 employees. The company has a standalone human resource department, which is managed by a Human Resource Manager.

Company 10 is a multinational with approximately 100 employees in Malaysia. The company was founded in Malaysia 10 years ago. The company does not have a separate human resource department; instead, the General Manager oversees human resource management function in the company.

Company 11, a multinational, is approximately 10 years old in Malaysia and has approximately 100 full-time employees, of which 10 are expatriates. The company has a standalone human resource department, which is managed by the company's Human Resource Manager who reports to the Chief Operating Executive.

### **4.3 Information about the respondents**

A total of 75 respondents were interviewed and the breakdown of respondents in each company is illustrated in Table 10. The interviews with senior managers took place in their respective offices and

lasted for approximately an hour. The interviews with the Human Resource heads of department also took place in their office and the overall length of interviews with each of them was between one and two hours. The duration of the interview with each employee varied, between 30 minutes and one hour but unlike senior managers and Human Resource Managers who were interviewed in their respective offices, the interviews with employees took place in the allocated discussion/meeting rooms. They were interviewed one by one because they did not want the stories shared by them to be revealed to others. Where necessary, some of them were also contacted via phone and e-mail after the interviews to obtain further information and to clarify issues.

**Table 10 Number of respondents interviewed in each company**

Respondent type	Number of respondents interviewed in each company										
	1	2	3	4	5	6	7	8	9	10	11
Senior managers	1	2	1	1	1	1	1	3	-	1	-
Human Resource Managers	3	1	1	1	-	1	1	-	1	-	1
ICT employees	12	5	6	5	5	6	5	9	-	-	-
Total respondents interviewed in each company	16	8	8	7	6	8	7	12	1	1	1

Detailed information about the respondents are presented in Table 11.

**Table 11 Information about the respondents**

Factors	Categories	Frequency	Percentage
Gender	Male	47	60.5%
	Female	28	39.5%
Ethnic group	Malay	37	49.3%
	Chinese	21	28.0%
	Indian	13	17.3%
	Others	4	5.3%
Background	Senior managers	12	16.0%
	Human Resource Managers	10	13.3%
	ICT employees	53	70.7%
Tenure of employment with the existing employer (for ICT employees)	2 years	16	30.2%
	3 to 5 years	20	37.7%
	6 to 9 years	11	20.8%
	10 years and above	6	11.3%
Employees who are recent graduates		7	13.2%
Employees with prior work experience in a non-ICT company		4	7.5%
Employees with work experience only with existing company		5	9.4%
Employees with work experience in other ICT company		37	69.8%

Sixty per cent of the respondents are male and 40 per cent female. The research had a greater representation from males than females, which could be explained from the labour force participation rates of males and females in Malaysia. The preliminary statistics from the Economic Planning Unit (EPU) Malaysia shows that male participation in the labour force was 79.5 per cent in 2009 and, in the same year, female participation rate was 46 per cent (EPU, 2010). Given that more males than females are present in the Malaysian labour force, it is not surprising that the research had more male respondents than female respondents.

Most respondents are Malay (49 per cent), followed by Chinese (21 per cent) and Indian (13 per cent). Of the four respondents classified as 'others', three of them are expatriates and one originates from the non-Malay indigenous community in East Malaysia. The breakdown among the three ethnic groups (Malay, Chinese and Indian) corresponds to the country's citizen statistics. In 2009, according to EPU (2010), Malaysia's population was approximately 25.4 million people. Malays formed the largest ethnic group (13.8 million people), followed by Chinese (6.4 million people), non-Malay indigenous group (3 million people) and Indian (2 million).

Most respondents are ICT employees (71 per cent), 16 per cent represent the senior managers and 13 per cent are Human Resource Managers. Approximately 70 per cent of the employees have prior work experience in other ICT companies. Most ICT employees interviewed had been working with their current company between three and five years (38 per cent), followed by between one and two years (31 per cent), between six to nine years (20 per cent) and the smallest group have been working for over 10 years (11 per cent). Frost & Sullivan, a consulting firm that carried out a Supply and Demand study in the ICT industry on behalf of Multimedia Development Corporation (MDeC), also reported that 67 per cent of the ICT professionals in Malaysia had between zero to five years' work experience with their current employers (Frost & Sullivan, 2007). The agreement between the respondents' tenure of employment in this thesis and in the report prepared by Frost & Sullivan suggests that majority Malaysian ICT employees work for five years or less with an employer. Thus, the respondents are all experienced in the industry and are informed respondents even though they represent different levels of seniority.

#### **4.4 Types of human resource practices**

This section answers the first research question: What are the human resource practices adopted by the ICT companies in Malaysia?

To answer this question, the following analytic steps were followed:

The first step, which is referred to as initial coding in Charmaz (2006), involved reading a transcript line-by-line with the purpose of noticing information concerning how companies manage their

people, for example, how new employees are recruited, how employees are trained for their jobs, how they are rewarded, how they are promoted as well as how they are evaluated. Where such information was identified, it was marked/highlighted accordingly and labelled with a descriptive name or code. Appendix G is an example of line-by-line coding of an excerpt from one interview. The initial codes used stayed close to the data and where possible in vivo codes were applied, which refers to the respondents' actual words used (Strauss & Corbin, 1998; Glaser & Strauss, 1967).

Initial coding not only assist in analysing data from the ground up, based on the respondents' feedback but also reduces the likelihood of superimposing the researcher's own preconceived notions on the data (Charmaz, 2006). Because initial coding is an iterative process, the codes were continuously reviewed, adjusted and cross-checked with one another. Where codes with similar meaning were identified, they were clustered together into a group based on their common properties. For example, codes such as annual leave, maternity leave, compassionate leave, paternity leave and marriage leave that represent the different kinds of leaves given to employees, were grouped under the "Types of leaves entitled to employees" code. In this case, the different kinds of leaves became the sub-codes and "Types of leaves entitled to employees" became the main code. The initial coding process was repeated for all the seventy-five transcripts.

The initial coding exercise led to the identification of sixty-six main codes and thirty-seven sub-codes, which describe how companies:

- recruit and select employees (codes 1 to 13 describe whether companies have a recruitment guideline, recruitment responsibility, types of recruitment channels used, number of interviews carried out, whether assessment tests are used in the interviews and whether orientation trainings are given to new employees),
- reward their employees (codes 14 to 38 describe salary and rewards provided to employees as well as criteria used by the companies in rewarding their employees),
- evaluate their employees (codes 39 to 47 describe whether companies have an appraisal system in place, frequency of the appraisal and purpose of the performance appraisal),
- communicate with their employees (codes 48 and 49 describe whether companies use formal and/or informal means to communicate with their employees),
- train and develop their employees ( codes 50 to 56 describe whether companies contribute to employees' development fund set up by the Malaysian government, the types of training and development programmes organised by the companies and whether companies impose bond on employees upon completion of a training and development programme),

- promote their employees (codes 57 to 64 describe whether or not companies promote internally, promotion criteria and whether or not companies provide assistance and standard career paths for their employees) and
- manage their high performing employees (codes 65 and 55 describe whether or not companies have a formal talent management practice in place).

The exact codes created and used in the initial coding exercise are listed in Table 12.

**Table 12 Main codes and sub-codes related to human resource practices**

1	A formal recruitment guideline is available	27	Types of loan subsidies provided to employees	
2	A formal recruitment guideline is not available		a	House
3	Recruitment guideline is stated in the employee handbook		b	Car
4	Recruitment guideline is not stated in the employee handbook		c	Purchase of personal computer for own use
5	Recruitment responsibility lies with the line managers and the Human Resource Managers		d	Staff discounts
6	Recruitment responsibility lies with the line managers and the senior managers		e	No loan subsidy is provided
7	Types of recruitment channels most often used	28	Company contributes to the Employee Provident Fund (EPF) as per regulation	
	a Online job portal	29	Company contributes to the Employee Provident Fund (EPF) higher than the stipulated percentage	
	b Word of mouth	30	Types of recreational and social benefits provided by the company	
	c Online application to company website		a	Gym facility at the workplace
	d Employment agency / head-hunter		b	Rent vacation apartment at a subsidised rate
8	Prospective employees are interviewed once only		c	Social events for employees (sports activities, trips, dinner)
9	Prospective employees are interviewed two or more times, depending on the position	31	Types of sponsorship provided by the company for employees' study / education	
10	Assessment tests are used in interviews		a	Company sponsors employees' education in full
11	Assessment tests are not used in interviews		b	Company sponsors employees' education partially
12	Orientation training is given to new employees		c	Company do not sponsor employees' education
13	Orientation training is not given to new employees	32	Company pays annual bonus to employees	
14	The company participates in salary benchmarking surveys	33	Company does not pay annual bonus to employees	
15	The company does not participate in salary benchmarking surveys	34	The company pays bonus depending on company and employee's performance	
16	The company pays above industry average salaries	35	The company pays standard bonus amount to all employees	
17	The company pays industry average salaries	36	The company provides high job security to employees	
18	The company pays below industry average salaries	37	The company provides reasonable job security to employees	
19	The company rewards employees based on seniority	38	The company provides low job security to employees	
20	The company rewards employees based on performance	39	The company has a formal performance appraisal practice	
21	The company rewards employees based on seniority and performance	40	The company do not have a formal performance appraisal practice	
22	Employees are given basic allowances such as hand phone allowance, overtime allowance and allowance for outstation/overseas business trips	41	The company's appraisal method is paper based	
23	Employees are given basic allowances mentioned above and additional monetary allowances in order to help them deal with personal events	42	The company's appraisal method is online	

24	Types of healthcare benefits given to employees		43	Employees are appraised once a year	
	a	Outpatient treatment reimbursement	44	Employees are appraised more than once a year	
	b	Hospitalisation insurance	45	The purpose of the appraisal is to evaluate employee performance	
	c	Childbirth allowance	46	The purpose of the appraisal is to identify training needs	
	d	Dental allowance	47	The purpose of the appraisal is to set goals for employees	
	e	Optical allowance	48	The company relies mostly on formal channels to communicate with employees	
	f	Paediatric allowance	49	The company relies mostly on informal channels to communicate with employees	
25	Types of healthcare coverage provided by the company to its employees		50	The company contributes to Human Resource Development Fund (HRDF)	
	a	Healthcare benefit is for employee only	51	The company does not contribute to Human Resource Development Fund (HRDF)	
	b	Healthcare benefit is for employee and immediate family members	52	The company invests in off-the-job training and development programs for employees	
26	Types of leaves entitled to employees		53	The company does not invest in off-the-job training and development programs for employees	
	a	Annual leave	54	The types of off-the-job training and development programs provided by the company	
	b	Sick and hospitalisation leave		a	The company provides trainings that are closely related to the job
	c	Maternity leave		b	The company provides soft skills and management programs in addition to trainings that are closely related to the job
	d	Compassionate leave	55	The company imposes bond after completion of a program	
	e	Paternity leave	56	The company does not impose bond after completion of a program	
	f	Marriage leave	57	The company promotes employees internally	
	g	Haj leave	58	The company does not promote employees internally	
	h	Prolong illness leave	59	The company places more emphasis on seniority than performance in making promotion decisions	
	i	Study leave	60	The company places more emphasis on performance and experience than seniority in making promotion decisions	
	j	Examination leave	61	The company provides career advancement assistance to employees	
	k	Calamity leave	62	The company does not provide career advancement assistance to employees	
	l	Replacement leave	63	The company has some standard career paths for employees	
			64	The company does not have standard career paths for employees	
			65	The company has a formal talent management practice	
			66	The company does not have a formal talent management practice	

The second step represents focused coding and was used to synthesise and classify the main codes and the sub-codes into larger segments of data or categories of human resource practices (Charmaz, 2006). In undertaking focused coding, there was a constant need to move across the transcripts to know exactly of what the companies were doing and how to cluster the codes into broader and more conceptual categories. For example, all codes related to sourcing, selecting and orientating new employees were grouped together to construct the recruitment and selection category. Overall, this analytic exercise led to the emergence of nine categories/human resource practices that are listed below. Table 13 explains the rationale adopted in grouping the main codes and sub-codes under the nine categories.

1. recruitment and selection,

2. compensation and benefits,
3. job security,
4. performance appraisal
5. internal communication between senior managers and employees
6. training and development,
7. promotion from within,
8. formal talent management and
9. career development.

**Table 13 Rationale adopted in categorising the main codes and sub-codes under the nine categories**

Codes and sub-codes	Categories	The codes/sub-codes are classified under the stated category because all of them
1, 2, 3, 4, 5, 6, 7, 7a, 7b, 7c, 7d, 8, 9, 10, 11, 12 and 13	Recruitment and selection	Represent recruitment and selection activities that include sourcing, screening, selecting and orientating a new employee.
14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 24a, 24b, 24c, 24d, 24e, 24f, 25, 25a, 25b, 26, 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i, 26j, 26k, 26l, 27, 27a, 27b, 27c, 27d, 27e, 28, 29, 30, 30a, 30b, 30c, 31, 31a, 31b, 31c, 32, 33, 34 and 35	Compensation and benefits	Cover matters related to compensation and benefits, such as the policy adopted in rewarding employees in return for their contribution to the company. The codes also cover strategies used to reward employees. The strategies consist of financial and non-financial compensations; financial compensation consists of salaries, allowances, subsidised loans, Employee Provident Fund (EPF) contributions and bonuses whereas non-financial compensations include healthcare, leaves and recreational/social activities.
36, 37 and 38	Job security	Describe the level of assurance an employee has over his/her continuity of employment with the present employer.
39, 40, 41, 42, 43, 44, 45, 46 and 47	Performance appraisal	Describe different aspects of performance appraisal such as whether a company has a performance appraisal in place, the type of appraisal in place, frequency of appraisal and the purpose of conducting the appraisal.
48 and 49	Internal communication between senior managers and employees	Explain the channels used by the senior managers to communicate with their employees. The communication channels can be formal, informal or the combination of both.
50, 51, 52, 53 54, 55 and 56	Training and development	Exemplify whether a company contributes to the employee development fund, the types of investments made by a company in developing its employees and whether a company imposes bond on its employees upon completion of a programme.
57, 58, 59 and 60	Promotion from within	Demonstrate a company's internal promotion practice as in whether a company promotes employees internally and factors taken into consideration when making such a decision.
61, 62, 63 and 64	Career development	Explain a company's practice in providing career development assistance to its employees. The category covers topics related to the availability of such assistance and whether a company has standard career paths for its employees
65 and 66	Formal talent management	Describe whether a company has formal talent management programme or not.

The nine categories/human resource practices were then grouped into four major categories that describe basic functions of human resource management. The purpose of the categorisation is to

reduce and organise the practices into common topics and higher level of abstraction. Table 14 enlists the four major categories and provides reasons for organising a specific sub-category under a major category:

1. employee acquisition,
2. employee compensation,
3. employee development and
4. employee involvement.

**Table 14 Rationale adopted in grouping the nine sub-categories under a specific major category**

Major categories	Sub-categories grouped under the stated major category	The sub-category(s) are classified under the mentioned major category because
Employee acquisition	1. Recruitment and selection	They consist of procedures and processes that are specifically related to acquiring a new employee
Employee compensation	2. Compensation and benefits 3. Job security	They are monetary and non-monetary means used by companies to compensate employees for their contributions
Employee involvement	4. Performance appraisal 5. Internal communication between senior managers and employees	They are platforms for employees to exchange information and participate in decision-making that concerns them and the business as a whole.
Employee development	6. Training and development 7. Promotion from within 8. Career development 9. Formal talent management	They are means for employees to develop professionally by acquiring new or advanced knowledge, skills and abilities. Promotion from within, career development and formal talent management are also means for employees to develop their careers in a company.

The focused coding step also involved interpreting and identifying the patterns of human resource practices across the eleven companies. To do so, the codes for each of the eleven companies were identified and compared with each other. An instance where a same code exists in different companies suggests that they have similar patterns of human resource practices.

Besides that, focused coding involved analysing the initial codes and lifting them into higher-level categories to construct different types of human resource practices (Glaser & Strauss, 1967). For example, codes that represent over-investment and leniency on the employers' part for employees' wellbeing were grouped together to form the Paternalistic type of human resource practices. Codes that indicate companies make use of formal policies and systematic management tools as well as adopt a balanced approach in managing their employees are grouped together to construct the Formal type of human resource practices. On the contrary, codes that indicate the absence of formal policies and reliance on unofficial policies depending on senior managers' discretion are raised to construct the Informal type of human resource practices. Table 15 explains the characteristics of the three types of human resource practices and lists the companies that have them. The three types of human resource practices are explained thereafter.



**Table 15 Three types of human resource practices that were constructed for the eleven Malaysian ICT companies sampled in this thesis**

Groups	Human resource practices	Types of human resource practices		
		Paternalistic	Formal	Informal
Employee acquisition	Recruitment and selection	4.4.1 (1) Has formal guidelines stated in the employee handbook. Recruitment responsibility lies with Human Resource Managers and line managers. Do not use assessment tests. Have orientation training (Codes 1, 3, 5, 11 and 12)	4.4.2 (1) Has formal guidelines, which is stated in the employee handbook. Recruitment responsibility lies with Human Resource Managers and line managers. Use assessment tests. Have orientation training (Codes 1, 3, 5, 10 and 12)	4.4.3 (1) No formal guidelines. Recruitment responsibility is on senior managers and line managers. Do not use assessment tests. Do not have orientation training (Codes 2, 4, 6, 11 and 13)
Employee compensation	Salary and benefits	4.4.1 (2) Participates in salary surveys. Pay below industry average salaries. Given additional monetary assistance on top of normal allowances. Healthcare benefit for staff and family. Many leaves. Subsidised loans. Employer contributes higher EPF. Sponsors employees' education in full. Standard bonus is paid to all (Codes 14, 18, 19, 23, 24a, 24b, 24c, 25b, 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i, 26j, 27a, 27b, 27c, 29, 30a, 30c, 31a, 32, 35)	4.4.2 (2) Participates in salary surveys. Pay average or above average salaries. Provide normal allowances. Healthcare benefit for staff and family. Statutory and a few additional leaves. Mostly no subsidised loans. Most employers contribute EPF as per regulation. Some sponsor employees' education partially, most do not do so. Bonus is paid according to performance (Codes 14, 16, 17, 20, 21, 22, 24a, 24b, 24c, 24d, 24e, 24f, 25b, 26a, 26b, 26c, 26d, 26e, 26f, 27a, 27b, 28, 29, 30a, 30b, 30c, 31b, 31c, 32, 33, 34)	4.4.3 (2) Does not participate in salary surveys. Pay above average salaries. Provide normal allowances. Healthcare benefit for staff only. Statutory leaves. No subsidised loans. Employers contribute EPF as per regulation. Do not sponsor employees' education. No bonus (Codes 15, 16, 20, 22, 24a, 24b, 25a, 26a, 26b, 26c, 27e, 28, 30c, 31c, 33)
	Job security	High job security/Low dismissal rate (Code 36)	Reasonable or low job security (Codes 37 and 38)	Low job security/Very performance oriented (Code 38)
Employee involvement	Performance appraisal	4.4.1 (3) Has formal performance appraisal. Appraisal is either implemented or inconsistently implemented. Appraisal is mainly implemented for evaluation and sometimes for training needs identification (Codes 39, 42, 43, 44, 45 and 46)	4.4.2 (3) Has formal performance appraisal. Appraisal is implemented for evaluation, training needs identification and goal-setting. (Codes 39, 42, 44, 45, 46 and 47)	4.4.3 (3) No formal performance appraisal. (Code 40)
	Internal communication channels between senior managers and employees	Mainly formal channels (Code 48)	Consists of formal and informal channels (Codes 48 and 49)	Mainly informal/Few formal channels (Code 49)
Employee development	Training and development	4.4.1 (4) Contributes to HRDF. Formal programmes beyond job needs. Do not impose bond (Codes 50, 52, 54b, 56)	4.4.2 (4) Contributes to HRDF. Formal programmes linked with job needs. Impose bond (Codes 50, 52, 54b, 55)	4.4.3 (4) Does not contribute to HRDF. Mostly do not have formal off-the-job programmes (Codes 51 and 53)
	Promotion from within	More emphasis on seniority than performance (Code 59)	More emphasis on performance and experience than seniority (Codes 58 and 61)	More emphasis on performance and experience than seniority (Codes 58 and 61)

Groups	Human resource practices	Types of human resource practices		
		Paternalistic	Formal	Informal
	Career development	Either provide or do not provide formal career development assistance (Codes 62, 63 and 65)	All provide formal career development assistance (Codes 62 and 64)	Does not provide formal career development assistance (Code 63)
	Formal talent management programme	Formal talent management programme either exists or does not exist (Codes 65 and 66)	Has formal talent management programme (Code 66)	No formal talent management programme (Code 65)

#### 4.4.1 The Paternalistic type of human resource practices

##### General characteristics of the Paternalistic type of human resource practices

Paternalistic human resource practices originate from paternalism and are rooted in the Asian, Middle Eastern and Latin American cultures (Pellegrini & Scandura, 2008). Paternalistic practices focus on improving employees' overall well-being via better compensation and benefits, high job security, good working conditions, shared management information and respect for employees just like how a father protects and cares for children in a family setting (Lee, 2001). Likewise, the Paternalistic human resource practices identified in companies 1 and 3 out of the eleven companies demonstrate high concern for their employees' welfare and well-being. For example, their employees enjoy extensive seniority based benefits, many training and development opportunities that extend beyond their existing needs and high job security. Furthermore, notwithstanding such benefits, the companies do not have assessment tests for new employees and goal setting for existing employees, which translates into making life relatively easy for their employees. The limitation of the Paternalistic practices is that employees have hardly any means to interact informally with the senior managers and participate actively in decision-making, as the companies have a clear gap between the senior managers and employees. The gap can be attributed to the fact that Malaysia has high power distance, which means that Malaysians observe hierarchical differences in order to distinguish people in authority from the rest (Hofstede, 2001).

Because Paternalistic human resource practices provide various advantages to the employees without emphasising goal setting and individual performance, the Paternalistic practices are said to favour employees more than the employer. Furthermore, these practices encourage employers and employees to share a long-term relationship because they focus on job security and seniority based compensation as well as promotions.

##### 4.4.1(1) Employee acquisition

According to the Human Resource Managers in companies 1 and 3, they have a formal recruitment policy that is explained in the employee handbook so that everyone is familiar with the recruitment

procedure. The companies make use of various contemporary recruitment strategies such as online job portals and online application to company website, but their favourite means of recruitment is through the conventional method of relying on the word of mouth and through staff contacts:

*At the moment we are looking for Network Engineers. For this position, we are relying on the word of mouth. Actually, we rely quite a lot on personal contacts and internal recommendations in looking for new employees (Human Resource Manager, Company 1).*

In companies 1 and 3, two rounds of interviews were conducted, a preliminary interview with the Human Resource Manager and the final interview with the line manager before the most suitable candidate is selected. The companies also conduct orientation training for new employees in order to help them assimilate into the companies. During the training session, employees are briefed about company policies, human resource policies and information technology policies and may be introduced to the companies' senior managers. The companies do not require prospective employees to sit for aptitude/technical tests to determine their suitability; thus, new employees have a relatively easy means of joining the companies. The excerpts below describe the recruitment procedure of companies 1 and 3:

*If a head of department wants to recruit a new employee, he/she will fill in the recruitment request form and forward the form to me. The form includes information about the vacancy, the kind of person suitable for the job and expected start date. Then, I will advertise accordingly, but we also rely a lot on personal contacts and recommendations by existing employees. Once applications start to come in, I will shortlist appropriate candidates and call them for an interview. I will do the first level interview. Successful candidates will be interviewed for the second time by the head of department. Successful candidates will be notified and given a letter of appointment before he/she commences work.... The recruitment procedure is explained in the employee handbook (Human Resource Manager 1, Company 1).*

*The head of department fills in the recruitment request form and forwards the form to his superior who then forwards the form to me and the Vice President. Successful candidates will be interviewed for the second time by the line manager. Successful candidates will be notified and given a letter of appointment before he/she commences work (Human Resource Manager, Company 3).*

*Applicants do not need to sit for any tests (Human Resource Manager, Company 3).*

In both companies, complaints surfaced that it is difficult to attract the right prospective employee because they pay below average salaries:

*They are not attracted to apply because our salary scheme is more comparable to a government agency as compared to multinationals (Human Resource Manager 1, Company 1).*

*I face a problem in getting the kind of employee I want. There are many marketing people out there, but it is challenging to find a marketing person for the IT industry because such expertise normally demand high salary, but the management here does not want to pay more than the fixed amount, which is way lower than what is paid by most companies (Manager 2, Company 3).*

In addition, companies 1 and 3 face fierce competition from multinationals and other local companies in getting the right candidates:

*Years ago, people desperately wanted to join this company without any need from us to uptake branding / marketing strategies. We have been part of several prestigious national projects. We have also been part of the country's development process. However, now there is more competition in the market and we are perceived differently. Our image and salaries are not as attractive as multinationals and some local companies who are growing rapidly. The numbers of candidates who apply for jobs here have dropped and so has the quality of the candidates (Human Resource Manager 1, Company 1).*

Consequently, a lot of focus is placed on applications through word of mouth and recommendations by internal staff in sourcing for new employees, which they described as an effective recruitment means:

*We rely a lot on existing staff and contacts to recommend potential employees and this is an effective strategy because our staff have a lot of good things to say about the company. So, they can influence their friends and family members to join us more effectively than a job advertisement (Human Resource Manager 1, Company 1).*

Companies 1 and 3 are founded from government-linked companies and because the majority of government employees are Malays, both companies have mostly Malay employees. The companies' reliance on word of mouth recommendation and existing employees' contacts is a possible contributing factor for both companies to have majority Malay employees. However, the Human Resource Managers did not associate dominance of the Malay race with nepotism or cronyism. Instead, they said they are unable to attract prospective employees from other ethnic groups because of the companies' association with the government, known reputation among the Malay community and because their salary scheme resembles a government agency, which is acceptable to Malays but not attractive to the Chinese and Indians:

*We do not practice racial discrimination as far as recruitment is concerned. The company is not widely known among the non-Malays, perhaps that is why they are not applying for employment here. It is also possible that they*

*are not attracted to apply because our salary scheme is more comparable to a government agency as compared to multinationals. We wish to recruit more non-Malays. That is why we are participating in various career fairs such as the ones organised by Jobs DB and Jobstreet. I think the non-Malays are under the assumption that the company only recruits Malays. We need to break this barrier and increase our overall appeal in order to attract the Chinese and the Indians (Human Resource Manager 1, Company 1).*

*It is also possible that we cannot entice non-Malays to be part of the company because majority non-Malays do not like to work with the government agencies. They find the government agencies to be too laidback. Language could also be an issue, because we mainly speak Malay here. We also speak Malay in business meetings (Human Resource Manager 1, Company 1).*

*Maybe because this company is part of a government-linked company, that's why more Malays apply to work here (Human Resource Manager, Company 3).*

Overall, the findings above give the impression that even if companies 1 and 3 have a formal recruitment policy and have organised recruitment practices in place, they are not selecting the best prospective employee for a job because they are restricted by a limited choice of candidates and these candidates have a relatively easy entry into the companies with the absence of interview assessment tests.

#### **4.4.1(2) Employee compensation**

Companies 1 and 3 pay low salaries because they follow the public sector's salary scheme as both companies are founded from government-linked companies:

*The company was founded from (founding company name), a government-linked company. So our salaries follow the public sector's scheme which is lower than the private sector. This legacy still continues today and influences how we pay our employees (Human Resource Manager 1, Company 1).*

*The salaries here are lower than other private companies especially multinationals because this is a government-linked company. So, we have to follow the government's pay scale (Human Resource Manager, Company 3).*

As far as fringe benefits are concerned, companies 1 and 3 place high emphasis on seniority when deciding on their employees' entitlements. For example, according to the Human Resource Manager in Company 3, employees who have worked with the companies for a specific number of years are eligible to apply for paid pilgrimage leave to perform a pilgrimage to Mecca, which a new employee is ineligible to apply for even if he/she is a performing employee.

Companies 1 and 3 are giving more benefits than what is required of them by the Malaysian Employment Act 1955. For example, the Act states the overtime allowance as the only compulsory

allowance that an employer is obliged to pay his employees. However, companies 1 and 3 do not just provide an overtime allowance, but provide extensive range of allowances that include hand-phone allowance, business trip allowance and various forms of cash assistance for the employees. Some examples of cash assistance mentioned in Company 1's employee handbook are cash assistance for an immediate family member's death as well as gifts for an employee's wedding and the birth of a child. Company 3 provides hardship allowance and cost of living allowance as a means to provide financial support to their employees:

*The benefits are good. For example, hardship allowance for poor employees, cost of living allowance for senior executives and below, medical benefits including hospitalisation for staff and family, maternity allowance for up to five children, increment, bonus, salary adjustments, mileage claim and annual leave up to 18 days per year for executives and above (Executive, Company 3).*

Companies 1 and 3 also provide healthcare benefits (reimbursement for outpatient treatment and hospitalisation insurance) for all employees and addition of childbirth allowance and two months of paid maternity leave for female employees. The reimbursement for outpatient treatment and hospitalisation insurance is also extended to the employees' immediate family members. These benefits are also given at the sole discretion of the employer and are not a requirement under the Malaysian Employment Act 1955. Excerpts below provide evidence on companies 1 and 3 providing such benefits:

*We have many benefits, for example, healthcare reimbursement, medical insurance, maternity allowance, various types of leaves, various allowances and social activities for the employees (Human Resource Manager 1, Company 1).*

*Healthcare insurance and outpatient treatment allowance are also given to immediate family members. The company is actually thinking of extending the healthcare insurance to parents (Human Resource Manager, Company 3).*

As far as leave is concerned, the Malaysian Employment Act 1955 stipulates that an employee shall be entitled to paid annual leave, paid sick leave and paid hospitalisation leave. In addition to this leave, female employees are entitled to paid maternity leave of not less than 60 consecutive days. Companies 1 and 3 not only provide the above leaves but also other additional leaves. For example, employees in companies 1 and 3 are entitled to prolong illness leave, paid pilgrimage leave to perform Hajj in Mecca, study leave and examination leave:

*The senior manager encourages employees to pursue higher education. The company provides study loans, study leave and examination leave to encourage employees to pursue postgraduate education (Vice President, Company 3).*

Both companies also provide subsidised housing loans, car loans and loans to purchase personal computers (PCs) for personal use, which are given based on employer's discretion, as their provision is not covered by the Malaysian employment act:

*There are various benefits given to employees such as healthcare insurance and outpatient treatment allowance, hardship allowance for less fortunate staff, cost of living allowance for executives, computer loan, study loan, subsidised house loan and subsidised car loan (Human Resource Manager, Company 3).*

Both companies also provide full reimbursement of tuition fees for employees who pursue postgraduate education approved by the management, which is another initiative by the companies, as employers are not obliged to do so by the employment act:

*I am currently pursuing my PhD. The company is paying for my studies and is very supportive. My Master's degree was also sponsored by the company (Team Leader, Company 1).*

*We sponsor in full as long as an employee pursues study that is relevant to his/her job (Vice President, Company 3).*

In Malaysia, the Employees' Provident Fund (EPF) is a compulsory programme that provides retirement benefits for employees (Hooi, 2008a). The Employees' Provident Fund (EPF) Act requires employers to contribute cumulative statutory contribution rate of 24 per cent (13 per cent employer's share and 11 per cent employee's share) for employees earning a monthly salary of RM5, 000.00 and below and cumulative statutory contribution rate of 23 per cent (12 per cent employer's share and 11 per cent employee's share) for employees earning a monthly salary above RM5, 000.00. Companies 1 and 3 provide these contributions for some employees and they contribute more than the above rates for employees who have exceeded a certain years of service. For example, company 3 contributes 15 per cent for employer's share for employees have exceeded five years of service. Furthermore, both companies also reward employees with an annual bonus. The employees are paid contractual bonus of the same amount regardless of their performance:

*Yes, we do pay bonus to our employees. ... all employees are paid the same amount (Human Resource Manager 1, Company 1).*

*Even if a person does not perform satisfactorily, he is still entitled to all the benefits once he completes a certain years of employment. The management is quite relaxed about rewarding employees.... We practice contractual bonuses meaning everyone is paid a certain amount regardless of their position and performance (Vice President, Company 3).*

Companies 1 and 3 also offer high job security for their employees; thus, they are very unlikely to be penalised or dismissed:

*As I said earlier, the top management and the way things are done here is pretty relaxed. Employees are rarely punished. We are quite certain about having a secured employment (Human Resource Manager, Company 3).*

Both companies have gym facility for employees to use. Employees also have many opportunities to attend social events, company trips, sports events organised for them by the companies.

Overall, although the Paternalistic practices consist of low salaries, the practices have extensive range of benefits for the employees. Moreover, the employees need not worry about their performance in order to enjoy these benefits because the companies reward employees based on their seniority and not based on merits.

#### **4.4.1(3) Employee involvement**

Companies 1 and 3 rely mostly on formal means to communicate with their employees. Both companies 1 and 3 have performance appraisal but in company 3, the appraisal was newly implemented, so the company was experiencing teething problems when data collection for this thesis took place. In both companies, performance appraisal is used mainly to appraise employees' behavioural criteria and to determine compensation and promotion prospects. It is seldom used for training needs identification purposes and not at all used for goal setting purposes or for employers to evaluate whether the employees achieve the intended goals:

*Here, we have the appraisal system, which is used to indicate the trainings an employee needs, future promotion opportunities and bonus/increment entitlement (Human Resource Manager 1, Company 1).*

*We have designed a system about two years back but that was not implemented. We have just implemented a new system recently. The appraisal will be used to evaluate staff performance and behaviour as well as to identify training needs and possible promotion opportunities. We have to have a section on key performance indicators, but I think that will happen sometime later in the future (Human Resource Manager, Company 3).*

Another means of employee involvement is through formal communication programmes. In companies 1 and 3, there is a clear gap between the senior managers and employees which is reflective of Malaysians' sensitivity towards age, rank, respect and protocol (Ahmad & Singh, 2001). Because of the gap, there is a limited two-way informal communication between the senior managers and employees in companies 1 and 3. Instead, communication between senior managers and employees in these companies is mostly via the use of formal channels such as employee satisfaction survey and uses the top-down approach:

*Generally, the communication channels and direction in the company follow the top down approach. Because of this, the top management faces challenges in getting commitment from the employees to uptake initiatives rolled-out by the company. Members of the organisation (at the lower*



*levels) have little opportunity in understanding the decisions taken by the top management. The members are also unable to voice out their opinions / feedback. People would prefer participative management / leadership style. It would also be easier to win people's commitment (Human Resource Manager 1, Company 1).*

*We do carry out internal satisfaction surveys. The purpose of the surveys is to gauge employees' satisfaction with internal services, e.g. human resource management (Human Resource Manager 3, Company 1).*

*This company is a subsidiary of a government-linked company. Just like in any public organisation, there is always a distinction among people with different titles and status. For example, we cannot address the Chief Executive Officer or another Datuk with his first name. Instead, we refer to them according to their titles or honorifics, for example as a Datuk or so on (Vice President, Company 3).*

*We do not really have opportunities to provide feedback and propose plans to the top management (Human Resource Manager, Company 3).*

#### **4.4.1(4) Employee development**

In Malaysia, employers in the manufacturing and service sectors are compelled to contribute a levy equivalent to one per cent of wages of employees for any month to the Human Resources Development Fund (HRDF) for training their employees. This legislation, known as the Human Resources Development Act is enforced by the Malaysian government via the Human Resource Ministry since January 1993 (PSMB, 2009). Companies 1 and 3 contribute to the HRDF and use the fund to provide extensive training and development opportunities to their employees:

*We have a range of learning opportunities made available for the employees such as e-learning, technical certifications, on-the-job trainings and development programmes. Development programmes that we have include Executive Development Programme, Management Development Programme and Senior Management Development Programme and Project Management Development Programme (Human Resource Manager 2, Company 1).*

*The company recognises employee contribution by providing training opportunities. In fact, we spend tremendous amount of money on trainings. The company contributes to Human Resource Development Fund. I personally think the company spends way too much on training programmes (Human Resource Manager, Company 3).*

The opportunities are not limited to job related training programmes, but extend to personal development and self-improvement programmes:

*We focus on building different skill sets and continuous learning. We have a range of learning opportunities made available for the employees such as e-learning, technical certifications, on-the-job trainings and personal development programmes (Human Resource Manager 2, Company 1).*

*Trainings depend on job positions and requirements so that one is able to perform his responsibilities effectively. We also have management leadership programmes for executives and managers across different departments (Human Resource Manager, Company 3).*

Moreover, companies 1 and 3 do not attach bond to the programmes organised and; thus, employees are free to leave the companies after completing a programme:

*None of us are bonded for any of the programmes that we attend (Team Leader, Company 1).*

*That depends on the amount of the courses. If a course is between RM2, 000 to RM3, 000, then no bond is imposed on the employees. Normally, employees are subject to bonds once the training cost is more than RM7, 000. But, we rarely bond people here (Manager 1, Company 3).*

Both companies promote employees internally as and when opportunities arise. While company 1 has a formal talent management programme, company 3 has no such programme in place. Company 1 also provides career development assistance to employees whereas company 3 does not have such a practice. Although company 1 provides career development assistance and has a talent management programme, the responsibility lies with the employees to identify their career goals and discuss the path to achieve the goals with their line managers or with the Human Resource Manager:

*The company recruits many new staff each year, out of which about half of them are fresh graduates with IT related degrees. Fresh graduates often start their career in this company as programmers or as software developers. They then move on to become software engineers or/and network engineers. We also provide opportunity for our people to move into management positions, e.g. as a project manager or as an account manager. These options become available to the staff after they have been with the company for more than three years. It is important that one is proactive and be self-driven in order to be recognised by the top management. We have too many employees; it is easy to be just one of the numbers, so to speak. As far as progressing in the company is concerned, we never put a stop to how much one can explore, learn and grow in the company but we cannot help everyone. We expect staff to be responsible for their own careers (Human Resource Manager 1, Company 1).*

In addition to high job security and many fringe benefits, employees in companies 1 and 3 also enjoy vast opportunities to develop themselves professionally as well as personally. They also have opportunities to progress in the companies by way of promotions and employees in company 1 also benefit from assistance made available to them in developing their careers.

Overall, the Paternalistic practices offer extensive compensations and development opportunities for employees even if the employees may not be the best candidates for a job. The drawback of the Paternalistic practices is that employees do not have opportunities to engage in informal interactions

with the senior managers; instead, they have to follow the directives passed on by the top and depend on formal channels for information.

#### **4.4.2 The Formal type of human resource practices**

##### **General characteristics of the Formal type of human resource practices**

Of the eleven companies studied, the Formal type of human resource practices is identified in companies 2, 6, 7, 9 and 11. The Formal type consists of various formal human resource policies and use of systematic management tools to manage employees. Because the Formal human resource practices are mutually beneficial for employers and employees, this type of human resource practice appears to adopt a balanced approach. The policies favour the employers in a few ways, for example, the recruitment practice ensures that a company recruits the ideal candidate possible and the appraisal practice ensures that an employee work towards achieving the goals identified for his/her position. The Formal practices also benefit employees as they are compensated competitively, trained sufficiently so that they can perform their jobs and they are given career assistance so that they can develop their careers according to their desired path. The Formal practices also seek a long-term relationship between the employers and employees because of practices such as talent management, promotion from within, career development and reasonable job security, which enable employees to grow within the companies as long as they perform and meet the goals established for them.

##### **4.4.2(1) Employee acquisition**

Like companies 1 and 3 with Paternalistic practices, companies 2, 6, 7, 9 and 11 with Formal practices have written and formal recruitment and selection guidelines, which according to the respondents, are stated in the employee handbook. Similar to the Paternalistic practices, in Formal practices, recruitment responsibility lies with the Human Resource Managers and line managers. Companies 2, 6, 7, 9 and 11 use various recruitment channels, but the most popular and effective ones are the modern methods of using online job portals and applying directly to the company's website. The companies conduct more than two interviews before a decision is made on whom to select. Companies 2, 6, 7, 9 and 11 also have a formal induction-training programme for new recruits. The purpose and delivery of the induction training is the same as in companies 1 and 3. All of the five companies use assessment tools in the selection process, which supports their claim that they are very strict about whom they recruit and only recruit new employees if they have the right competencies and skills:

*The candidates are also given a number of assessments – technical assessments, aptitude test, mathematic test, EQ assessment. These are preliminary screenings. There is a ranking system when it comes to evaluating the applicants. The Human Resource Manager recommends*

*applicants who score an overall of A or B for employment to whomever line manager that is looking for a new staff. Candidates who failed are not considered at all; whereas, the in-betweens are kept in the Keep in View file for future considerations. There is a close collaboration between functional head of departments and the human resource department for recruitment and training purposes (Technical Executive 2, Company 2).*

*We take about three months to fill a vacancy because we are very selective in evaluating potential staff's skills and experience (Executive, Company 7).*

*Our main criterion for recruitment is the competencies of the employees. We look for young and aggressive ICT professionals; who have the drive to succeed and progress to senior management levels (Human Resource Manager, Company 9).*

*Our approach to recruitment and selection is based on competencies. We focus on the demonstrated skills, abilities, and specific knowledge required in performing a given job successfully. We are very strict about who we select.... We require people who have extensive ICT industry knowledge along with strong capabilities in mobile services, research, branding and marketing. We need people with extensive telco knowledge, product development and project management skills (Human Resource Manager, Company 11).*

Overall, companies 2, 6, 7, 9 and 11 are clear about the kind of skills and abilities they require and are selective about prospective employee that they choose for a job.

#### **4.4.2(2) Employee compensation**

Companies 2, 6, 7, 9 and 11 benchmark their salaries against their competitors, and through the benchmarking exercise carried out by external consultants, they are aware that they pay either average or above average salaries:

*As for the salary, the company benchmarks itself against international players such as IBM, Microsoft. We do not compare ourselves with local IT companies. In past salary surveys, we found that local companies cannot match our salaries. They pay less than us. In fact, we are the best paymaster among the local companies (Manager, Company 2).*

*We do participate in industry salary benchmarking exercises. The salaries paid here are on par with the industry average (Executive, Company 7).*

The companies reward their employees based on performance, but company 2 also takes into consideration the seniority factor when rewarding their employees:

*The benefits are given depending on a few factors such as staff position, performance and length of service in the company (Human Resource Manager, Company 2).*

*The company focuses on necessities such as performance based bonuses, medical benefits and personal accident insurance (Human Resource Manager, Company 9).*

*We have annual leave, sick leave, maternity leave, compassionate leave, outpatient medical benefits, hospitalisation insurance, paediatric care, flexible working hours and discretionary annual bonus depending on company/individual performance (Human Resource Manager, Company 11).*

Overall, the Formal practices have less benefit for employees than the Paternalistic practices. For example, companies 2, 6, 7, 9 and 11 provide only overtime allowance, hand-phone allowance and allowance to compensate expenses incurred for a business trip:

*One is paid additional RM500 for local allowances (hand-phone and transport). Overtime and business trip allowance are given where necessary (Human Resource Manager, Company 9).*

They do not provide additional allowance to ease employees' financial burden unlike companies 1 and 3 who provide financial assistance during the birth of a child, death of a family member as well as to sustain employees' cost of living. Nevertheless, the fact that companies 2, 6, 7, 9 and 11 pay hand-phone and business allowance to their employees goes to show that they provide more than what is expected of them according to the Malaysian Employment Act 1955. The act states that they only need to pay overtime allowance to employees.

Among the five companies with Formal practices, companies 2 and 6 and to some extent company 7, appear to provide more benefits than companies 9 and 11. For example, companies 2 and 6 subsidise housing and car loans for employees with the addition of company 2 also providing loan for purchase of computers for personal use while companies 9 and 11 do not provide such subsidies. As for leaves, companies 2, 6 and 7 provide marriage and paternity leaves to their employees. Company 2 also provides Hajj leave to their employees. Such leaves are not identified in companies 9 and 11. Company 6 also provides higher Employee Provident Fund contribution on behalf of the employer. Unlike companies 9 and 11, companies 2, 6 and 7 also sponsor employees' education although they only provide partial sponsorship unlike companies with Paternalistic practices that provide full sponsorship:

*We provide hospitalisation benefits to immediate dependents of our employees. We also contribute higher EPF on employer's part (17 per cent instead of 12 per cent). We also give an annual performance-based bonus, marriage leave, compassionate leave and paternity leave in addition to other statutory leaves (Human Resource Manager, Company 6).*

Apart from the above differences, the companies tend to be somewhat similar in their provision of benefits to their employees. All five companies provide compassionate leave to support their employees during the death of an immediate family member. All five of them also allow employees to be part of a wide range of social activities such as sports events, company trips, teambuilding sessions and festive/birthday parties. All of them also reward employees with a yearly bonus, but

they do not give a contractual amount like companies 1 and 3 with Paternalistic practices. Instead, the bonus amount is dependent on company and employees' performance. Hence, in Formal practices, job security is subject to an employee's ability to perform and achieve performance targets. Nevertheless, some companies came across as more strict in monitoring employees while others are a bit more relaxed, but not as relaxed as companies with Paternalistic practices. For example, company 2 takes on considerable effort to help employees perform and maintain their employment in the company:

*The non-performers are put on the performance improvement plan which is for about three to six months. If an employee still cannot perform, we either request him or her to leave or we will help him or her to get another job in a different company (Manager, Company 2).*

Whereas companies 6, 7, 9 and 11 are less tolerant towards non-performing employees as they do not hesitate in terminating them:

*Well, we give reasonable opportunities for one to perform and meet the KPIs. If even then, one cannot perform, then, there is nothing we can do but let the person go. Often, we do not have to resort to termination because they will resign on their own if they cannot cope here (Human Resource Manager, Company 6).*

*We have had several terminations, but most of them will leave on their own if they cannot meet the established performance indicators (Human Resource Manager, Company 9).*

*Well, one remains an employee here as long as one can contribute. We do not keep free-loaders. We never want to do that (Human Resource Manager, Company 11).*

Overall, the Formal practices offer competitive salary, considerable benefits and realistic job security to employees. However, employees in companies 2, 6, 7, 9 and 11 only get to enjoy the benefits for as long as they perform.

#### **4.4.2(3) Employee involvement**

Similar to companies 1 and 3, companies 2, 6, 7, 9 and 11 have a performance appraisal practice in place to facilitate two-way communication with their employees. The companies have an electronic appraisal system and the appraisals take place either twice or thrice a year. Unlike the appraisal in companies 1 and 3, the performance appraisal in companies 2, 6, 7, 9 and 11 comprises of goal setting and performance improvement plan in addition to discussing about employee performance, training needs identification, compensation, promotion opportunities and employees' career progression opportunities within the companies:

*The appraisal takes place three times a year.... The main components are: performance goals, workplace behaviour, leadership behaviour, training*

*and development planning, long-term career development plan and annual survey of performance. ... The performance appraisal will clearly demonstrate the individual employee's capability in achieving his/her performance targets (Human Resource Manager, Company 6).*

*The appraisal system is known as the (company name) Development and Performance Plan. It is an online programme and serves as an opportunity for employees to obtain personal feedback and guidance from their immediate superiors. The appraisal takes place twice a year and is used to discuss performance, training needs, career progression opportunities and goal setting. Every employee has performance indicators that they must achieve, but not necessarily in one year as they can spread the goals over a period of time depending on how complex the goal is (Human Resource Manager, Company11).*

Companies 2, 6, 7, 9 and 11 provided mixed responses on how interaction takes place between senior managers and employees. The interactions are more informal in company 11 whereas, in the rest of the companies, while it is possible for employees to have one-to-one communication with senior managers if such need arises, the companies mostly rely on formal programmes, briefings and management tools, such as an employee satisfaction survey to bridge the communication between senior managers and employees:

*Well, our boss is pretty laidback. The team here has a relationship with one another and with him. We talk to him on daily basis and he is just like one of us. He does not distance himself like a typical Asian boss. We refer to him using his first name. We often hang around together for morning breaks and lunch. In the event we have any problems, we can easily talk to him and count on him for assistance (Human Resource Manager, Company 11).*

*The most motivating factor about being part of this company is the openness that we share among colleagues and with the top management. The top management is approachable and we can meet up with them should any need arises (Technical Executive 1, Company 2).*

*Yes. We interact with the top managers in forums and social activities. ... No. It is not possible to do that (to escalate a concern straight to the senior managers). We have to go through the right channels (Project Officer, Company 6).*

#### **4.4.2(4) Employee development**

Similar to companies 1 and 3, companies 2, 6, 7, 9 and 11 with the Formal human resource practices contribute to the Human Resource Development Fund (HRDF), which they make use to organise training and development programmes for their employees:

*We make use of the HRDF funds to carry out the trainings (Human Resource Manager, Company 6).*

*The training and development programmes are arranged by the centralised human resource department. They are also the ones who are responsible for HRDF submissions and claims (Executive, Company 7).*

The five companies have a formal on the job and off-the-job training and development practice in place as they have a separate induction programme and appoint certified training providers to train and develop employees:

*The programmes are always outsourced to certified companies as we do not have qualified internal trainers. We only do orientation trainings in house (Human Resource Manager, Company 2).*

*We have an induction plan. It is a simple plan which incorporates introducing a new employee to colleagues here, going through the main rules and policies and a lunch session (Human Resource Manager, Company 11).*

As far as off-the-job training is concerned, all the five companies focus on technical courses and some soft skills and professional development courses. The programmes are carried out on a need basis and are focused on refining employees' skills and improving their work performance; thus, they appear not to be as extensive as the programmes arranged by companies 1 and 3 with Paternalistic practices:

*There are several types of training and development programmes. The first type is technical competency, which is the competency to do one's job. This type of training forms 60 per cent of the company's training investment. We also have soft skill trainings, which are related to leadership, management skills and interpersonal skills (Human Resource Manager, Company 2).*

*We have previously focused on providing technical trainings, but in 2009, we also intend to focus on soft skills development (Human Resource Manager, Company 6).*

*Often, they attend trainings related to their jobs so that they can perform better (Executive, Company 7).*

*We mostly send staff for technical trainings and conferences. Also a bit of personal development workshops as long as they are related to work (Human Resource Manager, Company 11).*

Unlike companies 1 and 3 with Paternalistic practices who do not bind employees upon training completion, all five companies with Formal practices subject employees to a specific bond upon completion of a programme. The purpose of the bond is to prevent staff from leaving soon after completing a training programme. The duration of the bond depends on the cost of the programme. If an employee decides to separate from the company within the bond duration, the employee must reimburse the agreed amount to his/her employer. Failing to do so may cause the company to take legal action against the employee:

*We are bonded after attending trainings, which is not fair. There should be no bond in the event an employee attends training (Technical Executive 1, Company 2).*



As for internal promotions, all five companies with the Formal human resource practices allow internal promotions, where deserving employees are given opportunities to grow in the companies. In addition to these promotions, all of them also have a formal talent management programme to identify and manage high performance employees who are likely to be selected for future management positions:

*We have a formal talent management policy. In fact, the career planning and talent identification process adopted here originates from the founding company (Human Resource Manager, Company 2).*

*Yes, we know who the high performers are....We refer to the recommendations provided by the HODs and the outcome received from the performance appraisals. The performers identified in Malaysia are made known to the Southeast Asia regional office and eventually to the head office. So, if there is any suitable opportunity in other offices, the high performer in Malaysia stands a chance of being selected and posted for the respective position (Human Resource Manager, Company 6).*

*The performance appraisal system is used to evaluate staff performance and to identify performers. High performers, which are identified by the HODs, are then communicated to the Group HRM and to the top management. They are then given the appropriate trainings, coaching, mentoring and grooming to make them fulfil their potential and able to step into positions as well as career path selected for them (Manager, Company 7).*

Companies 2, 6, 7, 9 and 11 also provide career development assistance to employees. However, the career development responsibility usually lies with the employees. The employees can either discuss their career growth within the company with their immediate line managers during performance appraisals or approach the Human Resource Managers to discuss the same:

*Our career path is very dynamic. It is not a formulaic kind of approach. We provide engineering related trainings to an engineer and provide career path that is linked to his field. The person develops his true abilities and able to evolve in his profession. It is probably not feasible to hold someone strictly to a path. So, we ask people what are their ambitions. That is the most basic question we ask an employee. Some people are clear about their career goals while others are satisfied doing the same thing for the next five years. For employees who decide to stay in the same position, my task is to ensure that they remain productive and motivated. I find out how we can enrich the employee's role and allow the employee to grow in the same capacity. On the other hand, if an employee says that he wants to be a project manager in the next five years; we assess where he is today and what we need to do to help him achieve his career aspiration (Human Resource Manager, Company 2).*

*The career guidance provided to employees is part of the appraisal exercise. Line managers are responsible to coach their employees in their career decisions and options (Human Resource Manager, Company 6).*

Generally, employees, depending on their career plans, can choose whether to pursue a technical or a managerial career path. The technical career path enables an IT employee to become a specialist in his/her choice of technology whereas the managerial career path enables an employee to be a manager/leader:

*We have dual career paths: one that leads to managerial positions and the other one that is for technical professionals. The career paths are developed to provide maximum growth opportunities for every individual. Managerial path: junior staff → senior staff → supervisor → manager → leader. Technical / professional path: junior staff → senior staff → specialist → senior specialist → professional (Human Resource Manager, Company 9).*

Overall, companies 2, 6, 7, 9 and 11 with Formal human resource practices provide training and development opportunities as long as the programmes have direct impact on employee's ability to perform their responsibilities. Deserving employees have options to develop their careers in these companies as they have a formal talent management and career development programmes in place.

In summary, the Formal practices are mutually beneficial for employers and employees. Employees enjoy competitive compensation, professional development opportunities and growth opportunities within a company for as long as they perform to the company's expectations and achieve their goals whereas employers benefit from having the right employees and by assigning goals for employees to achieve which leads towards the companies achieving their goals. In comparison to Paternalistic practices, the Formal practices appear more firm because they highlight the need to recruit the best possible candidate for a job, employee compensation is performance dependent, employees have to set out their goals in the appraisal and job security is accorded for as long as one performs.

#### **4.4.3 The Informal type of human resource practices**

##### **General characteristics of the Informal type of human resource practices**

From the eleven companies studied, the Informal type of human resource practices is identified in companies 4, 5, 8 and 10. The Informal practices are mostly ad-hoc human resource practices with hardly any formal policies guiding them. The senior manager, who may be the owner or a formally appointed management authority, makes decisions concerning a practice when the need arises and in a manner that best meets the business's needs.

The Informal practices in this thesis may appear to be similar to the informal model explained in Boxall & Purcell (2011) because of the above factors. However, they are different because the informal model in Boxall & Purcell (2011) is mainly associated with low wages, low skills and work carried out on a part-time/temporary basis. It is a model that was common in the early stages of industrialisation and remains common mostly in low-skill services, small businesses and among non-

core employees (Boxall & Purcell, 2011). Conversely, the Informal practices in this thesis are used to manage highly skilled ICT professionals.

The Informal practices appear to favour employers more than they favour employees as the practices consist of limited compensations, off-the-job training and development opportunities and job security for employees. The Informal practices also encourage a short-term relationship between employers and employees because of the absence of seniority based compensation system, formal career development practice and talent management practice, all of which foster long-term relationship between employers and employees.

#### **4.4.3(1) Employee acquisition**

Companies 4, 5, 8 and 10 do not have a formal policy guiding recruitment and selection. The companies also do not have a preferred recruitment channel, but use any one of these, namely, online job portals, word of mouth and online application to the companies' website, depending on the vacancies in hand and the response received from either of the recruitment channels. While the Paternalistic and Formal practices involve the Human Resource Managers in the short-listing and interview process, the Informal practices often require senior managers to be involved in short-listing and interviewing the candidates along with the line managers. In the case of company 4, the initial short-listing and interviewing responsibilities are undertaken by the Recruitment Officer:

*We use Jobstreet to look for new staff. The number of interviews can vary from one to three, depending on the position in hand. For senior positions, we normally have three rounds of interviews. For other positions, may be about two interviews. Nothing is fixed. All depends on how critical a position is and how urgent is such recruitment (General Manager, Company 10).*

*We do not have a formal policy. Normally, upon identifying potential employees, I do the first level interview. The purpose of the interview is to gauge the suitability of the candidate in this company. If I think the candidate is suitable, I will forward his or her resume to the line manager, for example, the Consulting Manager. The final confirmation comes from the line managers. This is how the usual recruitment process goes (Recruitment Officer, Company 4).*

Companies 4, 5, 8 and 10 with Informal practices do not invest in any selection tools just like companies with Paternalistic practices. They do not have a specific selection criterion, but they go with instincts and subjective judgement about who best fits the job in hand. For example, companies 5 and 10 prefer to recruit employees with relevant work experience whereas companies 4 and 8 recruit both prospective employees who meet the job requirements or have the potential to meet the job requirements even if they do not have the necessary experience:

*Earlier on we employ people with experience so to hit the ground and move. Now, we are a little relaxed on the experience because we have enough*

*people to train the new employees. Having said that, we do not hire fresh graduates. ... We only hire on referrals and word of mouth. We do put up advertisements, but so far we did not hire anyone who responded to the advertisements. We also do reference check outside of the references that they provide. Plus, potential employees are required to attend two interviews before they are finally confirmed to join us (Managing Director, Company 5).*

*We normally look for employees with CGPA of 3 and above, though I must say that I do not use this factor as the benchmark as in the past, I have recruited employees with 2.5 CGPA but they have active involvement in sports and other interests, e.g. music. In fact some of our exceptional performers in the company are those with CGPA 3 and below. As far as work experience is concerned, we are open to recruiting employees who have zero consulting experience (Recruitment Officer, Company 4).*

Companies 5, 8 and 10 do not have an induction programme for new recruits whereas company 4 has such a programme, which is carried out by the Recruitment Officer. The induction programme in company 4 is for two months and is used as a platform to teach new recruits about the technology adopted by the company. Companies 5, 8 and 10 rely on line managers and existing employees to help new recruits to fit into their roles and become familiar with the companies:

*We attended a two months orientation programme. The purpose of that programme was mainly to familiarise the newcomers with the do's and don'ts in the company and to get to know each other. We were also exposed to the technology and project implementations (Consultant 1, Company 4).*

*I would say that the orientation was quite lacking because I was left to figure things out on my own. I was not given any briefing on the company background and organisation structure (Manager 5, Company 8).*

Overall, the Informal practices lack formal rules and tools to guide the recruitment process, but their absence does not undermine the importance of the process because the companies' senior managers themselves are involved in selecting the best people for available positions for their companies. Because they hold the highest authority in these companies and understand the needs of the business and the kind of employees they exactly need to support their business (Halim et al., 2009), their subjective perceptions are valuable.

#### **4.4.3(2) Employee compensation**

Companies 4, 5, 8 and 10 also do not have a formal policy that guides compensation and benefit related decisions undertaken by the companies. As far as salary is concerned, the senior managers make the ultimate decisions based on their discretions:

*We do not give bonus whereas increments are discretion based. It is based on the recommendations given by the head of department and my approval (Chief Executive Officer, Company 8).*

*There is no formal guidelines as to how much to pay a person. We pay what we can afford and how much we think a person should be paid (General Manager, Company 10).*

Nevertheless, the companies pay above average salaries:

*We pay higher than other companies. We are among the highest payers in this industry. Not just to the consultants but to everyone in the organisation. For example, the offers I have received from the industry cannot match my package here (Recruitment Officer, Company 4).*

*We pay slightly above the industry average. This is to compensate for the lack of brand name and reputation (Chief Executive Officer, Company 8).*

Companies 4, 5, 8 and 10 also offer lesser benefits compared to companies with Paternalistic and Formal practices. All four of them provide only statutory leaves and basic allowances:

*We offer the usual perks, which include salary, overtime allowance, hand-phone allowance and medical benefits. The medical benefits include outpatient allowance and hospitalisation insurance for the employees. If an employee travels for work, he/she is entitled to certain allowances. We follow the statutory leaves, for example, annual leave, sick/hospitalisation leave and maternity leave (Chief Executive Officer, Company 8).*

Besides that, where healthcare benefit is given (in companies 4, 5 and 8), only the employee is entitled to the benefit. Their dependents are not included:

*Family members are not entitled to the company purchased hospitalisation insurance policy (Managing Director, Company 5).*

*We provide sufficient salaries to the staff, so that they can afford to purchase medical coverage for their family members. When we are already doing so much, why do we need to purchase additional medical benefits? (Chief Executive Officer, Company 8).*

Informal practices also consist of limited social activities and responses from employees suggest that such activities are new initiatives:

*We also have festive get-togethers. We are planning on having more social events. We just had our first company trip in Indonesia (Consultant 2, Company 5).*

*We had our first annual dinner last year and hopefully, that continues from hereon. Maybe in the future, we can have annual trips (Manager 5, Company 8).*

The Informal practices provide lower job security to employees than Paternalistic and Formal practices because in companies with Informal practices, employees have a high risk of being terminated if they do not perform in their jobs. Furthermore, the companies do not have an improvement plan or any other form of support for non-performing employees:

*This is a performance driven company. One is part of the company as long as one performs, achieve the given goals, accomplishes his/her duties and maintains the required level of productivity.... Non-performers are asked to leave or we terminate their employment contracts (Chief Executive Officer, Company 8).*

*A non-performer has no place here. Whoever is here is obviously doing what is expected of him (General Manager, Company 10).*

Overall, the Informal practices consist of above average salaries, minimum benefits and low job security, which goes on to show that the employees are paid well, but beyond that the employers do not take responsibility for their welfare. Employees are expected to fend for themselves and they are members of the companies only as long as they perform.

#### **4.4.3(3) Employee involvement**

Employee involvement is high and mostly takes place informally through two-way, open communication between management and employees but very seldom via formal channels such as a performance appraisal that is present in companies with Paternalistic and Formal practices. Status differences between levels are almost non-existent. In the Informal practices, employees have the opportunity to provide feedback to the senior managers. For example:

*The senior managers and project managers share their experience with the rest. They believe in knowledge sharing. The products that we sell are complex; however, because the managers share their experience and knowledge, we are able to learn from them and perform. The overall working environment is friendly, relaxed and the managers listen to our points of view and feedback (Consultant 2, Company 5).*

*I informed the senior managers that they should at least have a proper office area with adequate lighting and air-conditioning for the network operation staff. Soon after that, this place was renovated to be what it is today – very conducive for the staff (Manager 1, Company 8).*

#### **4.4.3(4) Employee development**

Companies 4, 5, 8 and 10 with Informal practices do not contribute to the Human Resource Development Fund (HRDF) despite the fact that the regulation requires them to do so. The senior managers did not want to explain why they do not contribute to the fund:

*I don't think the company contributes to the HRDF. I am not sure about such contribution (Recruitment Officer, Company 4).*

*We do not contribute to HRDF. I do not want to answer further questions about this (Chief Executive Officer, Company 8).*

All four companies train employees informally on the job and employees are encouraged to learn from senior managers, line managers and peers. Employees are also encouraged to be part of a broad range of projects/activities:

*There are many learning opportunities in the company. The opportunities are not just in one area but in cross functional areas, e.g. one can learn about manufacturing, finance and oil and gas depending on the various projects that one become part of (Consultant 3, Company 4).*

*Our employees are not subject to a structured and confined work scope; therefore, they are able to learn the full spectrum of a telecommunication company. Here, employees are given broad range of responsibilities and great learning experience, which is invaluable in building their technical skill set. On the other hand, a large organisation, i.e. multinationals, can offer great money, but the professionals end up doing donkey work at a pigeonhole scale. They are not able to gain knowledge of the whole supply chain, like our people. Moreover, this knowledge provides an edge to our people in seeking their next job. They are highly employable and are very much sought after by other companies, including well-known multinationals (Vice President, Company 8).*

Companies 3, 8 and 10 do not have a performance appraisal system. Company 4, at the time of this research, had designed an in-house appraisal system, but the system was yet to be implemented:

*We depend on informal evaluations such as providing regular and informal feedback during project reviews, meetings or whenever someone drops by my office. Being in the technical department, we focus on delivering performance based on the service level agreements and complete each project within the allocated time, manpower and budget (Vice President, Company 8).*

*We have recently designed a performance appraisal system. The appraisals will take place once in every six months. Everyone in the company have performance indicators that we must be able to achieve. We review a consultant based on his / her performance indicators. In the future, the trainings and rewards will also be identified from the appraisal results (Recruitment Officer, Company 4).*

Companies 4, 5, 8 and 10 do not have a formal policy in place for employee promotion. Employees are promoted as and when opportunities arise and as deemed appropriate by the senior managers. The four companies also do not have formal talent management and career development practices albeit company 4 intends to have some sort of talent management programme once the appraisal is implemented:

*We hope to identify 10 percent high performers in the company every year. These people will be given extra attention as in more training programmes, challenging projects, higher increments and are put onto a systematic career track (Recruitment Officer, Company 4).*

*Even if we do not have a formal policy on internal promotions, we do promote internally, for example in the case of W and B. We only resort to recruiting externally when we need different sets of skills and knowledge. The company has been growing rapidly in the last few years; so, we are unable to meet the manpower requirement only by promoting from within (Chief Executive Officer, Company 8).*

Overall, the Informal practices provide very little help to employees in their professional development. Instead, they are expected to learn on their own by being on the job itself. Majority companies do not invest in formal talent management and career development programmes, so, again employees are expected to chart their careers on their own or take their own initiative in seeking help from their superiors to do so.

Overall, within the Informal practices, the absence of formal policies causes senior managers to have complete discretion and responsibility over the implementation of the human resource practices within their companies. The basic provisions in the Informal practices require employees to be independent in providing for themselves and their families. The lack of structured policies also means that employees need to be independent in seeking professional knowledge, skills and in charting their careers. Despite the lack of formal procedures, benefits and opportunities, the Informal practices focus on performance; thus, employees must meet the expectations of their employers to guarantee their employment in the companies.

#### **4.4.4 Section summary**

The objective of this section was to answer the first research question on the human resource practices adopted by the ICT companies in Malaysia. This question was answered by developing 66 main codes and 37 sub-codes that were classified into nine sub-categories and further grouped into four categories. By comparing the categories and their properties, three types of human resource practices were identified in the eleven companies: the Paternalistic, Formal and Informal practices. The identification of three different types of human resource practices goes on to show that there is no one way to manage employees in the same profession and in the same context; thus, rejecting the “best practice” framework, but supporting the “best fit” framework (Bae & Yu, 2005; Ferratt et al., 2005; Delery & Doty, 1996; Meyer, Tsui & Hinings, 1993). The identification of three different types of human resource practices also supports the use of the constructivist research paradigm that allows the existence of multiple realities.

At the surface level, the three human resource practices appear to be similar but they are enacted differently. Therefore, asking yes or no or rating extent of their presence is unlikely to reveal the differences, which allowed the categorisation and construction of types done in this thesis. Among the three types of practices, the Paternalistic practices demonstrate the greatest concern for employees’ well-being as they offer high job security, extensive compensation and many professional development opportunities to employees without setting clear goals for them. On the contrary, the Informal practices are least employee oriented as they consist of low job security, limited compensation and minimum formal investment in employees’ professional development. Meanwhile, the Formal practices demonstrate equal concern for employers and employees because



they ensure employers hire the most ideal candidate and that employees have clear goals to achieve in return for which they are rewarded with realistic job security, attractive compensation and sufficient professional development opportunities.

From the three types of practices identified in this thesis, the Formal practices resemble closely to the progressive human resource practices adopted in the global strategic HRM studies such as Guthrie (2001), Huselid (1995) and Arthur (1994). Paternalistic practices are seldom reported in the strategic HRM literature that examines the relationship between human resource practices and employee/company outcomes. One study that has done so is Bae & Yu (2005); but the authors described Paternalistic practices differently. According to them, Paternalistic practices have few formal practices, incentives and training and development, but plenty of employee involvement opportunities, which are non-existent in the Paternalistic set in this thesis. The Informal practices, which are devoid of formal policies but have high involvement from the senior managers, also do not form part of the strategic HRM literature, but is recognised as one of the viable employment models for small businesses that employ part-time/temporary unskilled employees on low wages (Boxall & Purcell, 2011). Therefore, the identification of the Paternalistic and Informal types of human resource practices in this thesis serves as a new contribution to the global and Malaysian strategic HRM literature.

## **4.5 Types of organisational factors and companies**

This section answers the second research question: How do organisational factors influence adoption of human resource practices among the Malaysian ICT companies? This section also describes the types of companies that exist within the Malaysian ICT industry.

### **4.5.1 Influence of organisational factors on the adoption of human resource practices**

To answer this research question, the 11 companies were compared with one another using the five organisational factors that were identified during data collection, namely:

- company ownership, whether it is a local or foreign company,
- company size in terms of number of employees,
- company age
- type of customers; whether the company serves external customers or internal customers and

- company origin as to how a company was founded; on its own, from established private companies or from government-linked companies.

Table 16 presents the five organisational factors mentioned above and the types of human resource practices for the 11 companies.

**Table 16 Organisational factors of the eleven ICT companies and the types of human resource practices adopted by them**

Company	Company ownership Local (L) / Foreign (F)	Company size	Company age	Customers	Company origins	Types of human resource practices adopted
1	L	1000	More than 30 years old	External	Government-linked company	Paternalistic
2	L	750	Between 20 to less than 30 years old	External	Established foreign multinational	Formal
3	L	100	Between 10 to less than 20 years old	Internal	Government-linked company	Paternalistic
4	L	100	Between 10 to less than 20 years old	External	On its own	Informal
5	F	100	Less than 10 years old	External	New foreign multinational	Informal
6	F	750	More than 30 years old	External	Established foreign multinational	Formal
7	L	100	Between 10 to less than 20 years old	Internal	Established local company	Informal
8	L	100	Between 10 to less than 20 years old	External	On its own	Informal
9	F	1000	Between 10 to less than 20 years old	External	Established foreign multinational	Formal
10	F	100	Between 10 to less than 20 years old	External	On its own	Informal
11	F	100	Less than 10 years old	Internal	Established foreign multinational	Formal

The cross-comparisons across the eleven companies reveal that:

### **Company ownership**

The company ownership factor does not influence the companies' adoption of human resource practices because companies with different ownerships can adopt the same human resource practices and vice versa. For example, company 2 is locally-owned whereas company 6 is a foreign multinational operating in Malaysia but both of them have Formal human resource practices. In another example, companies 1 and 2 are both locally-owned, but they have different types of human resource practices. Therefore, although Rowley & Abdul-Rahman (2007), Rowley & Warner (2007) and Chew (2005) found that in the Malaysian manufacturing industries, foreign companies have more sophisticated practices than local companies, this thesis found that in the country's ICT industry, it is possible that foreign and local companies have similar human resource practices.

### **Company size**

Company size also does not influence the companies' adoption of human resource practices because they can be of the same size but have different human resource practices or they can be of different sizes but have the same type of human resource practices. For example, companies 3, 7 and 8 are of the same size with approximately 100 employees but each of them have different practices, whereby, company 3 has Paternalistic practices, company 7 has Formal practices and company 8 has Informal practices. In the same way, both companies 2 and 11 have Formal human resource practices but they are of different sizes, whereby company 2 has approximately 750 employees whereas company 11 has approximately 100 employees. Therefore, these findings disagree with the claims made by several Malaysian authors such as Osman et al. (2011) and Chew (2005) that in Malaysia, company size influences the kind of human resource practices that a company adopts, whereby, larger companies have more sophisticated human resource practices than smaller companies.

### **Company age**

Company age also does not determine the shaping of human resource practices in a company because companies of different age groups can have the same type of human resource practices or companies within the same age group can have different human resource practices. For example, company 1 is more than 30 years old while company 3 is more than 10 years old but both have Paternalistic human resource practices whereas company 6 has Formal human resource practices despite being in the same age group as company 1.

### **Customers**

The types of customers a company serve also does not predict the company's adoption of human resource practices because companies can serve the same type of customers but have different human resource practices. For example, companies 1, 6 and 8 serve external customers but each of them adopts different types of human resource practices.

### **Company origin**

The company origin factor, as in how a company is founded influences a company's adoption of human resource practices. For example, companies 1 and 3, founded from government-linked companies, have Paternalistic human resource practices, companies 2, 6, 7, 9 and 11 that belong to established parent companies have Formal human resource practices and companies 4, 5, 8 and 10, which are founded either on their own or from newly founded parent companies consistently have Informal human resource practices.

#### 4.5.2 Types of companies

The information presented in Table 9 also allows the construction of different company types. The purpose of constructing the company types is to classify the eleven companies into manageable groups and to explicate the human resource practices of the companies. To group the companies into types, the cross-comparison technique was used where companies were compared against one another using three organisational factors, namely, ownership (local or foreign), size and customers. In the comparisons, companies that share similar characteristics were grouped under the same type. The comparisons and groupings led to the construction of four company types, which are labelled as Large Home-grown Company, Shared Service Company, Small Business and Powerhouse. The four company types and their characteristics are summarised in Table 17.

**Table 17 Four types of ICT companies in Malaysia and their characteristics**

Organisational factors	Company types			
	Large Home-grown Company	Shared Service Company	Small Business	Powerhouse
Local / foreign	Local	Local / foreign	Local / foreign	Foreign
Size	750/1000	100	100	750/1000
Customers	External	Internal	External	External
Nature of Human Resource Department - standalone or shared	Standalone	Shared/Standalone	No Human Resource department	Standalone
Companies	1, 2	3, 7 and 11	4, 5, 8 and 10	6 and 9

##### **Large home-grown company**

Companies 1 and 2 are large local companies who serve external customers. Company 1 has approximately 1000 employees whereas company 2 has approximately 750 employees. Because of their large workforce, they are grouped as the Large Home-grown company type. Both companies have a standalone human resource department but different types of practices; company 1 has Paternalistic human resource practices as it was founded from a government-linked company whereas company 2 has Formal human resource practices as it was founded from a multinational.

##### **Shared service company**

Companies 3, 7 and 11 are categorised as the Shared Service Company type because they do not compete in the domestic ICT industry; instead, they serve internal customers by providing ICT services to all subsidiaries within their respective parent companies. These companies have approximately 100 employees and are either locally founded or foreign-owned. Within this group, companies 3 and 7 do not have their own Human Resource department; instead, their human resource functions are centralised at the parent company level, whereas company 11 has its own

human resource department. Shared service companies have different human resource practices again depending on their parent companies. For example, Company 3, a government-linked company, has Paternalistic human resource practices whereas companies 7 and 11 that belong to established private companies have Formal human resource practices.

### **Small business**

Companies 4, 5, 8 and 10 are either locally founded or foreign-owned small companies who serve external customers. They are categorised as Small Businesses because of their small size and because they are founded either on their own or their parent companies are new set-ups. They do not have a separate human resource department and; instead, the companies' human resource management responsibilities are undertaken by their senior managers. All of them have Informal human resource practices.

### **Powerhouse**

Companies 6 and 9 are grouped as the Powerhouse type because they are large foreign companies that serve external customers consisting of local and foreign companies and government agencies in Malaysia. Company 6 has approximately 750 employees in Malaysia whereas company 9 has approximately 1000 employees. Both companies have presence in many countries with approximately 150 000 employees worldwide. In Malaysia, both of them have a separate human resource department and Formal human resource practices.

### **4.5.3 Section summary**

This section addressed the second research question, which is about the influence of organisational factors on the companies' adoption of human resource practices. This question was answered by comparing the 11 companies using five organisational factors: company origin, company ownership, company size, company age and customers. Of the five factors, the company origin factor, which is how a company was founded, emerged as the only factor that explains the influence of organisational factors on the adoption of human resource practices among the Malaysian ICT companies. Findings show that companies founded from government-linked companies have Paternalistic human resource practices, companies founded from established private companies have Formal human resource practices and companies that are founded on their own or are founded from new set-ups have Informal human resource practices.

In Chapter 2, the review of three research areas shows that studies have focused on some common factors such as company size, company age, company ownership, technology and type of industry to understand how organisational factors influence adoption of human resource practices. None of the studies considered historical conditions as a potential factor that may influence adoption of human

resource practices. This thesis, not bound by findings from previous studies, found that founding conditions influence adoption of human resource practices among Malaysian ICT companies, which serves as a new contribution to the three research areas. Scholars from the strategic management field such as Boeker (1989) and Hannan & Freeman (1977) established that founding conditions and history play an important role in influencing a company's subsequent strategic processes and actions. Because the strategic management field provides the theoretical foundation to the strategic HRM field, the assertion made by the strategic management scholars about the influence of founding factors on subsequent processes support the finding from this thesis on the need to include the mentioned factor in investigating how organisational factors influence adoption of human resource practices.

In this thesis, with the presence of shared service companies, company size is not an accurate predictor to explain adoption of human resource practices because small shared service companies may have elaborate practices such as the Formal or Paternalistic practices, which they inherit from their parent companies. Future studies carried out in the ICT industry can benefit from identifying whether an ICT company is a shared service company.

With information on the organisational factors, this thesis was able to go a step further and construct different company types, namely, Large Home-grown Company, Shared Service Company, Small Business and Powerhouse, which provides a holistic picture on the kinds of companies that exist within the Malaysian ICT industry. This information has a potential to aid future studies that wish to sample the Malaysian ICT industry.

## **4.6 Chapter summary**

This chapter answered the first and second research questions. The first research question was answered by following the initial and focused coding strategies suggested in Charmaz (2006), which led to the construction of three types of human resource practices, namely Paternalistic, Formal and Informal. The second research question demonstrates that companies are influenced by their founding factor when it comes to adopting human resource practices. Where appropriate, tables are used to compile, summarise and display information.

The remaining two questions are answered in the next chapter, Chapter 5.

## Chapter 5

### Data Results and Analysis – Part two

This chapter is a continuation of the previous chapter. Here, section 5.1 addresses the third research question, which is about employee outcomes, by using simple statistics and qualitative analysis. Altogether, four types of employee outcomes are constructed from the qualitative analysis. Section 5.2 addresses the fourth research question, which explains the companies' employee retention outcomes and is answered by constructing two types of employer outcomes. The last section, 5.3 consolidates the findings from the four research questions into a typology.

#### 5.1 Types of employee outcomes

This section has two parts; the first part reports employee outcomes using simple statistics whereas the second part reports employee outcomes using qualitative analysis.

##### 5.1.1 Employee outcomes using simple statistics

In reporting employee outcomes using simple statistics, employees were asked whether they intend to resign or remain with their present employers in the near future. Of the 53 ICT employees interviewed, only seven indicated an intention to resign. The rest wants to remain with their present employers. They may have been reluctant to resign maybe because of the looming recession at the time data collection for this thesis was in progress. It is also possible that they were reluctant to share their actual career plan truthfully because they were aware that the researcher was also interviewing their Human Resource Manager and senior managers. Table 18 summarises the reasons provided by the employees who indicated an intention to resign.

**Table 18 Reasons given by the employees in the ICT companies in Malaysia who indicated an intention to resign**

Main factors	Reasons for intending to resign	Number of employees who quoted this reason	Identified in company	Type of human resource practices adopted
Personal factors	To seek in-depth technical experience	1	4	Informal
	To pursue an overseas career	1	8	Informal
	Getting married	1	4	Informal
Company factors	Unhappy with slow promotions	2	2	Formal
	Unhappy with workload and slow promotion	1	7	Formal
	Unhappy with job scope	1	7	Formal

Table 18 shows that no employee in companies with Paternalistic human resource practices indicated an intention to resign. Of the seven employees who indicated an intention to resign, two

each are from companies 2, 4 and 7 as well as one is from company 8. These companies have either Formal or Informal human resource practices. Surprisingly, none of the employees who experienced Informal practices cited company factors or the lack of formal/sophisticated human resource practices as a reason why they intend to resign; thus, implying that Informal practices are acceptable to them. Instead, they indicated intention to resign because of personal reasons, for example, they want to get married or because they want to pursue an overseas career:

*I am getting married soon; hence, I want a change of career. My current job involves too much travelling and meeting clients, which may no longer be feasible once I am married (Consultant 4, Company 4).*

*I would like to experience working as an expatriate. I have received some job offers in China. I am tempted to pursue those options. At the moment, I am discussing about them with my wife. I hope to bring my family along so that they are also exposed to such a lifestyle (Assistant Manager, Company 8).*

On the contrary, employees who experience Formal type human resource practices are the ones who quoted dissatisfaction with company factors or human resource practices as their reason for wanting to resign. For example, one junior employee who joined company 7 for about two years, indicated an intention to resign because he was dissatisfied with his workload and he feels that it takes a long time to be promoted in the company:

*I am demotivated by the workload. It is heavy and we are under resourced. ... Because this is a cost centre, we do not enjoy as many promotion opportunities as other subsidiaries. Here, the management do not promote several employees at the same time even though they all deserve that promotion. This is frustrating because with us, Generation Y, everything has to happen today. ... I foresee myself to join other subsidiaries. I am still not sure who to join as that depends on available opportunities. But I am sure with my knowledge and skills, I will find something better. Moreover, this is a big group with more than 100 subsidiaries (Executive 2, Company 7).*

Two employees from company 2, which also has Formal practices, expressed their unhappiness with the company's employee promotion practice, which they claim is too time-consuming because of the company's emphasis on the seniority factor:

*As I said earlier, they claim it is merit based, but actually they give a lot of importance to a person's length of employment in the company. It is because of this reason that I am thinking of leaving this company. One customer is interested in hiring me (Technical Executive 1, Company 2).*

*The promotions are too slow because there are many long serving employees. It will take too long for me to wait for my turn. I want to become a manager and hopefully become Head of IT operations. However, I do not think that would happen here. I am thinking of accepting a job offer as a manager in one of my customer's organisation (Team Leader, Company 2).*

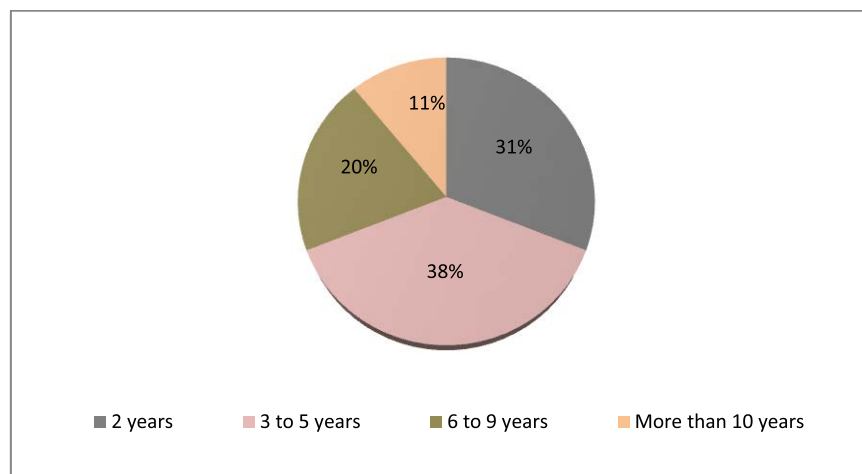


Their feedback shows that the presence of formally implemented human resource practices does not necessarily mean that employees experience those practices in a positive manner. Their feedback also shows that they place high importance on career advancement opportunities, which is logical given that Willis Towers Watson (2015), a leading global consulting company, identifies career advancement opportunities as a key satisfaction and retention factor for Malaysian employees.

In addition to the above, employees were also asked about their employment tenure with their present employers. Figure 1 illustrates the length of employment for 53 employees with their existing employers.

Figure 1 Malaysian ICT employees' tenure of employment with their present employers

**Figure 1 Malaysian ICT employees' tenure of employment with their present employers**



Nearly one third of the employees (31 per cent) had been with their present employer between one and two years. The rest had a longer tenure; 38 per cent had been working in the present company for three to five years and the balance, 31 per cent, had been with their existing employer for six years or more. Overall, the findings suggest that the sampled ICT employees in Malaysia have reasonably long employment tenure with their present employers. This finding contradicts the Malaysian Employer Federation (MEF) report in Goh (2013) that the ICT industry suffers from high employee turnover, which is why this thesis was undertaken in the first place.

### 5.1.2 Qualitative analysis of employee outcomes

The qualitative analysis involved two main steps, whereby, the first step, initial coding, involved reading a transcript line-by-line with the purpose of noticing information concerning why employees joined their present employers, how they perceive the companies' human resource practices, their likes and dislikes about working in the companies and their future career plans. Where such information was identified, it was marked/highlighted accordingly and labelled with a descriptive

name or code. The codes applied were kept as close as possible to the data. The codes were also continuously reviewed, adjusted and cross-checked with one another, to make sure there is no repetitions and that the codes capture the essence of the feedback accurately. The initial coding process was repeated for all the 53 transcripts containing interviews with employees. The initial coding exercise led to the identification of 15 initial codes that are listed in Table 19.

**Table 19 Initial codes that emerged in the eight companies, representing employees' perceptions of their companies' human resource practices**

Initial codes			
1	Adopt 'this is good enough' mentality	9	Unhappy with lack of information
2	Putting up with unhappy circumstances	10	Unhappy with lack of autonomy
3	Satisfied with a comfortable work environment	11	Motivated to learn and improve self
4	Earning attractive compensation package	12	Keen to do more and do better in their jobs
5	Enjoying many learning and growth opportunities	13	Motivated by challenging tasks
6	Part of a positive work environment	14	Place less importance on immediate monetary gains
7	Unhappy with heavy workload	15	Confident about future employability
8	Unhappy with salary		

The first step also involved identifying patterns in employee responses across the companies, which was done by identifying and comparing the codes for each company with others. Table 20 illustrates the plotting exercise and the codes that were identified for the companies. Where similar codes were identified in different companies means that their employees have similar perceptions.

**Table 20 Presence of 15 initial codes in the eight companies**

Item	Initial codes	Identified in company							
		1	2	3	4	5	6	7	8
1	Adopt 'this is good enough' mentality	•		•					
2	Putting up with unhappy circumstances	•		•					
3	Satisfied with a comfortable work environment	•		•					
4	Earning attractive compensation package		•				•		
5	Enjoying many learning and growth opportunities		•				•		
6	Part of a positive work environment		•				•		
7	Unhappy with heavy workload				•	•		•	
8	Unhappy with salary				•	•		•	
9	Unhappy with lack of information				•	•		•	
10	Unhappy with lack of autonomy				•	•		•	
11	Motivated to learn and improve self				•	•		•	•
12	Keen to do more and do better in their jobs								•
13	Motivated by challenging tasks								•
14	Place less importance on immediate monetary gains								•

15	Confident about future employability									•
----	--------------------------------------	--	--	--	--	--	--	--	--	---

The plotting exercise shows that employees in companies 1 and 3 share the same feedback because codes 1, 2 and 3 are present in both companies, employees in companies 2 and 6 share the same feedback via codes 4, 5 and 6, employees in companies 4, 5 and 7 have similar feedback, which is reflected by codes 7, 8, 9, 10 and 11 whereas codes 12, 13, 14 and 15 are unique to company 8. Nonetheless, company 8 shares code number 11 with companies 4, 5 and 7.

The second step, which is focused coding, involved analysing the initial codes within the four groups mentioned above and lifting them into higher-level categories to construct different types of employee outcomes (Glaser & Strauss, 1967). For example, employees in companies 1 and 3 are categorised as the Complacent type because their present jobs are good enough for them even if they have to put up with issues that make them unhappy, and they are also satisfied with a comfortable work environment, as described by codes 1, 2 and 3. Employees in companies 2 and 6 are categorised as the Satisfied type because codes 4, 5 and 6 show that they are positively pleased with their employment conditions. Employees in companies 4, 5 and 7 are categorised as the Optimistic type because they are unhappy with their present employment conditions, but are hopeful for the future because of their skills and experience, as reflected by codes 7, 8, 9, 10 and 11. Lastly, company 8 employees are categorised as the Intrinsically Motivated type because they are driven by their jobs/interests and are eager to accomplish more in their jobs without focusing on material gains, which are depicted thru codes 11, 12, 13, 14 and 15.

The four types of employee outcomes; Complacent, Satisfied, Optimistic and Intrinsically Motivated are explained below.

### **Complacent**

A complacent person is someone who is satisfied with how things are and does not want to try to make them better (Merriam-Webster Dictionary, 2015). In this thesis, employees in companies 1 and 3 are categorised as the Complacent type because they regard their present jobs as being good enough for them in spite of having to put up with issues that make them unhappy, and are satisfied with a comfortable work environment. These employees represent the Malay ethnic group and most of them have remained in the companies for a long time. Even if they are new in the companies, they hope to stay with the companies for a long time. The specific codes under the Complacent type are explained in detail below.

#### ***Adopt 'this is good enough' mentality***

This code represents employees who despite having worked for only for one or two employers feel that their present employments are good enough and they want to stay with their present employers instead of exploring job opportunities in other companies.

One such example is a Manager who perceives that company 1 is a good enough place to fulfil her career ambition even if she has not worked in any other company. She has come a long way since joining company 1 as a graduate trainee and is working towards realising her ambition of becoming a Specialist Consultant. The company is helping her to realise her ambition by enrolling her in a coveted business consulting development programme in which she attends various workshops and is coached by certified trainers on various skills that a consultant needs. She rejected a job offer from a multinational because she anticipates the job expectations there will be much higher than company 1 and she will have to prove herself to her employer all over again:

*It has been pretty colourful eight years. Over the years here, I have been promoted a few times and given different roles that include total operations and pre-sales. Because of such opportunities, I have remained with this company. ... I recently received a job offer from a multinational but I declined because the job expectations there would be higher than here. I am quite happy here.... Should I decide to work for another company, I will need to prove myself all over again (Manager, Company 1).*

The Team Leader also shared similar feedback. The respondent joined company 1 as a Programmer after graduation and because of the various learning and growth opportunities in the company, has been able to build a successful career for herself and reached her present position. The respondent prefers to stay with company 1 than to look for another job elsewhere even though she realises that she can earn more outside:

*It is interesting because my role continuously changed. I learnt a lot from the different roles. These roles were offered to me because of promotions and I have also been given opportunities to transfer to various units in the company. Particularly, for a person like me who is in the R&D department, we are encouraged to explore new units and propose new solutions. We also develop our internal products. I am currently pursuing my PhD. The company is paying for my studies and is very supportive. My Master's degree was also sponsored by the company. I have also been sent for many training programmes. There is also a big opportunity to learn via the e-learning facility.... Friends with my kind of skill sets are able to earn much more outside. However, I do not mind because after certain years, it does not matter (Team Leader, Company 1).*

One more example is the Technical Chief who has been with company 1 for approximately 30 years. According to him,

*I have been many times enticed by lucrative offers from other companies, including leading multinationals but I decided to stay loyal to this company.*

*I am sure I would not experience this kind of technical exposure and work culture elsewhere. Plus, we are involved in managing prestigious projects in the country. I feel proud that I am part of these projects (Technical Chief, Company 1).*

Manager 3 also provides a good example for this code:

*I am comfortable in the company. I feel I can develop my future in the company. I like technical research and development and the company provides freedom for me to explore this area. I started working here as a fresh graduate and since then have taken on various roles to reach my existing position. The company does not have restrictions on trainings – for both technical and soft skills trainings. The company even conducts English classes for those who want to improve their English language competency. For me the training opportunities are very important. My supervisor is lenient and provides freedom on how I manage my work. ... I do not have much career aspirations. As long as I can perform effectively and my supervisor is happy with my performance, that is ok with me. I aim to remain at the middle management level here. ... The senior positions are too challenging. To occupy the senior position, one must stay abreast with the latest technological advancements. I find such responsibility too stressful (Manager 3, Company 1).*

These examples demonstrate that some Malaysian ICT employees are happy to remain with one or two companies and experience a linear career growth over the course of their work life (Thijssen, Van Der Heijden & Rocco, 2008), and do not conform to the impression given in Goh (2013) that they like to hop jobs with many employers in order to experience a rapid career growth.

In company 3, this code also includes employees who are happy to remain in their present roles and do not mind if a promotion does not come their way. As shared by a Network Executive:

*I am contented with my present job because I receive my monthly salary and bonus. Even without a promotion, my existing position allows me to learn extensively and I have the opportunity to interact with various stakeholders. ... I am a group leader and in-charge of the network section here. I oversee the provisioning of internet services and managed services to other subsidiaries. Besides that, I also manage the technical support team, which deals with technical support for about 500 users, maintenance of printers and the overall building management and security system. I have eight members in my team. By working here, I am able to improve my technical knowledge and public relations skills. I have the opportunity to liaise with various stakeholders, including government officials. Besides that, my area of responsibility is not only confined to technical matters but I am also responsible for pre-sales (Network Executive, Company 3).*

Another example is of an Officer, who feels that she is not learning much in her current capacity but rather stay with company 3 because of job security and she has the means to support her family:

*I sometimes question if I am learning anything here and that if I stand any chance to compete with professionals from multinationals. For example, I*

*once attended an interview with a leading multinational and in that interview, I was asked about project management mechanisms that I am familiar with. I did not know what project management mechanisms are and just failed to answer that particular question. After that incident, I really doubt how much I know and whether it is worth looking for a job elsewhere.... I want to continue working here because I have commitments to think about, especially my three children. This place offers job security. By having a secured job, I am in the position to provide and care for my family (Officer, Company 3).*

### **Putting up with unhappy circumstances**

This code represents almost all employees in companies 1 and 3 who complained about issues that make them unhappy, but they did not take any initiative or effort to change their situations.

Employees in both companies are unhappy for different reasons; employees in company 1 are unhappy because they feel that they are paid less than what they deserve whereas employees in company 3 are unhappy with favouritism that is prevalent in their workplace. The fact that these issues are long-term issues that have been in the companies for many years and the employees have been putting up with them suggests a complacent behaviour. Employees' grievances are depicted by the following feedback:

*The salary is quite low and there was no increment given at the end of the probation period. My friends who are working with other local companies are able to earn more than I do (Software Developer 3, Company 1).*

*I am not happy with my existing salary. Given that the company is big and well-known, it should be able to pay more (Manager 1, Company 1).*

*I am not sure how much is the average salary paid for my position or another position in the market but I do feel that we are paid below the market rate. There is dissatisfaction among us about our salaries. The main reason cited by those who have left the company is that they were not happy with their salaries (Assistant Manager 1, Company 1).*

*I think the company should increase our salaries to match multinationals (Manager, Company 1).*

*I am demotivated by the unfairness that exists here. Some head of departments tend to listen to their favourite staff and dismiss what is said by others. The head of departments disregard and underestimate others, and rely solely on their favourites. To me, this is one of the disadvantages when the relationship between a superior and his/her staff is too close. The decisions made are governed by relationship and not by evidence and facts (Executive, Company 3).*

*We are reprimanded when things go wrong but not given any pat on the back for job well done....The praises are reserved only for the favourites. Others are only ridiculed, not appreciated in any way (Officer, Company 3).*

*Because we do not have any form of sales quota and performance indicator, that individual is able to get away without performing. Plus, he is the*

*favourite staff of his boss. What about the unfairness that is felt by others who work hard for the company and receive similar compensation as him (Network Executive, Company 3).*

The above feedback signals that the respondents are sensitive to issues of fairness and make social comparisons to others in perceiving how the companies treat them.

### ***Satisfied with a comfortable work environment***

Employees in companies 1 and 3 are also categorised as the Complacent type because they are satisfied with a comfortable work environment and showed no desire for a challenging work environment. For employees in company 1, their satisfaction with the company's work environment is mostly about supportive bosses who treat them like family members, are caring and understanding towards their needs:

*My supervisor is lenient and provides me with freedom on how I want to manage my work and pursue my interests in the company. My supervisor is also flexible with the working hours. He is understanding and allows us to take time off should emergencies occur (Manager 3, Company 1).*

*I like the work environment. My boss is relaxed and not strict. He allows flexible work hours and is understanding. We have been together for a long time and we have become a family. We are very comfortable with one another; hence, we can deliver in our jobs effectively. We have great teamwork here (Team Leader, Company 1).*

*The bosses are lenient. Although my job can be stressful at times, my boss is understanding and empathic towards our circumstances and situations. There is a great give and take between employers and employees. For example, if we need to stay back to complete urgent projects, our boss will actually stay back with us. He consistently takes an interest in our welfare and well-being. Sometimes, he even buys us dinner (Software Developer 4, Company 1).*

Perceived supervisor support has been identified as an important motivator for IT/ICT employees in several studies, for example, Sivarethinamohan & Paranganathan (2015) and Shropshire & Kadlec (2012).

Employees in company 3 also expressed satisfaction with their work environment, but they referred to factors such as being relaxed, laidback atmosphere and easy to fulfil superiors' expectations, which suggest that these employees are less likely to be affected by stressors such as high job demands that is often associated with IT/ICT employees (Hoonakker et al., 2013):

*In the previous organisations, I am used of being proactive in executing my responsibilities. When I started working here, I was very proactive; but I was asked to slow down by others. The working culture is so laidback here (Manager 1, Company 3).*

*In previous company, I worked for not less than 12 hours every day and on the weekends; I used to work from home. The workload and working hours here are far more relaxed (Network Executive, Company 3).*

*Plus, my manager does not have high expectation as far as work is concerned. I have already become complacent and comfortable with how things are here (Officer, Company 3).*

Overall, feedback from employees in companies 1 and 3 shows that the Paternalistic human resource practices, which are supposed to demonstrate concern for employees and build a long-term employer-employee relationship, somewhat achieve their intended purposes as employees are satisfied with their work environment, feel that their present jobs are good enough for them and want to remain with the companies.

### **Satisfied**

A satisfied employee is one who is happy and pleased with his job (Merriam-Webster Dictionary, 2015). Accordingly, employees in companies 2 and 6 are categorised as the Satisfied type because they are pleased with their jobs. Unlike Complacent employees, most Satisfied employees are non-Malays and had prior work experience in other companies before they joined companies 2 and 6. Their motives of joining the companies are mostly to advance their careers. Additionally, in company 6, almost all respondents joined the company because of its multinational status. Majority employees in both companies want to remain with their present employers. The factors that contributed towards employees in companies 2 and 6 being categorised as the Satisfied type are as follows:

#### ***Earning attractive compensation package***

This code embraces employees' perceptions concerning their salaries and fringe benefits. As explained in Chapter 2, salary and to some extent fringe benefits are important retention factors for IT/ICT employees (Medcof & Rumpel, 2007; Enns et al., 2006; Ifinedo, 2005; Igbaria et al., 1994).

Likewise, in this thesis, employees in companies 2 and 6, regardless of their position, place a lot of importance on these factors and when asked about their human resource practices, they mostly referred to these factors first. In fact, respondents in company 6, regardless of their gender, applied for employment in the company because of its lucrative compensation package:

*I joined because this is a very well-known and good multinational company. Anyone would like to join this company. It pays well; the name looks good on my resume and will help me in my next job search (Technical Executive 2, Company 6).*

*This is a very well-known company so I don't have to worry about being paid low salary, no career progression opportunities or lousy benefits. Here, I*



*know for sure my well-being is taken care of (Technical Executive 3, Company 6).*

Overall, respondents in both companies were satisfied with their compensation packages and feel that their package is better than the package offered in other companies:

*The company provides excellent benefits. As employees, we are given medical coverage for ourselves and immediate family members. The company also paid my childbirth costs. Upon application, we can also rent the company's vacation homes for own use (Team Leader, Company 2).*

*Most local ICT companies provide basic medical coverage and standard allowances. On the other hand, we provide a wide range of benefits which include outpatient treatment for staff and family, specialist treatment, hospitalisation insurance, various maternity care options and dental care for staff and family. We also purchase life insurance and personal accident insurance for staff. We also arrange for health screenings so that staff does not need to take leave to go for medical check-up. There is a gym for employees to use along with various work-out classes. The company also has apartments which the employees can rent at a subsidised price if they want to bring their families for a vacation. There are a lot of other benefits here. ... It is difficult to find another local company that pays as well as we do and provides a wide range of benefits like us. So, many people tend to stay on with the company because their well-being is taken care of here (Manager, Company 2).*

*The compensation and benefits is the most interesting part of working in this company. Everyone will agree on this. ... Our families are protected by the insurance coverage paid for by the company. We are also given annual dental and optician allowances. Female employees get maternity allowance and leave, while male employees are given paternity leave so that they can be with their families. ... The one that I appreciate the most is the medical coverage that is extended to our immediate family members. Other benefits include dental allowance, optical allowance and childbirth allowance.... Medical benefits are important so that I need not worry about the medical cost should I fall sick (Project Officer, Company 6).*

As reflected in the above quotes, as far as fringe benefits are concerned, the respondents mostly spoke about benefits related to healthcare, just like Complacent employees. They are pleased with their healthcare benefit because it not only covers their outpatient and hospitalisation costs but also of their immediate dependents. In addition, all employees regardless of gender also enjoy optical as well as dental allowances and female employees do not have to worry about their childbirth cost as both companies provide allowance that covers such expense. The importance placed on healthcare benefits is understandable because the healthcare cost is always increasing and Malaysia does not have subsidised government healthcare services, unlike in western countries. Therefore, most Malaysian employees rely on their employers to invest in healthcare insurance plans so that they can afford medical treatment in private hospitals (Hooi, 2008a; Islam & Hj. Ismail, 2008; Chew, 2005; Ahmad & Singh, 2001).

### ***Many learning and growth opportunities***

This code captures employees' perceptions regarding their opportunities to learn new skills, acquire more knowledge and progress in their careers. Opportunities for learning and professional growth have great motivational impact on IT/ICT professionals and are a crucial factor that influences their turnover intentions (Raman et al., 2013; Marks & Huzzard, 2010; Chang, 2009; Lee & Lin, 2008; Barocci et al., 1983; Couger et al., 1979).

Respondents in companies 2 and 6, regardless of their tenure in the industry, value work experience and are keen to learn as much as they can in their current roles. For example, a Software Manager in company 2 who has more than 10 years of experience in the ICT industry is just as keen to learn as Executive 3, who is a new employee in company 6 and has just joined the workforce after obtaining a university degree:

*Every project has its own challenges. Here, there are many opportunities to gain various exposures. Therefore, my main aim is to acquire as much knowledge and exposure as possible (Software Manager, Company 2).*

*My main objective for the time being is to get all the experience that I can. So far, I have learnt a lot and things are going on very well. I have attended network security training and my boss has planned for some other programmes. However, I am not sure when they will take place (Technical Executive 3, Company 6).*

Respondents also spoke enthusiastically about being encouraged to try new roles in another section or department so long the positions, which they pursue are a good match to their interests, skills and circumstances:

*I was told about the vacancy by a friend who was already working here. At that time, I was attached to a small local ICT company and decided to apply to work here as a means to develop my career ...I like the exposure to different types of technology, career advancement opportunities and the opportunities to change roles. I started in the company under the technical support team and since then have moved on to pre-sales division (Technical Executive 1, Company 2).*

*When I started here, I was an Executive and last year my role was as a Project Planner. This year, I joined the pre-sales team as the Executive. ... I like to try different roles. This company is big so such opportunities are plenty here.... I would like to try something else besides my current role but not sure of that yet. There are many opportunities here (Executive 5, Company 6).*

Their stories reveal that they are not left on their own in pursuing their careers, but they are helped and supported by their respective employers in many ways. For example, they can attend the needed training and development programme, have a dialogue with their immediate superiors about their

career options during appraisals, be part of internal forums and make use of internal portals that enlist available opportunities in the companies:

*I started as a programmer. I was a programmer between 2001 and 2003. Then I was promoted several times before I reached my present position. My promotions so far have been quite rapid; hence, I feel sometimes I did not have smooth transitions or enough time to acquire all the skills needed for a position. However, I have had a very good boss who has helped me in progressing in my career (Team Leader, Company 2).*

*We talk about career progression in the appraisals. My boss mentioned that in two years more, I could become a Manager, provided I learn what is required for the job. That is a great opportunity. That is why I am attending the trainings that I have mentioned earlier. I want to be competent enough so that I have the right skills and knowledge to apply for the promotion (Executive, Company 6).*

Respondents in company 6, a foreign multinational, also spoke enthusiastically about overseas opportunities; whereby, they can either apply to be transferred to sister companies or be part of challenging and reputable regional/international projects that will expose them to new skills, knowledge and opportunities:

*The company also accepts and is receptive towards changes that take place in the marketplace. We just implemented a new blue print in South East Asia. I was part of that project and it feels so good to be part of a reputable project of a large scale (Technical Manager, Company 6).*

*I was part of a reputable regional project. We succeeded in all the countries. It was a pretty challenging project. My boss encouraged me to be part of this project (Project Officer, Company 6).*

In company 2, while most respondents perceive that they are learning a lot and making the most of their employment with the company, two executive level respondents, including the Team Leader who is happy with her promotions so far, expressed their unhappiness with the company's employee promotion practice, which they claim is too time-consuming because of the company's emphasis on seniority factor. They are thinking of resigning:

*As I said earlier, they claim it is merit based, but actually they do take into consideration a person's length of employment in the company. It is because of this reason that I am thinking of leaving this company. One customer is interested in hiring me (Technical Executive 1, Company 2).*

*The promotions are too slow because there are many long-serving employees. It will take too long for me to wait for my turn. I want to become a manager and hopefully become Head of IT operations. However, I do not think that would happen here. I am thinking of accepting a job offer as a manager in one of my customer's organisation (Team Leader, Company 2).*

The fact that they already have prospective employers who are keen in hiring them goes on to show that their work experience, knowledge and skills are valuable and relevant to the industry; hence, they need not feel insecure about their abilities like some Complacent employees.

### **Part of a positive work environment**

This code consists of employees' perceptions about their working environment and mainly includes intangible components such as freedom, flexible work arrangements, working relations with superiors, support from senior managers and the general working atmosphere.

Respondents in companies 2 and 6 greatly value the freedom and flexibility that they have in carrying out their responsibilities. For them, the flexible working hours and freedom to define how they accomplish their responsibilities create an environment of trust, and make them feel valuable and appreciated:

*The working culture here is very professional. We address people by their first names. People in my department are very helpful. ... We are not strict about working hours. Instead, we are flexible and trust each other not to abuse the flexibility. There is no punch card system here (Team Leader, Company 2).*

*My superior, who is a Manager, is flexible about working hours as long as the tasks are completed. He macro manages and gives us the freedom to do our tasks. He sets the direction and trusts us in knowing what to do. He is approachable and is always there to guide us (Technical Executive 1, Company 2).*

*There is no micromanagement unlike other organisations that want to know what you are doing every day. Here, we are given freedom. One can breathe here. The working hours are also flexible as long as the job is completed. The company focuses on people than anything else. The company makes us feel that we are important.... the company respects us and recognises our importance, we have the room or freedom to perform, freedom to choose and pursue our interest in the company and grow professionally (Technical Executive 2, Company 6).*

*I think as an employer, the company is very kind and flexible. There is empowerment and flexibility. Again, it all boils down to self-discipline because here the people would not really push you to do your job. Instead, they are very trustworthy and listen to your problems.... My manager does not micro manage so we have a lot of room to plan and do our jobs. We can approach the managers and senior managers should we face problems and often they are willing to help. The company is very tolerant and does not mind giving employees many opportunities to perform and meet their performance indicators (Executive, Company 6).*

The quotes above show superiors play an important role in providing flexibility and freedom to employees. Superiors also play an important role in assisting employees to learn more and progress in their careers. For instance, a Team Leader in company 2 who has achieved significant career

growth in the company attributes her success to the support she received from her immediate superior:

*I started as a programmer. I was a programmer between 2001 and 2003. Then I was promoted several times before I reached my present position. My promotions so far have been quite rapid; hence, I feel sometimes I did not have smooth transitions or enough time to acquire all the skills needed for a position. However, I have had a very good boss who has helped me in progressing in my career. ... She helped me to be where I am today. She is a pushy person who stretched our capabilities beyond limit and that made me unleash my potential. I am grateful for what she has taught me (Team Leader, Company 2).*

In another example, Technical Executive 1 in company 6 also spoke positively about the guidance she receives from her supervisor:

*There are no restrictions imposed when we need to see our boss. There is no status barrier between my boss and us. We can talk easily with one another and the people here are friendly. My direct superior is willing to teach and coach me as well as provide feedback; whereas, in my previous company, there was a gap between the managers and employees (Technical Executive 1, Company 6).*

The importance attached by the employees to immediate superiors has been noted in several IT/ICT employee management studies such as Sivarethinamohan & Paranganathan (2015), Shropshire & Kadlec (2012) and Dockel et al. (2006), which claim that such support creates a sense of attachment in employees for their employers and reduces their turnover intentions.

In addition to immediate superiors, respondents in companies 2 and 6 also appreciate support given to them by the senior managers. For example, respondents in company 2 spoke positively about being able to address their superiors using their first names, despite them being part of a local company, where such a custom is unusual:

*The senior managers practice open door policy, which means we can approach them should such a need arises. There are no status differences between the top managers and working class employees. In fact, the top management encourages us to provide feedback and engage with them (Manager, Company 2).*

*The top management is very supportive and ready to provide help when we need help (Team Leader, Company 2).*

*The top management is flexible and supportive as well as trusts us to undertake our responsibilities. They are also forgiving and are tolerant towards errors made by employees. This shows that they support learning environment within the organisation and encourage us to learn from mistakes and thereon improve (Technical Manager, Company 6).*

The fact that they can seek help and interact with senior managers signals that the distance between senior managers and employees is short, which is critical in the ICT business so that changes and approvals can be quickly executed to ensure project success (Taylor, Levy, Boyacigiller & Beechler, 2008).

Overall, feedback from employees in companies 2 and 6 shows that the Formal human resource practices, which are supposed to demonstrate care and concern for employees, achieve their intended purpose as most employees are satisfied with their compensation package, learning and growth opportunities and work environment. It is important that employees have positive perceptions of these three factors because these are the top three satisfaction and retention factors for Malaysian employees identified in annual surveys undertaken by Willis Towers Watson (2015) since 2012.

### **Optimistic**

Employees in companies 4, 5 and 7 are categorised as the Optimistic type because they are unhappy with some of their existing employment conditions, but at the same time are hopeful about their future employment opportunities because of their skills and knowledge, which they have acquired in their present jobs. Most employees in companies 4, 5 and 7 are non-Malays and have shorter employment tenure as compared to Complacent and Satisfied employees. Their main motivation is to learn and earn work experience. The specific codes that explain why these employees are categorised as the Optimistic type are discussed below along with their supporting quotes:

#### ***Unhappy with heavy workload***

Heavy workload has been identified as a dissatisfaction factor for IT/ICT employees in several previous studies, such as Hoonakker et al. (2013) and Rigas (2009). In this thesis, almost all employees in companies 4, 5 and 7 complained about heavy workload. Employees in companies 4 and 7 associated their heavy workload with the fact that the companies are understaffed. For employees in these two companies, heavy workload is a source of dissatisfaction and stress because they have to juggle various tasks, work overtime and not being able to take time off for personal reasons and to attend training and development programmes:

*We are understaffed because of the retrenchment exercise. Since everyone is bombarded with more work, no one has the time to teach and guide others. ... With lesser people around, our workload has definitely increased and we are now required to do multi-tasking (Consultant 3, Company 4).*

*I am also demotivated by the workload. Now we have to do a lot of work and cannot concentrate on a single task. For example, I have to handle a few modules. ... It is different in being given many opportunities at one go and being given the opportunities gradually so that one can execute them*

*properly. Too many tasks at one time can be stressful and overwhelming (Programmer, Company 4).*

*There are two of us in our team, so, should any one of us have to be on leave, the other person is left with high workload. ... I have requested for a number of trainings but because of the workload, I am unable to attend those trainings. For example, if I go for a week programme, my colleague would suffer from the high workload. This week my colleague is on one-week medical leave, I have to work until 9.30pm. My superior ought to know of my situation of having to cope with so much of work. .... I think we do not have enough people (Executive 2, Company 7).*

*I am demotivated by the workload. It is heavy and we are under resourced (Executive 3, Company 7).*

*I also have to manage a number of different tasks at the same time. Sometimes, every task seems to be urgent. ... The job demands are tough and I have a lot of work to do plus with tight datelines (Senior Executive, Company 7).*

In comparison to companies 4 and 7, the heavy workload problem in company 5 is less serious as employees are still tolerant and able to justify that such is the nature of the ICT consulting sector. According to them:

*We have too many meetings and sometimes I have to work long hours. I do not like to work long hours. But what can I do? All consulting companies are like this. I have to face these issues as I like to be part of this industry (Consultant 1, Company 5).*

*We have a few projects ongoing at the same time. We have to manage them with limited resources as we are pretty new. That can be quite a struggle (Project Manager 2, Company 5).*

### **Unhappy with salary**

Respondents in companies 4, 5 and 7 were not happy with their salaries and provided different reasons as to why they felt that way. Employees in company 4 were unhappy because they had to take a pay cut, which was a measure introduced by the company to cope with the economic recession at that time:

*Because of the economic situation, the company has retrenched many employees and given pay cut to the remaining ones. The pay cut applies to all employees who are not retrenched. It is painful to experience this after we have experienced a good growth in the last couple of years (Consultant 1, Company 4).*

*The current situation after the pay cut and retrenchment is quite depressing and creates fear as well as uncertainty in the rest of us as to what will happen next (Consultant 2, Company 4).*

Employees in company 5 were unhappy because they felt short-changed, as the company has the means to pay more and provide better employee benefits but was not doing so:

*I am not happy with my existing salary. It could be better as the company is involved in many well-paying projects. The medical coverage can be extended to include dental expenses (Team Leader, Company 5).*

*The benefits offered here are limited and the salary could be better.... The company is doing well so it should be able to pay us more (Consultant 2, Company 5).*

Employees in companies 7 also felt short-changed because their salaries do not match their workload and are lesser than what is being paid by other companies:

*The salary paid here is below market average. My friends are also wondering why I am not moving to another company (Executive 2, Company 7).*

*I think we should be paid higher salaries because of our workload. My friends in multinationals are paid more (Executive 1, Company 7).*

The employees' focus on salary is understandable as many IT/ICT employee management studies such as Westlund & Hannon (2008), Lowry et al. (2006), Ifinedo (2005), Igbaria et al. (1994) and Tan & Igbaria (1994) have identified salary as an important motivator for IT/ICT employees. Salary is also an important motivation factor for employees in Malaysia (Halim et al., 2009; Islam & Hj. Ismail, 2008).

### ***Unhappy with lack of information***

This code refers to employees complaining about lack of clear and precise information regarding their jobs, entitlements and company plans. Employees in companies 4 and 5 expressed dissatisfactions about not having clear information on their entitlements, which they claim is because the companies do not have a company/employee handbook that documents company policies, rules and regulations as well as employee entitlements:

*A lot of information concerning human resource management is not cascaded down to the consultants, including the career path opportunities. We only get to know of this from our direct manager. We do not have a transparent information-sharing channel in the organisation. We have to refer to colleagues or a senior employee to know of something, for example, our claim entitlements. The human resource procedures are not documented (Consultant 1, Company 4).*

*We are not given the same information about our entitlement for allowances. It is up to us to ask. The information is only given when we ask. That is not very fair (Consultant 4, Company 4).*

*Company policies / rules and regulations should be documented and communicated more explicitly. At the moment, the documentation part is*



*lacking. It would help and guide us if a standard procedure is in place (Consultant 2, Company 5).*

Additionally, employees in company 4 are unhappy because they feel that they have no say in matters that are important to them. For example, the employees below complained about being pulled out of projects and being promoted without being consulted:

*I had an opportunity to manage programmers but in the middle of the project, I was pulled out for another project in which I worked independently. I do not know why the management did that. It was sort of a blow to my ego (Programmer, Company 4).*

*Recently, I was promoted to become a project manager. However, I rather stay as a consultant, which is why I am planning to resign and work elsewhere as a consultant.... I have come to realise that I am able to learn more as a consultant than being a project manager. At this stage in my career, I would like to develop my technical competencies rather than focusing on managerial competencies.... No, I was not consulted about the promotion (Consultant 1, Company 4).*

Meanwhile, in company 7, employees are unhappy because they do not receive clear information from their immediate superiors and senior managers. They also blamed the distance between the subsidiary and the group human resource department for the miscommunication:

*There is no clear direction provided by the immediate superior / management. At one point, they undertake one direction, then, they abruptly shift towards another direction without giving sufficient time for us to accomplish and reap results from previous direction activities. Such abrupt change causes us not to be able to focus and leads to dissatisfactions plus frustrations (Technical Assistant Manager, Company 7).*

*Communication between group human resource department and the subsidiaries should be improved. At the moment it is not consistent and clear. The expectations between the Group human resource department, our line managers and employees do not match. For example, the human resource department did not clearly communicate to the participants as well as to the line managers about how the management training programme should be coordinated and implemented (Executive 3, Company 7).*

Access to clear information emerged as an important factor for the above employees may be because they are distanced from the companies. Employees in companies 4 and 5 are often based at their clients' locations whereas employees in company 7 are part of one subsidiary in the whole group that has more than hundred subsidiaries. Previous studies, Srikanth & Jomon (2013), Igbaria & Guimaraes (1993) and Baroudi (1985) have also identified clear information as a prerequisite for IT employees who work in uncertain environments so that they can perform effectively at work.

#### ***Unhappy about lack of autonomy***

This code refers to employees' desire to perform their tasks without depending so much on others. Autonomy is as an important characteristic of the job design and is "the degree to which the job provides substantial freedom, independence, and discretion to the individual in scheduling the work and in determining the procedures to be used in carrying it out" (Hackman & Oldham, 1976, p. 258). Employees in all three companies demonstrated various instances of not having enough autonomy in accomplishing their responsibilities. For example, employees in company 4 claimed that they have no control over their work:

*I had an opportunity to manage programmers but in the middle of the project, I was pulled out for another project in which I worked independently. I do not know why the management did that. It was sort of a blow to my ego (Programmer, Company 4).*

*We need to recruit more experienced consultants. At the moment, we have very few of them. Because most of us are still new in this field, we constantly need to depend on them for help. However, they are too tied down with work but they try hard to accommodate us. This is not an ideal scenario and we cannot learn much and quickly this way (Consultant 2, Company 4).*

In company 5, because decision-making is centralised at the head office, which is located in another country, the Malaysian employees feel unhappy that they have to depend on their overseas counterpart for directions and instructions on what to do when they are capable of doing the same:

*I prefer more decentralisation and empowerment from the head office so that we do not have to depend heavily on them for decision-making. After all, I believe we have proved that we are capable given that we have closed some big deals (Team Leader, Company 5).*

*Most of the policies and decisions are made and decided upon by our head office human resource team. I feel that we should be given more empowerment. Maybe some operational decisions can be made by us while the senior managers be responsible for strategic decisions (Consultant 1, Company 5).*

In company 7, employees have no control over their work because they are dependent on their superiors to guide them as they lack the necessary competencies to perform their duties. Although they can make do with such arrangement because their superiors are helpful, they indicated preference to be able to do their jobs on their own:

*I lack project management skills as I am still new in this field. ... At the moment, I depend on my immediate boss to help and guide me. Hopefully, soon I can attend some training programmes.... It is ok but it is not easy to depend on him because sometimes he is also busy with his work. If I am sent for trainings, then maybe I can complete my tasks on my own without having to rely on anyone (Executive 1, Company 7).*

*My skills are not up to the level required to perform my work responsibilities; hence, I am unable to perform some of the tasks and have to escalate them to the higher management. I have to learn on my own to equip myself better. ... I have requested for a number of trainings, but because of the workload, I am unable to attend those training (Executive 2, Company 7).*

Their dissatisfaction with the lack of autonomy is understandable because autonomy is an important motivator for IT/ICT employees and the absence of autonomy is likely to cause employees to experience reduced commitment, low performance, compromised productivity and higher turnover (Ahuja et al., 2006; Thite, 2006; Ifinedo, 2005; Marks et al., 2002).

### **Motivated to learn and improve self**

All respondents in the three companies indicated a desire to learn and expand their knowledge as well as skills:

*It is mainly because of SAP and not because of the IT industry. I was very interested in the SAP consulting business. I liked the part of meeting people and consulting clients. It is not the same as being in the engineering industry. I wanted to leave the 'dirty work' in the engineering field and venture into something more professional. So, when this opportunity came along, I was very interested. It is very rare for SAP consulting companies to hire inexperienced people and fresh graduates. In fact, it is not easy to join the SAP industry without experience, as most companies tend to look for candidates with at least three to five years of SAP experience (Consultant 1, Company 4).*

*I was already SAP certified before I joined this company. Once I obtained the certification, I applied to all SAP partners. I chose to work with this company because of the learning opportunities within the company and because I am able to join projects straight away. Other companies require a new candidate to uptake support roles before joining projects (Consultant 2, Company 4).*

*I decided to join the SAP industry because I have been receiving positive feedback from my friends about the attractive remuneration paid to SAP experts. I joined this company because the company hires fresh graduates or people without SAP knowledge for whom the company provides training. This is a very good stepping-stone for me to join the SAP industry. In Malaysia, there are not many SAP companies and most of the companies only recruit experienced professionals (Consultant 3, Company 4).*

*We have one product that is selling very well. I am motivated to learn about this product because it has a lot of demand and potential (Consultant 1, Company 5).*

*I am motivated by the potential of being part of the ERP sector. It is a growing opportunity with a lot of potential. There are plenty of job opportunities for people with ERP implementation experience (Consultant 2, Company 5).*

As reflected in the quotes above, employees in company 4 are particularly grateful for being given a chance to be part of the company because others are unlikely to recruit inexperienced employees like them.

The Formal practices in company 7 are supposed to enable employees to attend formal off-the-job training and development programmes, but employees indicated that they mostly learn on the job:

*So far, I have not attended any training programme. I gained IT knowledge and skills from my boss. We have monthly staff meeting during lunch hour, where we discuss on latest developments as well as knowledge sharing / skill updates (Senior Executive, Company 7).*

*I have requested for a number of trainings but because of the workload, I am unable to attend those trainings. For example, if I go for a week programme, my colleague would suffer from the high workload. This week my colleague is on one-week medical leave, I have to work until 9.30pm. My superior ought to know of my situation of having to cope with so much of work. .... I think we do not have enough people (Executive 2, Company 7).*

Nonetheless, employees in all three companies agree that they are learning a lot in their current jobs:

*When I joined the company, I was assigned to SAP programming. Then I was assigned to do multimedia such as videos, demos and presentations. Then I was assigned to a different programming language, which is ASP dot NET. Now I am doing ABAP programming for SAP. ... Of course, I have learnt so much in less than two years here. The assignments allowed me to explore different programming languages (Programmer, Company 4).*

*There are many learning opportunities in the company. The opportunities are not just in one area but in cross functional areas, e.g. one can learn about manufacturing, finance and oil and gas depending on the various projects that one become part of (Consultant 2, Company 4).*

*The people and bosses are nice and friendly. My superiors encourage me to learn new technologies and I need to be part of different projects at any one time. They also listened to my feedback and concerns as well as are with reasonable demands / expectations. They are flexible as long as the work gets done. There are career development opportunities within the company as the company is expanding rapidly... The work environment is fun. We have the internal knowledge sharing sessions where we brainstorm and receive briefing by an experienced colleague on new technology, project experience and industry developments. We can also download guidelines and manual on the latest products and service offerings. Personally I do not achieve much from public programmes. I think being on the job is the best way to learn (Consultant 1, Company 5).*

*I will surely recommend another friend to work here because the company offers a lot of learning opportunities. It is a growing company, which undertakes new and challenging projects. We not only learn here but can grow with the company (Consultant 2, Company 5).*

*Earlier, I was responsible for support activities. Now, after the restructuring exercise, I am given more management and project management roles to undertake. My previous role is handled by my subordinate. The management and project management roles are something new for me to learn . ... Here, we have to multitask, meaning we have to do more than one project at a time. Each project has different requirements, uses different technology; thus, we are able to learn a few applications and gain various skills and knowledge at the same time (Executive 1, Company 7).*

*The primary reason for staying with the company for so long is because of the learning opportunities. Next, is because of the work environment – understanding superiors who guide and coach (Senior Executive, Company 7).*

The learning opportunities are important for the employees so that they can obtain a better job and demand higher salaries in the future:

*I value experience a lot because being in this line, it is all about generating as much experience as you can because at the end of the day, the projects that you have done become your asset. This is the tool that I would use to move from one firm to the other. In order to demand a higher salary in the future, I would need to show my involvement in the projects (Consultant 1, Company 4).*

*My main motivation factor is the job challenges and opportunity to multi-task, which provides me with ample of learning opportunities. There are two of us in my section so we need to undertake various tasks for every project. We cannot afford to pick and choose tasks/projects that we want to be part of. So, we are really learning a lot. However, I know I can easily find better paying jobs elsewhere with the kind of experience I have (Executive 2, Company 7).*

Unlike in companies 2 and 6 where employees reported mostly positive perceptions of the Formal human resource practices, employees in company 7 reported negative perceptions of the practices. Employees in companies 4 and 5 also have negative perceptions of the Informal human resource practices. Yet, most employees indicated intention to remain with the companies because of the learning opportunities that are present in the companies.

### **Intrinsically motivated**

Intrinsic motivation signifies the degree to which an employee experiences positive internal feelings when working effectively on the job (Hackman & Oldham, 1976). Among the studied companies, employees in company 8 are categorised as the Intrinsically Motivated type because they are self-determined and demonstrated deep interest in completing tasks that are assigned to them. Their responses revolve around their intrinsic feelings to do well in their jobs unlike Complacent , Satisfied and Optimistic employees whose responses focused on external factors and their expectations from their employers, regardless of whether their expectations are met or otherwise. Most employees joined company 8 because of their interest in the technology deployed in the company and because

of the anticipated challenges of venturing into such technology. They are categorised as the Intrinsically Motivated type because of the following reasons:

***Keen to do more and do better in their jobs***

One of the main reasons why employees in company 8 are categorised as the Intrinsically Motivated type is because many of them indicated desire to do more and do better in their jobs instead of being satisfied with their present performance. Their desire to perform better stems from their initiative and not because of any external force, for example, not because they want to score higher ratings in their performance appraisal, which translates to better rewards. They also demonstrated willingness to take on various tasks and did not complain about workload, unlike Optimistic employees. However, they suggested a few improvements that will allow them to perform better; for example, they hope for higher budgets to complete projects and senior managers to share information with them and to involve them in the planning process. They also expect some planning and order in the company instead of having to deal with ad-hoc situations. The quotes below demonstrate employees' desire to do more and better in their jobs as well as their willingness to help the management so that the company can perform better:

*I want to do more, but I feel the management is unable to unleash my fullest potential because of my dissatisfaction with some factors that exist here. I prefer if there is a structure to how things are done here. Where possible, we should avoid doing things on an ad-hoc basis. We should be more systematic. Line managers should be told the reasons for certain implementations and decisions that are undertaken as such information would help us in planning and organising our own work. We should also be given sufficient resources and funds to operate optimally. These are important factors so that I can perform more productively (Manager 2, Company 8).*

*We are just instructed on what to do and often we are not able to do well because we do not understand the big picture. We put in our own effort and consume time to understand the new project requirements (Network Engineer 1, Company 8).*

***Motivated by challenging tasks***

IT/ICT employees like challenging tasks because they are demanding and stimulating; hence, they test one's ability and determination and allow one to learn and develop their skills (Coombs, 2009; Hunter et al., 2008; Enns et al., 2006; Thite, 2006; Conger, 1989). Accordingly, several employees, particularly managers, referred to challenging tasks in explaining their motivation in joining company 8. They also associated their motivation and intention to remain with company with the opportunities to accomplish challenging tasks. For example, Manager 2 feels demotivated for not being involved in the planning process; yet he wants to stay on with the company because of the job challenges:

*I stayed on because of the challenges that were put forward upon me. I need to set up the network operation centre, also involved in the design and provisioning of the network and serious troubleshooting. I like to live up to challenges. The challenges provided me with immense job satisfaction and encouraged me to provide my utmost commitment to the company (Manager 2, Company 8).*

The following quotes provide additional evidence of employees being enthusiastic about challenges that are part of their jobs:

*Since I am up for challenges, the short timeline given here to complete a task inspires me further (Manager 1, Company 8).*

*I joined because of the anticipated challenges from being part of a competitive industry. We have all sort of challenges here, for example, licensing issues, network down, customers threatening to pull out and sudden big projects (Manager 5, Company 8).*

### **Motivated to learn and improve self**

Employees in company 8, regardless of their position, demonstrated strong desire to improve their knowledge and skills, like Optimistic employees. While Complacent and Satisfied employees referred to formal training and development programmes as their main learning avenue, employees in company 8 mainly referred to ongoing on-the-job training and personal mentoring, which was also the case for Optimistic employees. Technical employees who joined company 8 because of their interest in the technology deployed are satisfied with how much they have learned by joining the company:

*This is a good place to learn and gain experience on the subject of network technology. One can also get real time and hands on experience here. It is an opportunity to put in practice our theoretical knowledge (Network Engineer 1, Company 8).*

*As I said, I have not been calculative with the company; I am willing to do all forms of jobs and I have also spent a lot of time understanding and learning the company's network. I learn on my own initiative and sometimes beyond my working hours. I also appreciate the support given to me by other management members and colleagues. I joined the company without any experience. Now I know so much about network technology. I can consider myself an expert in this area (Network Engineer 3, Company 8).*

The managers in the company feel that they have acquired new skills because they have to undertake a wide range of responsibilities:

*This assignment allows me to increase my knowledge and exposure in the ICT industry. I have also gained project management and customer relations skills....The job scope is not limited here, which makes this company a good training ground for all employees. I have developed professionally as well as personally. Compared to my previous assignments, I find this assignment to*

*be more meaningful and it provides me with more exposure. Here, I have freedom to think more (Manager 3, Company 8).*

*This is a relatively new company and I am learning tremendously a lot here. Now I have the opportunity to develop my managerial and leadership skills, interact with the top management and be part of strategic planning activities for my department (Manager 4, Company 8).*

They enjoy the learning experience; more so because they have the senior managers' support, which means that they can fall back on the managers if such need arises instead of being left to cope on their own:

*I like that I have the opportunity to interact with customers and to work independently. I am able to plan and schedule my work on my own. I am given the freedom and space to do so. I am only required to report to my superior twice a week, that is every Monday and Friday. However, should the need arises; I can always refer to my superior for guidance and support (Executive, Company 8).*

*I can learn about the technology and the overall supply chain as much as I want to. They do not impose restrictions. I can also ask them for help and guidance. I have learnt so much since I started work here (Network Engineer 3, Company 8).*

No respondent indicated the need for formal training programmes, except for some product training, so that they can use the product more optimally and perform better in their jobs. Product trainings are normally given free of charge once a company purchases a product:

*We do need product trainings from suppliers. Currently, we are using the products via trial and error – chances are we are not using the products optimally and effectively. The company should make it a point with the suppliers that the latter must provide product training, facilitate learning among the staff and help us to implement the products effectively. Nevertheless, we are able to complete assignments successfully (Network Engineer 3, Company 8).*

#### **Place less importance on immediate monetary gains**

Employees in company 8 rarely identified salary and benefits as a primary reason to work for the company. A few employees suggested that the company should consider increasing employees' salaries, but they suggested so to recognise loyal employees and to match increasing living costs. Some managers said that they are earning lesser than what they used to in their previous companies, but they do not mind the lower take-home pay. Overall, employees in company 8 demonstrated understanding and hope that they will be rewarded better once the company becomes more established. The following quotes reflect the employees' lack of emphasis on immediate monetary gains:



*The company should also consider giving salary increments. The amount given may depend on staff dedication, experience and duration with the company. I personally feel that employees that have been with the company for more than two years deserve salary increment (Manager 2, Company 8).*

*I am here definitely not because of the money as I was paid very well in my previous job. Even today, should I decide to join another company; I am able to earn more than what I am paid here. I stayed on because of the challenges that were put forward upon me. I like to live up to challenges (Manager 2, Company 8).*

*In my previous company, I was paid more but I received little exposure and freedom in planning and carrying out duties assigned to me; whereas, here, my salary is lower than what I was paid previously but I have tremendous opportunities to develop and improve myself, both at a professional and personal level (Manager 3, Company 8).*

### **Confident about future employability**

Employability refers to “an individual’s perception of his or her possibilities of getting new, equal or better employment” (Bernston, 2008). Employees in company 8 are confident about their employability because some of them are headhunted by other companies and by looking at their colleagues who have resigned and secured better paying jobs in other companies. Their overall sentiment is that because they learn greatly from their jobs, they are confident of their knowledge and skills; which translates to feeling secured about their employability. Their confidence is reflected in the following quotes:

*This experience will place us ahead than others should we decide to look for employment elsewhere. Many of us are head-hunted by other companies (Manager 4, Company 8).*

*People in the market want to immediately employ our staff because they are so exposed and well trained despite not attending any formal trainings (Manager 5, Company 8).*

Overall, Intrinsically Motivated employees perceive the Informal human resource practices more positively than the Optimistic employees.

### **5.1.3 Section summary**

The objective of this section was to answer the third research question, which is about employee outcomes in the Malaysian ICT industry. This question was answered using simple statistical analysis and qualitative analysis. The findings from the statistical analysis show that majority employees (46 out of 53) indicated intention to stay with their present employers and 38 per cent of employees have been in employment with their present employers for between three to five years and 31 per cent have been with their present employer for more than six years. This finding suggests that the companies have reasonably high employee retention rates, which contrast the Malaysian Employer

Federation (MEF) report in Goh (2013) that the Malaysian ICT industry suffers from severe employee turnover problem at 75 per cent employee turnover rate.

The statistical analysis also reveals that employees who expressed intention to resign are from companies with either Formal or Informal human resource practices. The fact that employees who experience Formal practices associated their intention to resign with their dissatisfactions with the companies' human resource practices goes on to show that presence of such practices, which resemble advanced human resource practices in strategic HRM literature, does not necessarily result in positive employee outcomes. On the contrary, employees who experience Informal practices signalled acceptance towards such practices as they did not associate their intention to turnover with the practices, instead, quoted personal factors to explain why they intend to resign.

The qualitative analysis led to the construction of four types of employee outcomes: Complacent, Satisfied, Optimistic and Intrinsically Motivated. The four types of outcomes were constructed using the constructivist grounded theory method, which consists of two steps that began with the identification of fifteen codes, comparing the codes across different companies, grouping similar codes together and lifting them onto higher categories to construct the four types of employee outcomes. The identification of different types of employees is important and useful for the companies especially to the Human Resource Managers so that they can design and implement human resource practices that address the actual needs of their employees.

The triangulation between statistical and qualitative analysis reveals some interesting findings and provides a complete picture to explain the employee outcomes. For example, qualitative analysis shows that employees in companies with Paternalistic practices want to remain with their present employers because they have become too comfortable and feel that their current jobs are good enough despite being dissatisfied with some workplace factors. Therefore, their low turnover rate from the statistical analysis should not be construed as completely positive. In another example, just because some employees linked their intentions to resign with the limitations revolving around the Formal practices does not mean the practices have failed to fulfil employees' needs because qualitative analysis shows that most employees are satisfied with the practices and that the practices fulfil Malaysian employees' important retention factors. Qualitative analysis also clarifies that Intrinsically Motivated employees' lack of reference to human resource practices in explaining their retention/turnover decisions is not because they are satisfied with the practices, but because they attach greater importance on their jobs than on the practices.

Of the four types of employee outcomes identified in this thesis, the Satisfied employees are somewhat similar to the High Maintenance employees described in Enns et al. (2006) because they enjoy attractive pay and benefits, recognition and opportunities for growth and development. The

remaining three types of employee outcomes identified in this thesis, Complacent, Optimistic and Intrinsically Motivated constitute new findings and serves as a contribution to the IT employee management literature.

## 5.2 Types of employee retention outcomes at the company level

This section answers the fourth research question: What are the employee retention outcomes for the Malaysian ICT companies? This section also has two parts. The first part reports companies' employee retention outcomes using their employee turnover data. The second part reports the companies' employee retention outcomes via qualitative analysis.

### 5.2.1 The companies' employee retention outcomes using statistical employee turnover data

Although the companies' Human Resource Managers or senior managers were asked about their employee turnover rates, their individual turnover percentages are not disclosed here in order to protect the companies' anonymity. Instead, the companies are ranked according to their employee turnover rate in 2008. The turnover data may be dated but the findings are worthwhile because they address gaps that still exist in the literature. The company with the lowest employee retention rate (or the highest employee turnover rate) in 2008 is ranked number 1 and the company with the highest employee retention rate (or the lowest employee turnover rate) in 2008 is ranked number 8. This information is illustrated in Table 21.

**Table 21 Companies ranked for their employee turnover using 2008 employee turnover data**

Company	Type of company	Type of human resource practices	Company ranking using 2008 employee turnover data
1	Large home-grown company	Paternalistic	6
2	Large home-grown company	Formal	4
3	Shared service company	Paternalistic	8
4	Small Business	Informal	5
5	Small Business	Informal	7
6	Powerhouse	Formal	2
7	Shared service company	Formal	1
8	Small Business	Informal	3

The table shows that the company type factor does not influence companies' employee retention outcome because companies 3 and 7 are both shared service companies but company 7 has the highest employee retention rate whereas company 3 has the lowest employee retention rate. Instead, human resource practices explain a company's employee retention outcome more accurately as all companies with Paternalistic practices (companies 1 and 3) have higher employee retention rates than companies with Formal practices (companies 2, 6 and 7). This finding goes on to

show that generally, companies with Paternalistic practices can expect to have lower turnover rates than companies with Formal or Informal practices. However, whether the low employee turnover rate is beneficial for the employers is an issue that is explored in the next section.

### 5.2.2 The companies' employee retention outcomes using qualitative data

This section answers the fourth research question using a qualitative analytic procedure that consists of two steps. The first analytic step involved examining the transcripts to extract information that explain the companies' employee retention outcomes. This step represents initial coding in Charmaz and led to the emergence of six codes, which are listed in Table 22.

**Table 22 Initial codes about companies' employee retention outcomes**

Initial codes			
1	Only performing employees are retained	4	Have employees with almost obsolete skills
2	Achieve a good match between company goals and employee types	5	Employees do not support company initiatives
3	Employees resist changes	6	Productivity is compromised

The second stage of the analysis constitutes focused coding, whereby the codes are grouped into higher-level categories. Codes 1 and 2 are grouped together to construct the Functional employee retention category because they demonstrate positive feedback from the members about the companies' employee retention outcomes. On the other hand, codes 3, 4, 5 and 6 consist of negative feedback from the companies about their employees; hence, they are grouped together to construct the Dysfunctional employee retention category.

The terms, Functional and Dysfunctional employee retention, are adopted and modified from the study of Abelson & Baysinger (1984), where the term functional turnover and dysfunctional turnover are used. Abelson & Baysinger (1984) describe functional turnover as employee separation that involves employees that the company would prefer not to retain, so losing such employees through voluntary separation is viewed as a convenient substitute for termination. On the other hand, dysfunctional turnover involves voluntary separation of employees whom the company prefers to retain. Instead of using functional/dysfunctional turnover, the present thesis adopts the terms Functional/Dysfunctional employee retention because the feedback from the companies shows that they are more concerned about employee who remain with them than employees who have left.

The third analytical step involved plotting the codes across the eight companies in order to identify patterns amongst them. Codes 3, 4, 5 and 6, which represent negative feedback from the respondents, are identified in companies 1, 2, 3 and 6; therefore, these companies are categorised to

have Dysfunctional employee retention. Companies 4, 5, 7 and 8 have positive codes concerning employee retention; thus, these companies are categorised to have Functional employee retention. Table 23 illustrates the codes and categories for the eight companies along with the type of human resource practices adopted by them. The two types of employee retention outcomes and their codes are discussed thereafter.

**Table 23 Plotting of Functional and Dysfunctional employee retention codes in the eight companies**

Code	Codes	Types of employee retention outcomes	Present in companies							
			1	2	3	4	5	6	7	8
1	Only performing employees are retained	Functional retention of employees				•	•		•	•
2	The desired employee retention outcome is achieved	Functional retention of employees				•	•			•
3	Employees resist changes	Dysfunctional retention of employees	•	•	•			•		
4	Have employees with almost obsolete skills	Dysfunctional retention of employees	•	•				•		
5	Employees do not support company initiatives	Dysfunctional retention of employees	•	•	•					
6	Productivity is compromised	Dysfunctional retention of employees	•		•					
Type of human resource practice present in the company (P=Paternalistic, F=Formal and I=Informal)			P	F	P	I	I	F	F	I
Company ranking using 2008 employee retention data			6	4	8	5	7	2	1	3

### Functional Retention of employees

Functional employee retention outcome is constructed from codes 1 and 2, which are identified in companies 4, 5 and 8, all of which are Small Businesses with Informal human resource practices and in company 7, which is a Shared Service Company with Formal human resource practices. Codes 1 and 2 are explained below with supporting quotes being included where necessary.

#### ***Only performing employees are retained***

Companies 4, 5, 7 and 8 are categorised to have functional employee retention because they retain only performing employees who contribute positively and meaningfully to the companies. Feedback from their senior managers shows that they place a lot of importance on performance and; thus, are non-hesitant in terminating the services of non-performing employees. Their emphasis on performance is important even if companies 4, 5 and 8 do not have a formal appraisal system in place, but rely on informal means to monitor their employees' performance. Quotes from the companies' representatives are as follows:

*Non-performance is easily highlighted in this company because at the end of every project, we review the role and contribution made by each project*

*member. If an employee does not reach his goals for a few times, we will ask him or her to leave (Recruitment Officer, Company 4).*

*Turnover that took place in the past is because we asked employees to go as their performance was not up to the mark. We will help the staff to improve, but if they still cannot perform up to the expected level, then we ask them to go (Managing Director, Company 5).*

*This is a performance driven company. One is part of the company as long as one performs, achieve the given goals, accomplishes his/her duties and maintains the required level of productivity.... Non-performers are asked to leave or we terminate their employment contract (Chief Executive Officer, Company 8).*

### **Achieve a good match between company goals and employee types**

This code refers to companies having the right type of employees to support their business strategies and goals. For example in companies 4, 5 and 7, cost is a major consideration as all of them aim for some form of cost control or cost reduction in their operations. Company 4 was affected by the ongoing recession at that time:

*Well, we are obviously affected by the slowdown. When this happens, the first thing that our customers do is reduce the IT expenditure. After all, in a typical Malaysian small or medium sized company, the final corporate decisions are undertaken by the Chief Financial Officer and not by the Chief Technology Officer or the Chief Information Officer. These people are often in charge of executing operational strategies. Hence, it is natural for the financial executive to slash the IT expenditure when the economy is not doing very good (Chief Executive Officer, Company 4).*

Consequently, the company was downsizing its operation including retrenching employees to reduce cost, as well as gave a pay cut to remaining employees, as reported by employees in section 5.1.2.

In the case of Company 5, it was expanding rapidly; thus, needed to control overheads to fund its business expansion plans:

*We did consider hiring someone here to do the recruitment, but at the moment, we rather spend on employing more consultants than a HRM person, so that we can cope with the incoming projects and meet our expansion plans (Managing Director, Company 5).*

Whereas company 7 is a shared service company whose purpose of being in business is mainly to reduce costs for the whole group:

*We aim to provide world-class support services at a competitive price. Our goal is also to install a customer mind-set in our employees and partner with our internal customers as their trusted business advisor that enable them to be more competitive and successful but at a cheaper cost. ... We cultivate a culture that encourages out of the box thinking and continuous learning. We want to inculcate a culture where people are self-driven, willing to share*

*knowledge, collaborate with one another and be innovative with ideas and creations.... The purpose of instilling this culture is to improve overall productivity, where we could make do with lesser manpower but yet achieve optimal results (General Manager, Company 7).*

The fact that the companies have Optimistic employees who may be unhappy but are still willing to multitask, work late hours and learn informally on the job, as explained in section 5.1.2, signals that the companies have the right type of employees to support their business goals as these practices have the potential of achieving required productivity without too much financial investment.

In another example, company 8's Intrinsically Motivated employees, who are keen to learn, take on challenging assignments and maintain a high standard of work, are a good asset for the company as it deals with an innovative and leading technology, which is rarely adopted by others in the industry:

*The second advantage is the cutting edge technology used by the company. The company uses the latest technology and this adoption provides learning opportunities to the staff. The knowledge gained by the staff in employing the technology is a great asset to them. There are not many competitors who adopt similar technology (Vice President, Company 8).*

*The technology that I am involved in at the moment is rare and this job provides very good exposure and first-hand experience in dealing with the cutting edge technology (Network Engineer 1, Company 8).*

Overall, because the companies only retain performing employees and the employees support the employers' business goals, these companies are categorised to have Functional employee retention.

### **Dysfunctional employee retention**

The Dysfunctional employee retention outcome is made of codes 3, 4, 5 and 6, which indicate senior managers' dissatisfactions with their employees because they engage in behaviours and activities that are/may be counterproductive/detrimental for the companies. The employees may also be unable to contribute or are not contributing meaningfully to the companies for various reasons including because their competencies and skills are limited. The dysfunctional employee retention is identified in companies 1, 2, 3 and 6, of which companies 1 and 2 are Large Home-grown companies, company 3 is a local Shared Service Company and company 6 is a Powerhouse. Companies 1 and 3 have Paternalistic human resource practices whereas companies 2 and 6 have Formal human resource practices. Codes 3, 4, 5 and 6 are discussed below along with supporting quotes from various members of the companies:

#### ***Resistance to change***

Resistance to change refers to employees who resist new ideas and technological advancements. This problem exists in companies 1, 2, 3 and 6 and involves long-serving employees including those who occupy management positions. Resistance to change is a serious concern because when the

managers refuse to embrace changes or new ideas, they prevent their subordinates from pursuing such ideas and they refuse to allocate resources necessary to implement such ideas. Such resistance frustrates younger employees in all four companies:

*One of the challenge I face here is the bureaucracy and 'old way of doing things' mentally adopted by the long-service senior managers. Because this group cannot relate to what we say; hence, they are hesitant in providing the necessary resources for us to execute a project. This group needs to change its mind-set (Manager 2, Company 1).*

*The managers must change their strategies and become more receptive to new ideas and ways of doing things. The managers are mainly older employees, who are still caught up with yesterday's technology and way of proposing solutions to customers. ... Customers and their needs are evolving and the requirements from them are changing. However, we are not embracing these changes. It is frustrating. Our proposals to the managers are rejected because of this issue and because they prefer the old way of doing business and providing IT solutions (Technical Executive 1, Company 2).*

*Some of the senior managers are from other government agencies. So, when they joined this company, they brought along the government way of doing things to this company. They have grown accustomed to the government way and are unable to break-away from this mentality / behaviour. So, they normally are the ones who oppose new ideas (Executive, Company 3).*

*There is resistance from older employees in undertaking and implementing new ideas and innovations. They are occupied with old way of doing things and see no need for changes to take place (Technical Manager, Company 6).*

### **Have employees with almost obsolete skills**

The senior managers/Human Resource Managers in companies 1, 2 and 6 also spoke about having some long-serving employees whose competencies and skills are outdated and do not support the companies' main business and future business direction. Because the companies have ongoing maintenance contracts with customers for services that deploy the outdated skills, these employees are still able to contribute to the company albeit in a restrictive manner. However, if the contracts expire or if the customer migrates to a new system, then these employees will become redundant. Managers in all three companies recognise this problem and their quotes are as follows:

*They are mostly part of the system integration team. Because, we have ongoing maintenance contract with customers, their skill sets are still relevant and needed. However, in time to come, when the customers migrate to a newer system, we will need to retrain these employees (Human Resource Manager 1, Company 1).*

*Not everyone wants to be equipped with the latest knowledge. Some people are happy doing what they have been doing all this while. They are mostly from the managed services unit and are involved in providing maintenance*



*support to the existing customers... Such employees are still needed because we have ongoing contracts with existing customers. However, once the customers migrate to the new system, then, we will have to think about how to redeploy the employees (General Manager, Company 2).*

*95 per cent of the current workforce is employable, meaning that they have the required skill sets and are competent as far as our business objectives are concerned. ... With the change of business direction, there could be a gap between their skills and business needs of the company. We need to address this gap.... The group has been involved in technologies that are no longer part of the company's products and services (Country Manager, Company 6).*

All the companies intend to overcome the problem by retraining such employees and by relying on competency development programmes to align employees' competencies and skills with company business needs/goals. The remedial actions are still in the pipeline so their results are yet to be seen:

*As I said, we have implemented the competency development framework to realign employees' competencies with the company's transformation programme and business needs. These are recent initiatives. We are yet to see any results. Let us see what happens in the next two to three years (Senior Manager, Company 1).*

*I am planning to embark on a competency development programme. The purpose of the programme is to retreat from ad hoc training investments to having trainings that are linked with employees' career path progression and business needs. This programme is my own initiative and based on my observations regarding what the company's existing weaknesses and what it needs to move forward. With such a programme, hopefully we can retrain this group of employees and redeploy them to other business units (Human Resource Manager, Company 2).*

*We have a three years plan for competence management. The objective of this plan is to match our business directions and technologies with the competence requirement. This initiative involves all level of employees in the company: technicians, middle management and leadership positions (Country Manager, Company 6).*

### **Employees do not support company initiatives**

Companies 1, 2 and 3 also have some employees who do not support the initiatives undertaken by their employers. For example, in company 1, some employees refuse to sit for certifications as per what the company requires of them. To overcome the problem, the company is currently tempting the employees to sit for the technical courses and exams by giving an additional allowance to them:

*The company requires IT professionals with certain certifications. In order to meet the requirement, we have to come up with allowances and rewards which will entice the professionals to take up and sit for the certifications. Otherwise, they would not do so. It is upsetting that the staff values the monetary rewards (that come from certifications) more than the knowledge earned from the certifications and trainings. ...We have to consistently find ways to motivate people and get them to support the organisation's goals*

*and improvement projects. The people here consistently need to be pushed and enticed to be part of the company's initiatives (Human Resource Manager 1, Company 1).*

Meanwhile, companies 2 and 3 have some line managers who refuse to accept HRM responsibility. They cited different reasons for their refusal to support the companies' initiatives, for example, in company 2, line managers are hesitant because they are busy and not familiar with certain human resource practices whereas in company 3, they refuse to follow company initiative because they feel that by doing so, they cannot protect their favourite employees:

*Generally, I receive good support from the head of departments. However, when it comes to counselling and coaching their employees about their careers, then some of them are rather relaxed about it. Coaching employees about how they can develop this career is not a conventional practice, so some managers are a little hesitant to undertake this role. We are still educating them about how they can manage their employees better. I suppose over time, this problem will be resolved (Human Resource Manager, Company 2).*

*Reason why the appraisal system cannot be implemented successfully is because some head of departments put too much emphasis on relationships and refuse to manage their favourite staff according to how they actually perform their duties. In other words, the element of 'pilih kasih' (favouritism) exists strongly in some of the departments here. That is why appraisal system cannot be implemented successfully here. Just to quote another example, some head of departments even allow their favourite staff to fill up some sections of the appraisal (Officer, Company 3).*

### ***Productivity is compromised***

Some employees in companies 1 and 3 also engage in unproductive behaviour, which are non-beneficial for the companies. For example, in company 1, some line managers tend to oversee tardiness issues and send employees for training and development programmes just for the sake of maintaining a good relationship with them. Meanwhile, in company 3, productivity is compromised because employees engage in non-productive behaviours such as gossiping and other tardiness issues such as abusing office hours for personal activities. Employees also have the tendency to slack because their superiors protect them and because the company's lack of firmness in punishing non-performers. Examples of non-productive behaviours committed by employees are evident in the quotes below:

*In a recent case, a head of department was unhappy with one of his staff's performance but he was hesitant to confront the staff on his own. He turned to human resource department for assistance in transferring the staff to another department. The employee was not even informed of the dissatisfaction prior to this and was rather shocked to learn that the manager was unhappy with his work performance. This was not fair to the staff and to the human resource team who are always made to be the bad people around. I feel frustrated having to deal with such head of*

*departments who are preoccupied in maintaining their 'Mr Nice' image. There should be an open and honest communication flow between a head of department and his subordinates (Human Resource Manager 1, Company 1).*

*Some employees are not punctual. Plus, the number of employees on medical leave on any one day is quite high here. ... My department is in-charge in making sure disciplinary problems are eradicated. The top management members are meeting on a weekly basis to discuss work related issues including disciplinary problems in the company (Human Resource Manager, Company 3).*

*Office politics is severe up to the extent that it is damaging. Hence, it is very important for a person to stay positive and detached should he / she wants to continue working here. 90 per cent of the employees here are 'Bumiputeras' who are busybodies, have a big mouth and they like to gossip of other people's progress and personal happenings. Most of the time when they behave in such a way, it is because of jealousy, envy and a lack of self-confidence for their own capabilities (Manager 1, Company 3).*

Overall, because the codes above represent examples where employees engage in behaviours that are detrimental to the companies and lack skills to support their companies, they are categorised as Dysfunctional employee retention.

### **5.2.3 Section summary**

The objective of this section was to answer the fourth and final research question, which is about the employers/companies' employee retention outcomes. This question is answered using statistical and qualitative analysis. The statistical analysis ranked the companies based on their 2008 employee turnover data. The ranking revealed that companies with Formal human resource practices have lower employee retention/higher employee turnover rates than companies with Paternalistic or Informal practices. This finding shows that Formal practices are inadequate to result in high employee retention rate for ICT employers in Malaysia.

In addition to the above, the qualitative analysis produces a more important revelation as it demonstrates that a company can have high employee retention rate, but the managers may not have positive perception of the retention rate. On the contrary, a company may have low employee retention rate but such outcome may be perceived positively. This finding is captured by analysing six codes that emerged in the companies and by categorising the codes into two types of employee retention outcomes; namely, Functional and Dysfunctional employee retention outcomes.

The disagreement between quantitative ranking and the qualitative analysis suggests that employee turnover data do not reveal an accurate picture of a company's employee retention outcome. A company may have a low employee turnover rate, but the remaining employees may not be performing at the company's best interest or the reverse could also be true whereby a company have

a high employee turnover rate, but the remaining employees are adequate in meeting the company's needs. Therefore, the fact that previous studies, such as Guthrie (2001) and Huselid (1995), have mainly relied on a single question, which is "What is your average annual rate of employee turnover?" to interpret a company's employee retention outcome may be limiting. Instead, there is a need to go a step further and find out if the employees are a good match to support the company's business goals.

### 5.3 Theoretical coding and realities constructed

The purpose of theoretical coding is to bring together the categories developed during focused coding and to specify relationships shared by the categories in order to understand the phenomenon under study (Charmaz, 2006). In this thesis, the first step in proceeding with theoretical coding was to compile the codes and types developed in the previous sections into Table 24.

**Table 24 Compilation of thesis findings for the eight companies along with justifications about why the types are compiled to construct a particular reality**

Co	Company type	Context	Type of human resource practices	Type of employee outcome	Employer outcome	Employee and employer outcomes are compiled together to construct the following realities	Justification
1	Large home-grown company	Founded from government-linked company	Paternalistic	Complacent	Dysfunctional employee retention	Mutual Loss	Both parties reported some negative feedback hence do not completely benefit from the practices
2	Large home-grown company	Founded from established multinational	Formal	Satisfied	Dysfunctional employee retention	Employee Gain	Employees benefit from the practices at the expense of the employer
3	Shared service company	Founded from government-linked company	Paternalistic	Complacent	Dysfunctional employee retention	Mutual Loss	Both parties reported some negative feedback hence do not completely benefit from the practices
4	Small business	On its own but have grown to become a multinational	Informal	Optimistic	Functional employee retention	Employer Gain	Employers benefit from the practices at the expense of the employees
5	Small business	Founded from a young multinational	Informal	Optimistic	Functional employee retention	Employer Gain	Employers benefit from the practices at the expense of the employees
6	Powerhouse	Founded from established multinational	Formal	Satisfied	Dysfunctional employee retention	Employee Gain	Employees benefit from the practices at the expense of the employer
7	Shared service company	Founded from established local company	Formal	Optimistic	Functional employee retention	Employer Gain	Employers benefit from the practices at the expense of the employees
8	Small business	On its own	Informal	Intrinsically Motivated	Functional employee retention	Mutual Gain	Both parties benefit from the practices

Next, the information from the table above was used to construct the Impact of human resource practices on employees and employers typology. The typology was constructed using employee outcomes on the y-axis and the employer outcomes on the x-axis. On the y-axis, Complacent and Optimistic employee outcomes are categorised as negative outcomes because these employees do not completely benefit from the human resource practices. On the contrary, Satisfied and Intrinsically Motivated employee outcomes are categorised as positive outcomes because employees mostly benefit from the human resource practices. On the x-axis, Dysfunctional employee retention represents negative employer outcome whereas Functional employee retention represents positive employer outcome. The typology is illustrated under Figure 2.

**Figure 2 Impact of human resource practices on employees and employers typology**

Outcomes for employees	Positive	<b>Employee Gain</b>	<b>Mutual Gain</b>
		Formal human resource practices	Informal human resource practices
		Satisfied employees	Intrinsically Motivated employees
		Dysfunctional employee retention	Functional employee retention
		Large home-grown company and Powerhouse founded from multinationals	Small Business that is locally founded on its own
	Companies 2 and 6	Company 8	
		R4 R3	
	Negative	<b>Mutual Loss</b>	<b>Employer Gain</b>
		Paternalistic human resource practices	Formal/Informal human resource practices
		Complacent employees	Optimistic employees
Dysfunctional employee retention		Functional employee retention	
Large home-grown company and Shared Service company founded from companies with government links		Shared Service company founded from established local company and Small Businesses that are local or foreign multinationals	
Companies 1 and 3	Companies 4, 5 and 7		
	R1 R2		
	Negative	Positive	
	Outcomes for employers		

The typology is important because it provides a holistic insight into what is happening in the Malaysian ICT industry by explaining the types of human resource practices adopted by the

companies and the effects of the practices on both employees and employers. For instance, the first reality (R1), Mutual Loss, shows that Paternalistic human resource practices do not completely benefit both employees and employers in government-linked companies. The second reality (R2), Employer Gain, explains that Informal practices, when implemented in small multinationals and Formal practices, when implemented in a shared service company, benefit the employers more than the employees. The third reality (R3), Mutual Gain, explains that Informal human resource practices benefit both employees and employers in small local companies. The fourth reality (R4), Employee Gain, posits that Formal human resource practices in large companies benefit the employees more than the employers. These four realities are different from the two views that exist in the present strategic HRM literature; that place importance on advanced human resource practices and claim that such practices either benefit both employees and employers or benefit the employers at the expense of the employees (Voorde et al., 2012; Peccei, 2004). Table 25 justifies why the four realities in this thesis constitute as new findings for the literature.

**Table 25 Reasons why the realities constitute as new findings for the strategic HRM literature**

Realities	Reality title	The reality is considered as a new finding because
R1	Mutual Loss	Strategic HRM literature does not address the possibility of companies adopting human resource practices that do not completely benefit them and also their employees
R2	Employer Gain	Existing literature iterates that the purpose of adopting advanced human resource practices is to benefit the employers more than the employees. However, this thesis found that Informal practices can also achieve the same purpose without the need to invest in progressive practices
R3	Mutual Gain	Existing literature advocates that advanced human resource practices are needed to benefit employers and employees. In contrast, this thesis found that Informal practices also have the potential of benefitting both parties without the need to implement advanced practices
R4	Employee Gain	Strategic HRM literature does not address the possibility of employees benefitting from the human resource practices more than the employers

## 5.4 Chapter summary

The objective of this chapter along with Chapter 4 was to answer the four research questions and to construct a theory that explains how human resource practices affect employee retention outcome in the Malaysian ICT companies.

The research questions are answered by following the coding strategies suggested in Charmaz (2006) and construction of types. Tables and figures are used where appropriate to compile, summarise and display information. The findings are presented mainly using qualitative analysis but minimum quantitative analysis, using simple statistics is included to complement the qualitative analysis.

Overall, this thesis found several new findings; firstly, it found that the Malaysian ICT industry does not face high employee turnover rate problem as reported by the Malaysian Employer Federation

(MEF) in Goh (2013). Instead, employers within the industry are more concerned about effective employee retention as some of them have high employee retention rates; however, their employees are not wholeheartedly committed to them and support their goals.

Secondly, in answering the four research questions, this thesis found new types of human resource practices, new organisational factor that influences the adoption of human resource practices, employee outcomes and employer outcomes. This thesis identified altogether three types of human resource practices; Paternalistic, Formal and Informal, whereby, the Formal practices resemble the practices described in the global strategic HRM studies whereas the Paternalistic and Informal human resource practices constitute new findings from this thesis and are contributions to the strategic HRM literature. In examining the influence of organisational factors on adoption of human resource practices, this thesis found that the founding factor influences the adoption process, whereby companies with government links have Paternalistic practices; companies with established parent company have Formal practices and companies founded on their own have Informal human resource practices. This finding also serves as a new contribution to the strategic HRM literature because existing studies have mainly focused on factors such as company size, company age, ownership and type of industry in explaining the adoption process.

Furthermore, this thesis found four types of outcomes that describe Malaysian ICT employees; Complacent, Satisfied, Optimistic or Intrinsically Motivated, of which the Satisfied type is similar to the High Maintenance Type explained in Enns et al (2006) whereas the other three types are new findings from this thesis. In answering the fourth research question, this thesis found that some employers are satisfied with their employees; thus, they are categorised to have Functional employee retention whereas others are facing problems with their employees and; thus, are categorised to have Dysfunctional employee retention. These terms, adapted from the terms Functional/Dysfunctional Turnover in the study of Abelson & Baysinger (1984) have not been extensively examined because most strategic HRM researchers have focused on understanding the antecedents and consequences of voluntary turnover for companies because such exits are considered to be costly and detrimental to employers. The finding from this thesis shows that continuing employment of poor performing employees may also have a negative impact on companies and be detrimental; thus, more attention should be channelled towards understanding antecedents and consequences of employee retention.

Thirdly, the thesis offers four explanations about how human resource practices can affect employees and employers: Paternalistic practices in government-linked companies do not benefit employees and employers. Informal practices benefit employers more than employees when implemented in multinationals whereas in local small companies, Informal practices benefit both

employees and employers. Formal practices benefit employers more than employees in small companies but in large companies, the practices benefit employees more than the employers.

The new findings from this thesis are made possible because the exploratory qualitative grounded theory method encourages researchers to generate new categories and not to limit/confine their findings to existing literature and preconceived theoretical data.



## **Chapter 6**

### **Discussion**

#### **6.1 Introduction**

The thesis was undertaken with the understanding that high employee turnover is a serious problem facing Malaysian ICT employers and that advanced human resource practices are effective means of tackling the problem. However, results in the previous chapter revealed that employers are more concerned with effective employee retention than with high employee turnover because some of them have high employee retention rates but their employees are not wholeheartedly committed to them. This thesis also found that the impact of human resource practices on employees and employers is multifaceted, as depicted by the four realities in the Impact of human resource practices on employees and employers typology.

The purpose of this chapter is to discuss the four realities, which are addressed in the following section, 6.2. The subsequent section, 6.3, explains the contribution of this thesis to the three research areas and finally section 6.4, outlines nine practical propositions to ICT employers and Human Resource Managers.

#### **6.2 Impact of human resource practices on employees and employers typology**

As mentioned above, this section discusses the four realities contained within the Impact of human resource practices on employees and employers typology. The discussion focuses on answering the why of each reality – for example, why the Paternalistic human resource practices are not beneficial for employees and employers. Where appropriate and necessary, additional literature is included to support and explain the realities.

**Figure 3 Impact of human resource practices on employees and employers typology**

Employee outcomes	Positive	Employee Gain		Mutual Gain	
		R4	R3		
	Negative	Mutual Loss		Employer Gain	
		R1	R2		
		Negative			Positive
Employer outcomes					

### 6.2.1 Mutual Loss reality

The Mutual Loss reality (R1) is about employees and employers not completely benefiting from their human resource practices. In this thesis, the reality exists in a Large home-grown company (company 1) and in a local Shared Service company (company 3), both which are founded from government-linked companies and have Paternalistic human resource practices. The identification of Paternalistic practices in these companies is expected because Malaysian government is known to use a paternalistic approach in managing employees (Low, 2008).

The strategic HRM literature has different views about paternalistic practices; whereby, in some studies, paternalistic practices provide limited opportunities for bottom-up communication and employee participation in decision-making (Aycan, 2005; Lee, 2001) whereas in others, paternalistic practices encourage interactions between senior managers and employees and there is a strong involvement of employees in decision-making and sharing of company information (Fleming, 2005; Bae & Yu, 2005; Lee, 2001). In this thesis, the Paternalistic practices provide limited opportunities for employees to be involved in decision-making and to access company's corporate information, unless the senior managers pass down the information. Employees are expected to comply with the decisions made by the senior managers, just as children are expected to comply with their father's decision in the family setting of a paternalistic society. This form of practice is consistent with Malaysia's high power distance culture, which is related to a society's attitude towards hierarchy,

particularly with how much a society values and respects authority (Hofstede, 2001). With Malaysia scoring high on power distance, employees are expected to treat their superiors with high-esteem, respect the distance that exists between them and accept decisions, information and instructions that are passed down from the top, which is how internal communication mainly takes place in companies 1 and 3.

Paternalistic practices have their roots in paternalism and is associated with the traditional employment relationship, which positions the employer as a caretaker for the employees and for that reason employers are required to take care of their employees and to offer them stability in return for loyalty and long-term commitment (Nadin & Cassell, 2007; Sparrow & Cooper, 1998; Herriot, Manning & Kidd, 1997; Hendry & Jenkins, 1997; Rousseau, 1995). Accordingly, in companies 1 and 3, employees are looked after through various rewards that include healthcare benefits for them and their families, ample of training and development opportunities, different types of allowances to ease their financial burden and are very well supported in planning their careers. They also enjoy high job security, which removes any fear of losing their jobs. The presence of such practices shows that companies 1 and 3 offer stability and develop a long-term traditional relationship with their employees (Singh, 1998; Sims, 1994) and contradicts the allegations made by modern career authors such as Hendry & Jenkins (1997) and Hall & Moss (1998) and that such relationship is obsolete and no longer relevant in current times.

However, because the employees in these companies are used to the conventional way of depending on their employers to take care of them, they may not be ready to embrace the modern employment deal that requires employees to be self-reliant, take responsibility to manage their own careers and to proactively acquire knowledge and skills that are necessary to achieve their career goals (Hall, 2004; Hall & Moss, 1998; Hall, 1996). The inability to do so is unfavourable for the employees because most companies irrespective of their industries are operating in a more complex and competitive environment that is constantly changing; hence, they no longer provide employees with job security and support them with various benefits and opportunities. The traditional employment relationship is also not beneficial for the employers because companies have to invest in resources such as money, manpower and time to maintain such relationship with their employees. Therefore, these companies cannot simply terminate or make employees redundant even if their employees do not perform satisfactorily. Moreover, because the companies are government linked, they have a social obligation of caring for the people and not just focus on efficiency and pursue profit maximisation goal alone (Lau & Tong, 2008).

As mentioned above, Paternalistic human resource practices protect employees and demonstrate care for them (Pellegrini & Scandura, 2008; Fleming, 2005; Lee, 2001); hence, companies with such

practices tend to have many loyal and long-serving employees (Lee, 2001). Accordingly, both companies 1 and 3 have many long-serving employees. Companies that adopt paternalistic practices are also likely to have employees who willingly cooperate in their work efforts, help the company in any manner needed, respect their employer, demonstrate undivided loyalty to their employer and commit themselves unconditionally to the company (Peretz & Fried, 2009; Pellegrini & Scandura, 2008; Aycan, 2006; Fleming, 2005; Lee, 2001). However, as explained in Chapter 5, some employees in companies 1 and 3 are unwilling to support the companies' efforts. They resist changes and refuse to update their skills, which signals that they are not wholeheartedly committed and loyal to their employers. This is why these companies are categorised with Dysfunctional employee retention. The fact that the companies have many long serving employees but some of them are not completely committed goes on to show that the presence of many long serving employees or companies achieving low employee turnover should not be interpreted automatically as a desirable outcome for companies. This finding also shows the possibility of companies building stable relationships with their employees but not being able to gain complete engagement and absolute commitment from them (Fleming, 2005; Lee, 2001). The existing IT/ICT employee management literature overlooked the possibility of employers not benefitting from high employee retention because most studies are carried out from the employees' perspectives and are from western countries, where there is a strong emphasis on employee performance via practices such as formal performance appraisal and sophisticated employee involvement activities.

The companies are not completely benefitting from their investments in the employees yet during data collection, there was no evidence suggesting that the companies take measures to rectify the imbalance. If the same scenario was to take place in another country that also practices paternalism and has government-linked companies, for example in Singapore, it is likely that senior managers would have taken action against the non-performing employees because their purpose of providing extensive rewards and job security to their employees is to meet high performance standard and productivity. Government-linked companies in Singapore are not protected by the government and they do not receive special privileges from the government; thus, they have to be performance driven, competitive and focus on their profits so that they are in the position to compete with private firms and multinationals (Ramirez & Tan, 2003).

On the contrary, in Malaysia, government-linked companies are protected and are entitled to special privileges given by the government because they are founded as part of the government's agenda to help the Bumiputeras, specifically, the Malay community in increasing their participation in business activities, providing them with employment and promoting entrepreneurship among them (Lau & Tong, 2008). There are various ways how the Malaysian government protects and looks after these companies, for example, they enjoy added leverage and privilege in obtaining government projects,

they have easy access to different sources of capital, are assured of business continuity without having to worry about recession, rapidly changing business environment, competition and technological advancements (CPPsb, 2010). Moreover, should these companies fail to perform; they are likely to be bailed out by the government instead of being reprimanded. Therefore, these companies do not have to worry about their performance and can afford to be complacent and compromise on efficiency and productivity. In fact, compared to many large private companies, many government-linked companies in Malaysia are underperforming (Lau & Tong, 2008). A relevant example is Telekom, whereby, the former national telephone company is unable to compete with private sector competitors such as Maxis and DiGi despite getting special treatment from the government and allowed to monopolise the country's telecommunication industry. In this thesis, because companies 1 and 3 are government-linked companies, they are entitled to the above benefits.

Accordingly, employees in government-linked companies, including in companies 1 and 3, can afford to be comfortable and Complacent. When employees know that their employers cannot go bankrupt and not dependent on their performance and that their own rewards are somewhat guaranteed regardless of their performance, they have little incentive to leave their comfort zone and strive for something better and higher. However, being complacent is a detrimental trait in a volatile and fast changing industry like the ICT because it means employees lack initiative to 1) acquire new knowledge and skills, 2) keep abreast with technological changes and 3) explore new opportunities that can lead towards innovation. Over time, complacent employees' skills and knowledge can become irrelevant and they will not be in the position to contribute meaningfully to the companies, which are some of the problems identified in companies 1 and 3.

It is also unlikely that Complacent employees appeal to high performing companies because such companies would want driven and eager employees who do not hesitate in upgrading or changing their skill sets and continuously seek new ideas well as improvements so that they can help their employers keep up with rapidly changing customer demands and technological advancements (Guzman et al., 2008; Terry Anthony, 2001).

Complacency is also detrimental for organisations especially for ICT companies because such attitude stifles creativity, innovation, risk-taking and change, all of which are important criteria for ICT companies to thrive and be successful. The presence of Complacent employees especially at the management level, who resist new ideas and refuse to embrace change, may frustrate and demoralise new employees who are eager to contribute ideas and drive innovation, and they may choose to leave the company because of their frustrations. Consequently, employees who remain

with the companies are those who are satisfied with the status quo, which may not be the desired sort of employees in an ICT company.

Paternalistic practices identified in companies 1 and 3 expect employees to behave like good children and comply with the directives provided by the management as they have little opportunities to be involved in decision-making and in communicating with senior managers. However, such practice may cause employees to feel disconnected from the companies' objectives and plans, which is indeed why some employees in companies 1 and 3 refuse to support the companies' initiatives. Having disengaged or disconnected employees is detrimental to a company's well-being because such employees are likely to affect others with their negative perspectives, increase the companies' absenteeism rate and reduce productivity (Towers Watson, 2010; Jamrog, 2004).

The companies because of their association with the government may not be concerned about the above issues, but for how long can they sustain by depending on the government for support and protection. Similarly, for how long can the employees go on expecting their employers to take care of them? These companies because of their inefficiency and lack of productivity are unlikely to grow to become world-class companies and be in the position to compete with performance driven private companies and at the international level. At best, they can be involved in government awarded projects or in private projects that have government interest. The senior managers are unlikely to exercise full management capability as they are constrained by various directives and interferences from the government. Their employees' exposure and learning opportunities are confined to government projects, which will have an impact on the companies' attractiveness in attracting and recruiting forward-looking employees who wants to be part of fantastic range of projects, either locally or internationally. As a matter of fact, Company 1 is already facing problems in attracting and recruiting employees:

*Years ago, people desperately wanted to join this company without any need from us to uptake branding / marketing strategies. We have been part of several prestigious national projects. We have also been part of the country's development process. However, now there is more competition in the market and we are perceived differently. Our image and salaries are not as attractive as multinationals and some local companies who are growing rapidly. The numbers of candidates who apply for jobs here have dropped and so has the quality of the candidates (Human Resource Manager 1, Company 1).*

In summary, the Mutual Loss reality proposes that Paternalistic human resource practices do not completely benefit employees and employers in companies that are linked with the government within the Malaysian ICT industry because the practices encourage complacency.

### 6.2.2 Employer gain reality

The Employer gain reality (R2) is about human resource practices benefitting the employers more than the employees. The reality at the surface level appears to be similar to the 'conflicting outcome' view in Voorde et al. (2012) or the 'pessimistic view' in Peccei (2004), which posits that companies adopt progressive human resource practices to benefit the employers at the expense of the employees; thus, resulting in negative consequence for the employees (Voorde et al., 2012; Sparham & Sung, 2007; Peccei, 2004; Ramsay et al., 2000). However, this reality is different because it posits that employers can also benefit from the use of Informal human resource practices without having to invest in formally implemented sophisticated human resource practices. This reality also reveals that employees surely have something to gain from the practices even if the practices appear to favour the employers more than the employees. The employees in this thesis are knowledge employees, who are educated and are aware of their rights (Scholarios et al., 2004). Hence, they are in the position to internalise their human resource practices, safeguard their interest at work and make sure they have something to gain by being with their employers. On the contrary, the conflicting outcomes' view in Voorde et al. (2012) or the 'pessimistic view' in Peccei (2004) were developed for manufacturing employees who are unskilled and less educated; thus, are likely to be mistreated by their employers.

In this thesis, the Employer gain reality exists in two Small Businesses that are of multinational status (companies 4 and 5) and a local Shared Service company (company 7). The multinationals have Informal human resource practices whereas the Shared Service company adopts Formal human resource practices from its parent company, which is an established local conglomerate. As explained in Chapter 4, employees in all three companies reported various negative perceptions concerning their human resource practices. For example, they complained about their workload, salary, lack of autonomy and having no clear information about their entitlement and job scope, all of which show that the human resource practices in the companies did not meet the employees' expectations. In other words, the employees are dissatisfied with the practices because they perceive a discrepancy between what they actually encountered in the job and what they expected (Porter & Steers, 1973). Because the three companies are either multinationals or belong to an established parent company; hence, it is likely that when employees joined them, they expected good extrinsic rewards, proper communication channels and some degree of formalisation such as a separate human resource department and a dedicated Human Resource Manager (Wallace & Kay, 2009). In Malaysia specifically, companies such as multinationals are expected to have elaborate human resource practices to protect their employees' wellbeing (Rowley & Abdul-Rahman, 2007). Because their expectations were unmet, employees in companies 4, 5 and 7 responded negatively to the practices.

Additionally, the human resource practices in company 7 did not meet the employees' expectations because there appears to be a gap between the intended and the actual practices (Wright & Nishii, 2006; Bowen & Ostroff, 2004). For example, the Formal practices are supposed to provide adequate training development as well as promotion opportunities to employees but employees in company 7 complained about the lack of such opportunities. The gap has two implications for future strategic HRM research. First, it supports the need to approach employees about the human resource, which they experience, instead of asking Human Resource directors or managers about their views on the human resource practices (Boxall & Purcell, 2011; Liao, Toya, Lepak & Hong, 2009; Wright & Nishii, 2006; Edgar & Geare, 2005). Second, it supports the need for more research to investigate the implementation process as the linking mechanism between human resource practices and company outcomes because mere presence of intended human resource practices may be different than the actual practices that essentially affect company outcomes (Chow, 2012).

Studies have found that when employees' expectations are unmet, they are likely to feel dissatisfied, and may reciprocate by lowering their organisational commitment, experiencing reductions in job performance, reduced levels of organisational citizenship behaviours and may even consider leaving the employment (De Cuyper, Van der Heijden & De Witte, 2011; Aggarwal & Bhargava, 2009b, 2009a; Restubog, Bordia & Tang, 2006; Guest & Conway, 2002; Robinson & Morrison, 2000; Turnley & Feldman, 2000; Guest, 1998; Rousseau, 1995). Accordingly, a few employees in companies 4 and 7 indicated intention to resign.

However, majority of them want to remain with the companies. As explained in Chapter 5, majority employees joined the companies to learn and gain more work experience, which is important to them so that they are marketable not only to their current employer but also to other potential employers (Hall, 2004; Hall & Moss, 1998; Hall & Mirvis, 1995; Sims, 1994). Because these companies are pathways for the employees to gain experience and progress in their careers, they are willing to compromise on some factors that cause inconvenience as long as they can learn and upgrade their skills. They are hopeful that with necessary work experience, they can enhance their employability and work for better companies, which is why they are categorised as the Optimistic type. The feedback from Optimistic employees suggests that companies should pay attention to their employees' career anchors, because employees may be willing to tolerate less desirable aspects of their employments as long as they can fulfil their career anchors or career motives. Career anchor refers to employees' priorities and motives when choosing a job, for example, employees whose priority is to learn, will remain with the company that provides them with opportunities for learning despite being unhappy with other aspects of their jobs (Lee & Lin, 2008; Chan, 2003; Feldman & Bolino, 1996; Schein, 1996). Chang (2009) has also identified learning as an important career anchor for IT/ICT professionals. Thus, although the 'conflicting outcome' view in Voorde et al. (2012) or the



'pessimistic view' in Peccei (2004) alleges that companies use progressive practices as a means to influence employees into behaving in ways that benefit the employers, the finding from this thesis shows that companies can also secure their employees' cooperation by focusing on their career anchors. In such circumstances, career anchor functions like an anchor that stabilises a ship (Chang, 2009).

Companies 4, 5 and 7 have several other gains from their human resource practices. As reported in Chapter 5, these companies pursue a cost reduction goal and because cost is a concern for them, the Informal practices, which focus on informal learning on-the-job, teamwork between colleagues including senior managers and face-to-face communications, all of which are less expensive to implement, provide a good option for these companies to increase productivity and at the same time minimise cost. It is possible that company 7 did not completely adopt and implement the Formal practices that are passed down to them by the group human resource department, because such practices are expensive to implement and do not support the company's cost reduction goals. Teamwork, flexible work arrangement and on-the-job training practices adopted by companies 4, 5 and 7 are referred to as progressive practices by renowned HRM scholars, for instance, by Lepak & Snell (2002), Guthrie (2001), Huselid, Jackson & Schuler (1997), Ichniowski, Kathryn & Prennushi (1997) and Huselid (1995), however, to these three companies, these practices are nothing new because they have been using them all along to manage their employees.

Some strategic HRM researchers have proposed that companies who pursue cost reduction goals, but want to achieve high productivity should adopt Control-type human resource practices, meaning that they should design narrow job tasks, provide little communication opportunities for employees, provide strict supervision, limited training efforts, limited benefits and low wages, so as to control employees to comply with the companies' requirements (Boxall & Purcell, 2011; Bird & Beechler, 1995; Arthur, 1994, 1992; Schuler & Jackson, 1987). However, evidence from this reality shows that such companies can also adopt Informal human resource practices, which are cost-effective, more realistic and acceptable to employees including knowledge workers such as the ICT employees, who are educated, aware of their rights and are in a good position to safeguard their interest at work (Scholarios et al., 2004). Overall, the Informal human resource practices have a vast potential because more and more hi-tech companies are resorting to cost reduction initiatives, but are also compelled to increase or at least maintain their productivity (Kim, 2016).

Besides reducing cost, the Informal practices have several other benefits for the employers. For example, in the absence of tightly defined guidelines, Informal practices provide flexibility and adaptability to the companies in modifying and rearranging the practices to suit their business needs and to match with the changes in the wider ICT industry / business environment. Flexibility is

important in the ICT industry because the technology and industry dynamics change rapidly; thus, requiring shifting business direction and changing decisions from the companies.

Another benefit of the Informal practices is that it allows the companies to adopt the new employment deal with their employees, which frees employers of expectation to offer stability and permanence within the company (Sturges, Conway & Liefoghe, 2008; Nadin & Cassell, 2007; Hendry & Jenkins, 1997). Therefore, employers are free to undertake decisions that benefit the company, for example, they need not hesitate in terminating non-performing or poor performing employees and they need not be responsible for employees' career development, which means they can save on company resources (Hall, 2004; Hall & Moss, 1998; Hall & Mirvis, 1995; Sims, 1994). Such practice on the employer's part is also likely to benefit the employees in the long-term because they have to be performance oriented, self-reliant and independent in managing their work as well as their careers. Therefore, although these companies set out to achieve their economic goals, they are actually benefitting the society by producing independent, self-reliant and capable employees who are equipped to handle the pressures and competitiveness of the industry, unlike Complacent employees produced by the government-linked companies.

The disadvantage for the companies is that they have to deal with unhappy and dissatisfied employees. However, this should not pose a major challenge to these companies as the HRM responsibilities are undertaken by the companies' senior managers. Senior managers, being responsible for the overall business, are in a good position to achieve a balance between business needs and human resource activities. Moreover, because senior managers "operate from a greater power platform than the rest of the executives by virtue of their position" (Soo, Halim & Chew, 2010, p. 103), they are in the position to utilise the human resource practices to manage employees in such a way that meets business needs and influence others in the companies to follow their instructions accordingly. They can also adjust the practices to tackle employee dissatisfactions and at the same time achieve business goals.

Senior manager undertaking HRM responsibilities is actually not unheard of in the ICT industry. For example, at the time Bill Gates led Microsoft as the CEO; he developed the company's recruitment policy, which insists that only extremely intelligent prospective employees should be considered for employment so that the company continues to have the very best people working for it. In order to keep the best employees with the company, Bill Gates started the practice of offering stock options to them based on their performance. Another example is Apple Inc., where the former CEO, the late Steve Jobs is said to have shown a lot of support for the HRM department and was personally involved in staffing decisions (LLiev et al., 2004). The CEO also played a vital role in developing the company's life-long learning and development programme, which distinguished Apple from other

companies. The programme tackles four broad areas, namely, providing training to improve employee efficiency at work, providing business training so that employees have the capability to progress the business, personal development training for employee growth and general awareness education so that employees become more knowledgeable of the business needs. More importantly, the programme contains a sophisticated evaluation process, which was missing in many other companies. These illustrations are not exhaustive, but are intended to demonstrate that in the ICT industry, it is possible for senior managers to take on HRM responsibilities. Nevertheless, it is acknowledged that when companies grow to become large multinationals, it is only practical for them to have a dedicated Human Resource Managers. The senior managers' involvement in HRM matters may be supplementary.

In summary, considering the above justifications, the Employer Gain reality proposes that Informal human resource practices serves as a beneficial option for employers of reputable companies who pursue cost reduction strategy but employees are likely to experience some dissatisfaction due to unmet expectations.

### **6.2.3 Mutual Gain reality**

The Mutual Gain reality (R3), posits that human resource practices benefit both employees and employers. In this thesis, this reality is applicable to a local Small Business (company 8) that has Informal human resource practices.

As explained in Chapter 2, in strategic HRM literature, researchers that support the "mutual gain" view (Voorde et al., 2012) or the "optimistic" view (Peccei, 2004), for example, Macky & Boxall (2007), Guest (1999) and Huselid (1995) have consistently stressed on the importance of having employee-friendly and formally implemented human resource practices such as selective recruitment, attractive compensation, extensive formal trainings, regular appraisals and high job security in order to benefit both employees and employers. IT/ICT employee management studies such as Batt et al. (2002), Mak & Sockel (2001) and Pare et al. (2001a) have also emphasised on sophisticated practices such as empowerment, employee participation in problem solving, higher salary, and regular appraisals in order for companies to solicit high commitment and loyalty from their employees.

On the contrary, in this thesis, almost all respondents in company 8, who are managed informally without the presence of sophisticated and formal human resource practices, shared various positive experiences and almost all of them indicated intention to remain with their present employer. These employees, categorised as the Intrinsically Motivated type, are interested in their work and because of that, they enjoy their work and its accompanying challenges, are determined to do a good job and

keen in improving themselves (Ryan & Deci, 2000; Hackman & Oldham, 1976) without placing much importance on formal human resource practices.

The identification of Intrinsically Motivated employees in a small company in this thesis matches the findings in an earlier study, where Wallace & Key (2009) found that intrinsically motivated employees are drawn to work in smaller companies because they can experience greater diversity, control and autonomy in performing their work due to less rules and specialisation. Furthermore, employees are normally aware that should they choose to work in a small local company, they are likely to be managed informally, therefore, the Informal human resource practices in company 8 meet its employees' expectations. On the contrary, employees in companies 4 and 5 may not have expected to be managed informally given that the companies are multinationals and because their expectations were unmet, they were dissatisfied with many aspects of their employments. Therefore, generally, in terms of meeting employees' expectations, company 8 performs better than companies 4 and 5.

Intrinsically motivated employees benefit from Informal human resource practices because such practices allow them to satisfy three important psychological needs: autonomy, competence and relatedness (Ryan & Deci, 2000). The need for autonomy refers to the "degree to which the job provides substantial freedom, independence, and discretion to the individual in scheduling the work and in determining the procedures to be used in carrying it out" (Hackman & Oldham, 1976, p. 258). Informal practices are more flexible, lack procedural constraints and tightly defined job descriptions. Hence, they enable employees to experience a high degree of autonomy and allow them to work on their ideas in their own way, which is also beneficial for the ICT companies who thrive on innovation and creativity.

Informal practices also fulfil employees' need for competence, which refers to their perceived ability in relation to a specific task (Ryan & Deci, 2000). The flexibility within Informal practices enable employees to perform multiple roles and allow them to learn beyond what their job allows them to, all of which contribute towards increasing their competences. Informal practices also allow employees to gain valuable practical experience and develop their skills through strong interactions between them and their superiors as well as colleagues. Being competent is important for ICT employees to ensure their marketability and to maximise their lifetime income (Sung & Ashton, 2002). Such interactions also fulfil their need for relatedness, which refers to having a sense of belonging and experiencing some degree of social support (Ryan & Deci, 2000).

As explained in the previous reality, the Informal practices require employees to be responsible for their own self-development and learn on-the-job, as the employers do not invest in formal training and development programmes. Such arrangements benefit the employees as it requires them to

have initiative, be responsible and be independent, all of which are essential traits that help them cope with the changes in the ICT industry and also with changes within the volatile business environment due to increased globalisation, workforce diversity, outsourcing, downsizing and company-wide restructuring (Yehuda, 2004, 2001). They are likely to be more ready to embrace the new psychological contract that requires employees to be independent in taking care of their work and careers (Thijssen et al., 2008). Compared to Complacent and Satisfied employees, Intrinsically Motivated and Optimistic employees are likely to be more ready to adopt the protean career concept, which requires employees to be proactive in their pursuit of opportunities, experiences, and positions and not depend on their employers for career paths and promotions (Hall, 2004; Hall & Moss, 1998; Hall, 1996). Hence, these employees need not worry about their appeal to other employers and long-term employability because potential employers are likely to recruit them for their skills and for these qualities.

The main advantage that company 8 has over others is that it has Intrinsically Motivated employees. Intrinsically motivated employees are likely to work harder, which increases output, and because they derive utility from the job, they may be willing to work for lesser extrinsic rewards including lower salaries (Wallace & Kay, 2009), which is the case for some employees in company 8. Ryan and Deci (2000) confirm that there is a difference in performance when one is doing an activity due to extrinsic versus intrinsic types of motives. They argue that intrinsically motivated behaviour leads to better results in work both for the company and for the individual, especially when it comes to doing activities connected with learning, solving problems and discovering things on their own, all of which are essential in the ICT industry. Because the employees on their own are committed in doing their jobs well, the employers stand to benefit from such commitment. Employers do not have to use rewards to motivate these employees to work; instead, they willingly work hard because they want to as well as for their own enjoyment and sense of satisfaction. As mentioned earlier, the Informal practices are also beneficial and practical for employers because in the absence of tightly defined guidelines, the Informal practices provide flexibility and adaptability to the companies in modifying and rearranging the practices to suit their business needs and to match the changes in the wider ICT industry / business environment (Nadin & Cassell, 2007).

Because company 8 has no government support and no support from sister companies or parent company, unlike other companies that participate in this thesis, company 8 cannot match the other companies in terms of their name, reputation, track record or their market share. Company 8 also has to work hard, be prudent, competitive and lookout for changes in customer demands as well as technological advancement so that it can survive in the industry. However, the absence of such support is also good for the company because it means that the company is able to pursue its economic goals and enact policies in such a way that best serve its needs without being worried

about legitimacy issues and social obligations, which are real concerns for bigger companies. The absence of such support is also good for company 8 because it means that employees have low expectations and are more forgiving if the company does not fulfil its promise (Wallace & Kay, 2009; Sarantinos, 2008; Nadin & Cassell, 2007; Bartram, 2005; Kickul, 2001), which is somewhat true as its employees do not focus on immediate monetary gains, but are committed in helping the company to reach a certain standard. Furthermore, with Informal practices, the company is free from employee expectations of long-term employment and is able to deploy people for just-in-time business needs in order to accomplish their business objectives and remain competitive in a challenging business environment. The approach allows the company to focus its constrained resources on business priorities without having to invest in human resource practices that employees expect from a long-term relationship.

Companies that are managed based on informality are also not obliged to be explicit in communicating with their employees (Nadin & Cassell, 2007). They have the privilege of keeping things simple and implicit and just inform the basics to their employees. The absence of explicit rules and policies means that the practices can be modified, without employees perceiving a breach, like what has been reported by employees in companies 2 and 7 with Formal practices. Perceiving breach is not good for employees because they can feel demoralised and disengaged, all of which will have a negative consequence on their performance and company outcomes.

Based on the above discussion, because Informal practices benefit both employees and the company, company 8 does not seem to comply with the tag 'black hole' organisations in Guest & Conway (1999) and 'bleak houses' by Sisson (1993) in Guest & Conway (1999), which are terms used to describe companies with lack of formal human resource practices. Nevertheless, company 8 also does not comply with the beautiful house' concept of small firms that was substantiated by Schumacher (1973) because employees raised some dissatisfactions concerning lack of involvement opportunities. Instead, company 8 most likely represent the 'bright prospect' concept in Weisner & McDonald (2001), not because the company has high adoption of human resource practices, but because the practices are mutually beneficial for the company and its employees.

In summary, the Mutual Gain reality theorises that Informal practices benefit employees who have high intrinsic motivation and small companies because the flexibility and freedom accorded by such practices allow both parties to employ the practices to fulfil their needs.

#### 6.2.4 Employee Gain reality

The Employee Gain reality (R4) posits that human resource practices benefit the employees more than the employers. In this thesis, this reality exists in a Large home-grown company (company 2) and a Powerhouse (company 6) with Formal human resource practices.

As explained in Chapter 4, in company 2, there appears to be a gap between the intended Formal policies and the actual practices, as some employees alleged that the company places substantial importance on the seniority factor in making staff promotion decisions although the Formal policy states that employees are promoted based on merit and performance. Company 2, being locally-owned, may be compelled to take into consideration the seniority factor so that its practices are in agreement with the country's national culture, which values loyalty and a good long-term relationship between employers and employees (Pellegrini & Scandura, 2008; Ahmad, 2001). Such a gap is also identified in company 7 under the Employer Gain reality, which is a local Shared Service company. These findings somewhat suggest the possibility of local ICT companies in Malaysia not being able to completely implement the Formal practices. Therefore, other Malaysian companies and researchers should be careful when directly adopting practices from western studies and organisations.

Because of the gap, some employees in company 2 indicated intentions to resign, which is understandable as psychological contract researchers such as Restubog, Bordia & Tang (2006), Robinson & Morrison (2000) and Rousseau (1995) found that when employees perceive their employers have failed to deliver satisfactorily on their promises, employees are likely to reciprocate negatively, for example, by intending to resign.

Nonetheless, majority employees in company 2 and all employees in company 6 are very pleased with their jobs and want to remain with their present employers. They spoke enthusiastically and positively about their rewards, learning and growth opportunities and their work environment, which is why they are categorised as the Satisfied type. However, having Satisfied employees may not be productive for the companies because Satisfied employees are expensive to retain as they require a lot of investment on the employers' part in the form of high pay, attractive benefits, training and development opportunities, career development opportunities and support, various internal communication mechanisms and to have a formal appraisal system in place. Moreover, overly satisfied employees may lack the motivation to do more and increase their job performance. Such employees can hinder a company's prospect of effectively competing in a competitive industry like the ICT, which needs driven employees who willingly explore new ideas, cooperate in adjusting to the industry changes and consequently contribute to the companies' business performance. This is a valid concern for companies 2 and 6 because they have some long serving employees who refuse to

embrace changes and have almost obsolete skills. Additionally, in company 2, there is evidence of employees not completely supporting the company's initiative, which is why these companies are categorised to have Dysfunctional employee retention.

This finding shows that it is important for employers to recognise that even if they invest in sophisticated human resource practices, employees may not reciprocate favourably and behave in a manner that benefits the employers. Such recognition contradicts the straightforward idea put forward by the social exchange theory as well as by the psychological contract and perceived organisational support concepts that employees will feel obligated to reciprocate favourably if the employers invest in caring practices (Guest & Conway, 2002; Eisenberger, Armeli, Rexwinkel, Lynch & Rhoades, 2001; Rousseau, 1995; March & Simon, 1958). These concepts are based on Gouldner's (1960) norm of reciprocity, which posits that people should help those who help them and in turn, those whom you have helped have an obligation to help you (Sparrow & Cooper, 1998; Blau, 1964; March & Simon, 1958). However, the ICT employees in this thesis are knowledge workers who have a high level of education, professional knowledge and skills (Thite, 2004; Flood, Turner, Ramamoorthy & Pearson, 2001), which provide them with greater choices and own views about their career options as well as are in control of what they do in their jobs and in their lives (Seeck & Parzefall, 2008). They do not simply reciprocate by reacting to their employers' perceived exchange behaviour. Hence, employers cannot expect that if they provide what employees want and fulfil their part of the deal, employees will reciprocate accordingly.

The psychological contract literature addresses breach committed by employers when organisations are not able or not willing to fulfil all of the obligations made to their employees (Restubog et al., 2006; Robinson & Morrison, 2000), but is somewhat silent on the breach that can be possibly committed by the employees. When employers commit a breach, employees reciprocate negatively by lowering their organisational commitment, feeling dissatisfied, experiencing reductions in job performance, have reduced levels of organisational citizenship behaviours and contemplate resignation (Aggarwal & Bhargava, 2009b; Guest & Conway, 2002; Rousseau, 1995). What about employers? What do they do when their employees fail them? These questions are unanswered in the present literature largely because the theory and concepts originate from the west where employers make sure employees perform and contribute meaningfully in increasing business performance and maximising profits, failing which, they are asked to leave. However, in the Asian context, business and employment are all about long-term relationships and employers are expected to take care of their employees; hence, the concepts mentioned above take on a different role than in the western context.



Additionally, strategic HRM studies from the west tend to imply that if a company has advanced human resource practices, the company has a Human Resource Manager who is capable of implementing the practices successfully. As explained in Chapter 2, in Asian countries such as Malaysia, HRM is a relatively new area of interest and has traditionally been administrative (Martin-Chua, 2009; Rowley & Abdul-Rahman, 2007); hence, not many Human Resource managers have the knowledge of implementing sophisticated human resource practices. Moreover, they are unlikely to be involved in the company at the strategic decision-making level, which impedes their opportunity to match their function with the companies' strategic decisions (Halim et al., 2009; Abang Othman, 2009). The fact that companies 2 and 6 have some long-term employees with almost obsolete skills and resist changes somewhat suggest failure on the companies' part in aligning their human resource practices with the companies' strategic needs and business direction. The failure is likely to be caused by the fact that the companies' Human Resource Managers are not in the position to implement the human resource practices effectively, partly because they have limited involvement at the strategic level, where business decisions are made:

*When I joined the company, I was quite taken aback to see the HRM function. The HRM department here was like the one in a small local company. IT is very administrative and serves as a back-end function. There are so many training programmes but they are not aligned to company direction and other human resource activities (General Manager, Company 2).*

*The current Human Resource Manager, who joined us about six months ago, is part of the management group (made up of 10 senior management members) who regularly meet to discuss business directions and growth opportunities. ... The previous manager was not part of the group (Country Manager, Company 6).*

Compared to other industries, the need to match HRM and strategic decision-making is critical for the ICT companies because technological changes in the industry are rapid and they must be able to integrate human resource practices and business needs on a constant basis to keep up with the changes and remain competitive as well as relevant in the industry. They must also make sure their employees are trained and that their skills are aligned with the changes in the industry and with the business needs. If they fail to match training efforts with the latest technological changes and company's strategic goals, there is a high tendency for skills among long-serving employees to become outdated, as what is experienced by companies 2 and 6 in this reality. However, it is not easy to achieve this alignment because the industry is relatively new and there are not many human resource professionals that are well-versed with the ICT industry and know how to implement human resource strategies for the industry. After all, for Human Resource Managers to know and understand a business is not easy and cannot be done in a short time (Choi & Wan Ismail, 2008). When a human resource professional lacks industry and technical knowledge, they also lack

credibility and power which are critical, in order for them to be involved at the strategic level and be able to influence others in the companies (Sheehan, Cooper, Holland & De Cieri, 2007). Therefore, generally, between companies that depend on professional Human Resource Managers and companies in which the senior managers or owners take on business and HRM responsibilities, the latter are at an advantage because senior managers have the knowledge and authority to implement human resource strategies that support their existing and future business needs.

This reality also revealed that building long-term relationships with their employees is not entirely beneficial for the ICT employers in Malaysia, if the companies cannot align their human resource practices with business needs. When employees are in a company for a long time, they have the tendency to become overly contented and comfortable; thus, refusing to embrace changes that are required for the business to keep up with the changing business needs. Therefore, in the ICT industry, employers who have high employee retention rates or low employee turnover rates cannot be automatically assumed to have good employee retention outcomes even if the global strategic HRM and IT/ICT employee management literature projects low employee turnover as a desirable employer outcome. Most strategic HRM studies were carried out in the manufacturing environment, in which low employee turnover is desirable, as steady employment ensures no disruption to the production line and longer-tenured employees are expected to make fewer mistakes. As for the IT/ICT employee management literature, most studies were carried out from the employees' perspectives whereas the employers' side of the story is masked with the assumption that employee turnover is a serious problem in the industry and that all efforts should be undertaken to minimise such turnover. Thus, these studies missed on the opportunity to find out what employers actually think of the employee retention/turnover issue. By undertaking this thesis, the finding shows that long-term employee retention does not necessarily benefit the employers unless they can make sure their employees' skills are continuously updated and aligned with companies' business needs.

In summary, the Employee Gain reality theorises that Formal human resource practices will benefit the employees and not employers if the practices are not aligned with business needs.

Overall, the discussion above reveals four ways of how human resource can affect employees and employers. The Formal human resource practices, although theoretically are supposed to benefit both employees and employers, benefitted the employees more than the employers when adopted in the Malaysian ICT industry, because the companies that adopt such practices did not align them with their business needs. This revelation highlights the danger in simply adopting the so-called best practices without introspecting whether one has the means to manage such practices. On the other hand, in this thesis, the Informal human resource practices appear to be most appealing because

they benefit both employees and employers; however, their potential to produce such benefits is confined to a local small company.

### **6.3 Contributions to the research areas**

This section explains how the thesis contributes to the strategic HRM and IT/ICT employee management literature.

#### **6.3.1 Contributions to the Strategic HRM literature**

This thesis contributes to the strategic IT/ICT employee management literature in several ways. The following theoretical statements are the main contributions of this thesis to the strategic HRM literature because they explain four different ways of how the human resource practices adopted by the ICT companies in Malaysia affect the employees and employers:

1. Paternalistic human resource practices do not completely benefit employees and employers in companies that are linked with the government within the Malaysian ICT industry because the practices encourage complacency.
2. Informal human resource practices serves as a beneficial option for employers of reputable companies who pursue cost reduction strategy but employees are likely to experience some dissatisfaction due to unmet expectations.
3. Informal human resource practices benefit employees who have high intrinsic motivation and small companies because the flexibility and freedom accorded by the Informal practices allow both parties to employ the practices to fulfil their needs.
4. Formal human resource practices benefit employees more than employers if the practices are not aligned with the company's business needs.

As explained in Chapter 2, the existing literature consists of mainly two explanations about how human resource practices affect employees and employers. The dominant explanation is that advanced human resources practices are necessary to benefit both employees and employers (known as the 'mutual gains' perspective in Voorde et al. (2012) or the 'optimistic' perspective in Peccei (2004)). However, some scholars are not convinced by the first explanation and are of the opinion that companies adopt advanced human resource practices to benefit them and not the employees (Ramsay et al., 2000; Legge, 1995), which is known as the 'conflicting outcome' perspective in Voorde et al.(2012) or the 'pessimistic' perspective in Peccei (2004). Nevertheless, both explanations focus on formally implemented sophisticated human resource practices.

The second contribution of the thesis is that it presents three types of human resource practices as different means to manage ICT employees in Malaysia. By doing so, this thesis responds to the question presented by Guest (2011); whether there are other ways of managing the workforce than those described in the leading strategic HRM studies. This information is much needed because the literature is dominated by studies that have used different types of practices, without describing the contextual limits of the practices; thus, implying that the practices are beneficial for employees and employers in any context (Boxall, 2012; Guest, 2011; Boxall & Macky, 2009; Purcell, 1999).

The third contribution of this thesis is that it presents Informal human resource practices as an alternative means to managing employees in the Malaysian ICT industry. Most strategic HRM studies are focused on large companies (Wallace & Kay, 2009; Sarantinos, 2008; Nadin & Cassell, 2007; Bartram, 2005; Weisner & McDonald, 2001; Wilkinson, 1999; Dundon, Grugulis & Wilkinson, 1999), whereas studies that involve small and medium companies are usually from entrepreneurship, finance, marketing and operational management literature (Wilkinson, 1999), which is possibly why the strategic HRM literature is devoid of studies that support Informal practices as a means to manage employees. Furthermore, Wright and McMahan (1992, p. 298) defines strategic human resource management as the “the pattern of planned human resource deployment and activities”, emphasising on the coordination or congruence among the various human resource practices through a pattern of planned action; thus, prompting researchers to concentrate on structured practices instead of informal practices that thrive on freedom and flexibility. It is also possible that because the earlier studies were from the manufacturing industries; hence, they focused on structure because the nature of the industry is more rigid and involves gradual changes. However, the ICT industry is constantly changing; hence, flexible Informal human resource practices, is a viable alternative to the formal practices prescribed in the earlier studies. Moreover, changes in the workplace such as the emergence of virtual workplace, global teams, and non-traditional workers, such as contract employees make Informal human resource practices an appealing alternative to formal practices that have been the focus of strategic HRM studies until now. The old-fashioned formal practices are increasingly becoming less prevalent, for example, according to a 2015 Price Waterhouse Copper survey, in 2015, an estimated 5 per cent of companies including leading companies such as Accenture, Adobe, Microsoft, and Netflix, had stopped using the traditional, manager-led formal performance appraisal method and resorted to informal reviews (Brenner, 2016).

The fourth contribution of this thesis is that it raises a reservation over the use of low employee turnover/high employee retention as a desirable outcome and dependent variable in studies that focus on dynamic industries and are carried out in contexts where there is a lack of emphasis in aligning changing business needs with employees’ skills. This reservation is raised because in this

thesis, some companies have high employee retention rates, but their employees are not contributing effectively and wholeheartedly to them. The ICT industry is one where skills sets are changing continuously and ICT employees need to keep up with the changes; however, long-serving employees have the tendency of resisting such changes, which raises doubts on the benefit of retaining employees for a long time.

The fifth contribution of this thesis is that it identifies founding conditions as a factor that influences how Malaysian ICT companies adopt human resource practices. Scholars from the strategic management field such as Boeker (1989) and Hannan & Freeman (1977) found that founding conditions and history play an important role in influencing a company's subsequent strategic processes and actions. Because the strategic management field provides the theoretical foundation to the strategic HRM field, the assertion made by the strategic management scholar about the influence of founding factors on subsequent processes support the finding from this thesis on the need to include the mentioned factor in investigating how companies' organisational factors influence their adoption of human resource practices.

By adopting the constructivist paradigm, qualitative research and constructivist grounded theory method along with interviews with senior managers, Human Resource Managers and ICT employees, this thesis explains empirically how three types of human resource practices can affect employees and employers in four ways. This is a key finding from this thesis because the strategic HRM literature consists only of two perspectives and both refer to advanced human resource practices. Thus, the sixth contribution of this thesis is that it supports assertions made by other strategic HRM researchers that the field desperately requires more research that is carried out using methods other than the quantitative methods.

### **6.3.2 Contributions to the IT/ICT employee management literature**

Apart from the strategic HRM literature, this thesis also makes five contributions to the IT/ICT employee management literature. The main contribution of this thesis is that it provides empirical evidence from Malaysia and from ICT companies, which the literature severely lacks as most studies originate from the west and are undertaken in non IT/ICT companies.

Secondly, the three types of human resource practices (Paternalistic, Formal and Informal) identified in this thesis can be used by future studies when undertaking employee management research involving IT/ICT employees. The identification of the three types of practices shows that there is no one best way to manage the employees.

Thirdly, the thesis classifies Malaysian ICT employees into four types: Complacent, Satisfied, Optimistic and Intrinsically Motivated, which is a reasonably unique attempt to understand the

different types of ICT employees. Such effort is severely lacking in the existing literature because most studies have assumed that IT/ICT employees have similar needs and orientations at work; thus, antecedents proposed in the studies are universally applicable to all of them. However, a number of studies have also found that ICT employees are different to one another depending on their roles; thus, they need different human resource strategies to meet their needs.

Fourthly, the thesis constructs the terms Functional employee retention and Dysfunctional employee retention to capture employers' feedback concerning their employee retention outcomes. Such classification has been ignored in the existing literature because most studies are carried out from the employees' perspectives and have focused on employee turnover. However, by approaching senior managers for data, this thesis finds that they are more concerned with employee retention; therefore, the terms are relevant additions to the literature in order to capture holistic management feedback.

Fifthly, this thesis identifies the founding factor as a potential organisational factor that influence companies' adoption of human resource practices. Information on organisational factors that influence the adoption of human resource practices is missing in the literature because most studies are undertaken from the employees' perspectives.

## **6.4 Practical contributions to the Human Resource Managers and ICT employers**

This thesis has nine practical contributions for the Human Resource Managers and ICT employers in Malaysia, which are as follows:

Firstly, this thesis explains three types of practices used by ICT companies in Malaysia to manage their employees: Paternalistic, Formal and Informal. Such information is important for the Human Resource Managers so that they know what their options are in managing their employees. The three types of practices also show that companies have the option of adopting practices that: fit the national culture (Paternalistic), consist of many formal rules (Formal) or thrive on informality (Informal) rather than adopting the so-called best practices from the western literature.

Secondly, the identification of Informal practices is important to small and medium sized companies as it assures them that they do not need to stretch their limited resources into designing advanced and elaborate human resource practices, instead, they can manage their employees informally. In Malaysia, small and medium enterprises (SMEs) play a significant role in the Malaysian economy as they contribute 59.5 per cent of total employment and 28.4 per cent to the exports of Malaysia in 2010. It is anticipated that in 2020, SMEs will constitute about 97.3 per cent of total business establishments and contribute 33.1 per cent of the country's GDP (DOS Malaysia, 2013a).

Thirdly, the thesis explains four ways how human resource practices can affect employees and employers. With such information, the Human Resource Managers can act appropriately to minimise the negative impacts from their human resource practices (if any).

Fourthly, the identification of four types of ICT employees: the Complacent, Satisfied, Optimistic and the Intrinsically Motivated types, is important to employers and Human Resource Managers so that they can come up with effective strategies to manage their employees without wasting resources on inappropriate strategies.

Fifthly, feedback from senior managers shows that ICT companies should not spontaneously interpret high employee retention rate, as a favourable outcome because it is possible for companies to have high employee retention rates, but their employees may not support their initiatives, instead, engage in counterproductive behaviours.

Sixthly, the thesis highlights the importance of having a competent Human Resource Manager who is able to align the human resource practices with business needs. Without such expertise, a company may not reap full benefits from its human resource practices. Therefore, it is recommended that employers send their Human Resource Managers for training programmes to gain such competencies and also provide opportunities for them to be part of the senior management team so that they understand the business requirements and company plans; thus, can align the human resource practices accordingly.

Seventhly, in this thesis, effort has been taken to match the three types of human resource practices (Formal, Informal and Paternalistic) with the four company types (Powerhouse, Large Home-grown company, Shared Service company and Small Business). Matching the types of human resource practices with the company types provides guidelines to ICT employers about how they can categorise their companies into one of the four types and adopt the appropriate type of human resource practices.

Eighthly, this thesis highlights the possibility of one type of human resource practices not being adequate for a company if it has different subsidiaries that pursue different goals and engage in different kinds of activities. Therefore, Human Resource Managers must identify the business goal of every company and tailor their practices to support the different goals.

Ninthly, the thesis highlights the importance of identifying employees' career motives as companies can use such information to elicit the desired behaviour from employees and make sure positive outcomes are achieved.

## **6.5 Chapter Summary**

This chapter discussed the thesis findings and its theoretical contributions to the strategic HRM and IT/ICT employee management literature as well as its practical implications to the Human Resource Managers and ICT employers. The discussion demonstrated that there is no one best way to manage ICT employees in Malaysia because the practices are bound by certain limitations and are applicable only to a specific context. This thesis found four ways of how human resource practices can affect employees and employers. This discovery is made possible by the use of the constructivist paradigm and the qualitative constructivist grounded theory method, all of which support the construction of multiple perspectives/realities.



## **Chapter 7**

### **Conclusion**

#### **7.1 Introduction**

This chapter concludes the thesis. The chapter consist of four sections, whereby, this section introduces the chapter, section 7.2 explains the thesis limitations, section 7.3 summarises the thesis and the final section, 7.4, provides recommendations for future studies.

#### **7.2 Thesis limitations**

This thesis has two main limitations. One is that it is based on a small sample of ICT companies in Malaysia. Therefore, the findings may not be generalisable to other ICT companies in Malaysia or abroad. However, it is hoped that the findings will be useful considering that the companies have various backgrounds and are representative of the industry.

The second limitation is that because the thesis employs the constructivist research paradigm, it is important to understand and recognise that biases and personal views are important components of the research. However, these components did not necessarily negate the validity of the thesis findings, but instead, formed an integral part of the research design.

#### **7.3 Thesis summary**

The purpose of undertaking this thesis was to explore how ICT companies in Malaysia can address their employee turnover problem by using human resource practices. The decision to use human resource practices as an intervention to address the turnover problem was made following the consensus in strategic HRM and IT/ICT employee management literature that employees react positively to employee-friendly and advanced human resource practices, and are likely to remain with their employers; thus, lowering the companies' employee turnover rates.

The literature review for this thesis spans across three different research areas: 1) global strategic HRM, 2) Malaysian strategic HRM and 3) IT/ICT employee management. The review highlighted two main limitations; the first limitation is that the three research areas are dominated by quantitative studies that employ the positivist research paradigm; therefore, the research areas have many studies that predict the statistical relationship between antecedents such as human resource practices and employee/company outcomes but lack in-depth explanation on the subject. The second limitation is that the three research areas do not have empirical evidence from the ICT companies in Malaysia; thus, little is known about how the ICT companies in Malaysia manage their

employees and how the practices affect employees and employers. There is also a confusion in the three research areas because each study has used different human resource practices; thus, implying that their list of practices is most ideal for employers to follow in order to produce positive employee/company outcomes.

Accordingly, the following research questions were developed to address the gaps in the research areas:

- What are the human resource practices adopted by ICT companies in Malaysia?
- How do organisational factors influence adoption of human resource practices among the Malaysian ICT companies?
- What are the employee outcomes in the Malaysian ICT industry?
- What are the employee retention outcomes from the Malaysian ICT companies?

The literature review was followed by a comprehensive discussion on the methodology deemed most suitable for this thesis. The first section of the third chapter explains that the thesis adopts the constructivist paradigm, exploratory qualitative method and constructivist grounded theory approach. They are used because they complement and support one another in producing a detailed understanding and a theory about how human resource practices influence employee and employer outcomes. All three of them also support the existence of multiple realities instead of a single reality and allow the researcher and respondents to cooperate with one another in constructing and presenting the findings (Charmaz, 2003). The second section of the chapter focused on the research design and explained how the sample was selected, the interview programme, data analysis approach and how the thesis complies with the Lincoln University's ethic requirements.

The analysis and results for this thesis are covered in Chapters 4 and 5. Both chapters are organised according to the research questions. The analytical procedure adopted in this thesis combines the initial and focused coding strategies described in Charmaz (2006) with constant comparison, clustering and construction of types and typology. The first research question is addressed by constructing three types of human resource practices: Paternalistic, Formal and Informal. The Formal set has the most number of advanced human resource practices and formal guidelines. The Informal set hardly has any formal human resource guidelines because most practices are implemented on an ad-hoc basis by the senior managers according to their business needs. The Paternalistic human resource practices demonstrate highest level of care for employees' well-being and seek to establish a long-term employment relationship between employees and employers. The second research question was answered by identifying the founding factor as the factor that influences a company's

adoption of human resource practices, whereby, companies founded from government-linked companies have Paternalistic practices, companies founded from established multinationals have Formal practices and companies founded on their own or from new set-ups have Informal practices. Organisational factors of the sampled companies were then used to compare the companies against each other, which result in the construction of four types of Malaysian ICT companies: Large home-grown company, Shared Service company, Powerhouse and Small Business.

The third research question was addressed using simple statistics and qualitative analysis. Simple statistics revealed that most respondents want to remain with their existing employers and that most of them have reasonably long employment tenure with their existing companies. Simple statistics also revealed that employees who experience Formal practices are the ones who intend to resign because they are dissatisfied with the practices. No employees in companies with Paternalistic practices indicated an intention to resign whereas employees who are managed informally indicated intention to resign because of personal reasons; thus somewhat signalling their acceptance of the Informal practices. Qualitative analysis led to the construction of four types of employee outcomes: Complacent (experience Paternalistic practices), Satisfied (Formal practices), Optimistic (Formal/Informal practices) and Intrinsically Motivated (Informal practices). The triangulation between statistical and qualitative analysis provides a complete picture of the employee outcomes. For example, the triangulation reveals that employees who experience Paternalistic practices want to remain with their present employers not because they are completely satisfied with the practices, but because they are too comfortable in their jobs and they feel that their current employments are good enough for them.

The fourth research question was also answered using simple statistics and qualitative analysis. Simple statistics revealed that companies with Formal practices have the highest employee turnover rate whereas companies with Paternalistic practices have the lowest turnover rate; thus, supporting employee feedback under the third research question. Qualitative analysis revealed that employee turnover rate is an ineffective indicator of companies' employee retention outcome because some companies have low turnover rate, but they are dissatisfied with their employees, which is why they are categorised to have Dysfunctional employee retention. On the other hand, there are companies with high turnover, but they are satisfied with their employee retention outcome and believe that they have the right employees to support them, which is why they are categorised to have Functional employee retention. Findings from the four research questions were compiled and used to construct the four realities in the Impact of Human Resource Practices on Employees and Employers typology.

Finally, Chapter 6 discussed the four realities and explained four ways of how human resource practices affect employees and employers:

1. Paternalistic human resource practices do not completely benefit employees and employers in companies that are linked with the government within the Malaysian ICT industry because the practices encourage complacency.
2. Informal human resource practices serves as a beneficial option for employers of reputable companies who pursue cost reduction strategy but employees are likely to experience some dissatisfaction due to unmet expectations.
3. Informal human resource practices benefit employees who have high intrinsic motivation and small companies because the flexibility and freedom accorded by the Informal practices allow both parties to employ the practices to fulfil their needs.
4. Formal human resource practices benefit employees more than employers if the practices are not aligned with the company's business needs.

The chapter also discussed the theoretical contributions of this thesis to strategic HRM and IT/ICT employee management literature. The last section of the chapter outlines the practical contributions of this thesis to Human Resource Managers and ICT employers.

## **7.4 Recommendations for future studies**

The thesis makes five recommendations for future studies. Its first recommendation is that more research is needed to collect feedback from both employees and employers. This thesis adopts such a strategy, and discovers three types of human resource practices, four types of employee outcomes, two types of employer outcomes and that human resource practices affect employees and employers in four ways. Most of these findings constitute as new contributions to the strategic HRM and IT/ICT employee management literature.

The second recommendation calls for more studies to investigate the findings of this thesis. A replication of this thesis within the Malaysian ICT industry or within the ICT industry in a different location may confirm or challenge findings presented here, overcome the above mentioned limitations and make constructive recommendations to advance the knowledge generated in this thesis.

The third recommendation is that more studies are needed to investigate the impact from using employees as the linking mechanism between human resource practices and company outcomes. Existing theoretical perspectives that dominate the strategic HRM literature, such as the Ability, Motivation & Opportunities (AMO) theory, Resource Based View, Mutual Gain/Optimistic perspectives, advocate that employers ought to invest in sophisticated human resource practices

that ensure employee well-being, so that employees reciprocate by being committed, working hard and putting in extra effort and contribute positively to companies' overall productivity and profits (Voorde et al., 2012; Boxall & Purcell, 2011; Peccei, 2004; Guest, 2002, 1999; Becker & Huselid, 1998; Schuler, 1992). However, in this thesis, the Employee Gain reality demonstrates that employees may not necessarily reciprocate favourably to employers even if they have positive perceptions of the human resource practices. It is possible that the above authors adopted simple reciprocation rule because they focused on blue-collar employees in the western manufacturing industries, who are mostly semi-skilled or unskilled employees, less educated, occupy low-wage occupations and are less likely to be in control of their work lives (Seeck & Parzefall, 2008). This thesis, on the other hand, involves ICT employees, who are knowledge workers with high levels of education, professional knowledge and skills (Thite, 2004; Flood et al., 2001). Their knowledge and skills provide them with a greater choice; they have various views about their career options and are in control of what they do in their jobs as well as in their lives and do not simply reciprocate to their employers' perceived exchange behaviour (Seeck & Parzefall, 2008). They represent modern employees who are capable of modifying and enhancing their work roles and duties by adding elements that they personally enjoy or find meaningful and avoid fulfilling obligations or even escape from some of their duties, which they do not identify with (Seeck & Parzefall, 2008; Dabos & Rousseau, 2004).

The fourth recommendation involves Paternalistic human resource practices and calls for more Malaysian strategic HRM researchers to study the practices in different contexts to see if the practices produce similar outcomes as per this thesis and to identify other potential outcomes from the adoption of such practices.

The fifth recommendation is that more future strategic HRM researchers should involve small companies in their research sample because such companies appear to have their own innovative way of managing employees without prescribing to what the mainstream literature advocates.

In the end, this thesis fulfils its purpose as an exploratory study, as it has discovered several new findings but a lot more research is needed to strengthen the findings.

## Bibliography

- (CPPsb), C. f. P. P. A. (2010). Corporate equity distribution: past trends and future policy. Kuala Lumpur: Centre for Public Policy Studies.
- A.T. Kearney. (2008). A.T. Kearney Global Services Location Index 2005 Retrieved 21 June, 2008, from [http://www.atkearney.com/shared\\_res/pdf/GSLI\\_Figures.pdf](http://www.atkearney.com/shared_res/pdf/GSLI_Figures.pdf)
- Abang Othman, A. E. (2009). Strategic integration of human resource management practices: Perspectives of two major Japanese electrical and electronics companies in Malaysia. *Cross Cultural Management: An International Journal*, 16(2), 197-214.
- Abdullah, H. (2009). Major challenges to the effective management of human resource training and development activities. *The Journal of International Social Research*, 2(8), 11-25.
- Abelson, M. A., & Baysinger, B. D. (1984). Optimal and Dysfunctional Turnover: Toward an Organizational Level Model. *The Academy of Management Review*, 9(2), 331-341.
- Agarwal, R., & Ferratt, T. W. (1999). *Coping With Labor Scarcity in Information Technology: Strategies and Practices for Effective Recruitment and Retention*. Cincinnati, Ohio: Pinnaflex Educational Resources.
- Agarwal, R., & Ferratt, T. W. (2002). Enduring practices for managing IT professionals *Communications of the ACM* (Vol. 45, pp. 73-79): Advanced Practices Council of the Society for Information Management.
- Agarwal, R., Ferratt, T. W., & De, P. (2007). An experimental investigation of turnover intentions among new entrants in IT. *Database for Advances in Information Systems*, 38(1), 8-30.
- Aggarwal, U., & Bhargava, S. (2009a). Exploring psychological contract contents in India: the employee and employer perspective. *Journal of Indian Business Research*, 1(4), 238-251.
- Aggarwal, U., & Bhargava, S. (2009b). Reviewing the relationship between human resource practices and psychological contract and their impact on employee attitude and behaviours. *Journal of European Industrial Training*, 33(1), 4-31.
- Ahmad, K. (2001). Corporate leadership and workforce motivation in Malaysia. *International Journal of Commerce and Management*, 11(1), 82-101.
- Ahmad, K., & Singh, S. (2001). Leading and motivating a Malaysian workforce. In A. Abdullah & A. H. Low (Eds.), *Understanding the Malaysian workforce Guidelines for managers* (pp. 1-223). Kuala Lumpur: Malaysian Institute of Management (MIM).
- Ahmad Pharny, A. (2009). More companies expected to lift pay freeze next year *The Edge Malaysia*. Retrieved from [http://www2.hewittassociates.com/Lib/assets/AP/en-AP/pdfs/global\\_report\\_malaysia.pdf](http://www2.hewittassociates.com/Lib/assets/AP/en-AP/pdfs/global_report_malaysia.pdf)
- Ahuja, M. K., Chudoba, K. M., Kacmar, C. J., & McKnight, H. D. (2006). Road warriors: balancing work-family conflict, job autonomy and work overload to mitigate turnover intentions. *MIS Quarterly*, 30(3), 1-18.
- Alfes, K., Shantz, A., Truss, C., & Soane, E. C. (2013). The link between perceived human resource management practices, engagement and employee behaviour: a moderated mediation model. *The International Journal of Human Resource Management*, 24(2).
- Allen, D. G., Shore, L. M., & Griffeth, R. W. (2003). The Role of Perceived Organizational Support and Supportive Human Resource Practices in the Turnover Process. *Journal of management*, 29(1), 99-118.
- Ang, S., & Slaughter, S. (2004). Turnover of Information Technology Professionals: The Effects of Internal Labor Market Strategies. *Database for Advances in Information Systems*, 35(3), 11-27.
- Aon Hewitt Singapore. (2016, 2016). With Voluntary Employee Turnover on the Rise, Technology Sector Companies in Singapore and Asia-Pacific Boost 2017 Salary Budgets Retrieved 8 November, 2016, from <https://apac.aonhewitt.com/home/about/media-room/press-releases/october-november-2016>

- Arefin, M. S., Arif, I., & Raquib, M. (2015). High performance work systems and proactive behavior: the mediating role of psychological empowerment. *International Journal of Business and Management*, 10(3).
- Arthur, J. B. (1992). The link between business strategy and industrial relations systems in American steel minimills. *Industrial and Labour Relations Review*, 45(3), 488-506.
- Arthur, J. B. (1994). Effects of human resource systems on manufacturing performance and turnover. *Academy of Management Journal*, 37, 670-687.
- Austin, T., & Knox, R. E. (2007). The High-Performance Workplace Defined Update Retrieved 18 April, 2011, from [http://www.gartner.com/DisplayDocument?id=504673&ref='g\\_fromdoc'](http://www.gartner.com/DisplayDocument?id=504673&ref='g_fromdoc')
- Aycan, Z. (2005). The interplay between cultural and institutional / structural contingencies in human resource management practices. *International Journal of Human Resource Management*, 16(7), 1083-1119.
- Aycan, Z. (2006). Paternalism: Towards conceptual refinement and operationalization. In U. Kim, G. Yang & K.-K. Hwang (Eds.), *Indigenous and cultural psychology: Understanding people in context* (pp. 445-466): Springer.
- Babbie, E. (2004). *The practice of social research*. Belmont, CA: Wadsworth/Thomson Learning.
- Bae, J., & Yu, G.-C. (2005). HRM configurations in Korean venture firms: resource availability, institutional force and strategic choice perspectives. *The International Journal of Human Resource Management*, 16(9), 1759-1782.
- Baird, L., & Meshoulam, I. (1988). Managing two fits of strategic human resource management. *The Academy of Management Review*, 13(1), 116-128.
- Baldry, Scholarios, D., & Hyman. (2004).
- Barney, J. B. (1991). Firm resource and sustainable competitive advantage *Journal of management*, 17(1), 99-120.
- Barney, J. B. (1995). Looking inside for competitive advantage. *The Academy of Management Executive*, 9(4), 49-61.
- Barocci, T. A., Wever, K. R., & Tessier, D. A. (1983). I/S charge-out systems: options and personnel implications. *Working Paper Alfred P. Sloan School of Management*. Retrieved from
- Baroudi, J. J. (1985). The Impact of Role Variables on IS Personnel Work Attitudes and Intentions. *MIS Quarterly*, 9(4), 341-356.
- Bartol, K. M. (1983). Turnover among DP personnel: a causal analysis. *Commun. ACM*, 26(10), 807-811.
- Bartram, T. (2005). Small firms, big ideas: The adoption of human resource management in Australian small firms. In A. H. R. Institute (Ed.), *Asiapacific Journal of Human Resources* (Vol. 1, pp. 137-154). London: Sage Publication.
- Bartram, T., Stanton, P., Leggat, S., Casimir, G., & Fraser, B. (2007). Lost in translation: exploring the link between HRM and performance in healthcare. *Human resource management* 17(1), 21-41.
- Batt, R., Colvin, A. J. S., & Keefe, J. (2002). Employee voice, human resource practices and quit rates: evidence from the telecommunications industry. *Industrial & Labor Relations Review*, 55(4), 573-594.
- Batt, R., & Valcour, P. M. (2003). Human resource practices as predictors of work-family outcomes and employee turnover. *DigitalCommons@ ILR*. Retrieved from
- Bawa, M. A., & Jantan, M. (2005). Human resource practices as determinants of employee turnover: an empirical investigation. *Asian Academy of Management Journal*, 10(2), 69-80.
- Becker, B. E., & Gerhart, B. (1996). The impact of human resource management on organizational performance: progress and prospects. *Academy of Management Journal*, 39, 779-791.
- Becker, B. E., & Huselid, M. A. (1998). High Performance Work Systems and firm performance: A synthesis of research and managerial implications. *Research in Personnel and Human Resource Management*, 16, 53-101.
- Beecham, S., Baddoo, N., Hall, T., Robinson, H., & Sharp, H. (2008). Motivation in Software Engineering: A systematic literature review. *Information and Software Technology*, 50, 860-878.

- Beecham, S., Sharp, H., Baddoo, N., Hall, T., & Robinson, H. (2007). Does the XP environment meet the motivational needs of the software developer? An empirical study. *Institute of Electrical & Electronics Engineers*, 1-12.
- Bernston, E. (2008). *Employability perceptions - Nature, detreminants, and implications for health and well-being*. PhD, Stockholm University, Stockholm.
- Bird, A., & Beechler, S. (1995). Links between business strategy and human resource management strategy in US based Japanese subsidiaries: An empirical investigation. *Journal of International Business Studies*, 26(1), 23-46.
- Birdi, K., Clegg, C., Patterson, M., Robinson, A., Stride, C., Wall, T. D., & Wood, S. (2008). The impact of human resource and operational management practices on company poductivity: a longitudinal study. *Personnel Psychology*, 61.
- Blau, P. M. (1964). *Exchange and power in social life*. New York: Wiley.
- Boeker, W. (1989). Strategic change: the effects of founding and history. *Academy of Management Journal*, 32(3), 489-515.
- Bohman, J. (2005). Critical theory Retrieved 29 September 2014, 2014, from <http://plato.stanford.edu/entries/critical-theory/>
- Boselie, P., Dietz, G., & Boon, C. (2005). Commonalities and contradictions in HRM and performance research. *Human Resource Management Journal*, 15(3), 67-94.
- Boselie, P., & van der Wiele, T. (2002). Employee perceptions of HRM and TQM, and the effects on satisfaction and intention to leave. *Managing Service Quality*, 12(3), 165-172.
- Bowen, D. E., & Ostroff, C. (2004). Understanding HRM-firm performance linkages: the role of the "strength" of the HRM system. *Academy of Management Review*, 29(2), 203-221.
- Boxall, P. (2012). High Performance work systems: what, why, how and for whom? *Asia Pacific Journal of Human Resources*, 50(2), 169-186.
- Boxall, P., & Macky, K. (2009). Research and theory on high-performance work systems: progressing the high involvement stream. *Human Resource Management Journal*, 19(1).
- Boxall, P., & Purcell, J. (2000). Strategic human resource management: where have we come from and where should we be going? *International Journal of Management Reviews*, 2(2), 183-203.
- Boxall, P., & Purcell, J. (2011). *Strategy and Human Resource Management* (Third ed.): Palgrave Macmillan.
- Boxall, P., & Steeneveld, M. (1999). Human resource strategy and competitive advantage: A longitudinal study of engineering consultancies. *Journal of Management Studies*, 36(4), 443-463.
- Brenner, L. (2016). The importance of driving your own career development, 2016, from <http://www.ftpress.com/articles/article.aspx?p=2475564>
- Bruton, G. D., & Lau, C.-M. (2008). Asian management research: status today and future outlook. *Journal of Management Studies*, 45(3), 636-659.
- Bryant, A., & Charmaz, K. (2007). *The SAGE handbook of grounded theory* London: SAGE.
- Bryant, S. E., Moshavi, D., & Nguyen, T. V. (2007). A field study on organizational commitment, professional commitment and peer mentoring. *ACM SIGMIS Database*, 38(2), 61-74.
- Buller, P., F., & Napier, N. (1993). Strategy and Human Resource Management Integration in Fast Growth Versus Other Mid-sized Firms. *British Journal of Management*, 4(2), 77-90.
- Bunyamin, H., & Meyliana;. (2013). *Learning from Google:Increasing the quality of work life*. Paper presented at the The 2013 International Conference on Business, Economics and Accounting, Bangkok, Thailand.
- Buyens, D., & De Vos, A. (2001). Perceptions of the value of the HR function. *Human Resource Management Journal*, 11(3), 70-89.
- Cappelli, P., & Neumark, D. (2001). Do "High-Performance" Work Practices Improve Establishment-Level Outcomes? *Industrial and Labor Relations Review*, 54(4), 737-775.
- Chan, W. M. (2003). *Career anchors of Singaporean Technopreneurs*. Doctor of Philosophy, University of South Australia, South Australia.
- Chang, C. (2009). The study of the turnover of MIS professionals - The gap between Taiwanese and US societies. *International Journal of Information Management*.



- Chang, S., Takeuchi, R., Jia, L., & Cai, Y. (2014). Do high-commitment work systems affect creativity? A multilevel combinational approach to employee creativity. *Journal of Applied Psychology*, 99(4).
- Charmaz, K. (2006). *Constructing grounded theory - A practical guide through qualitative analysis*. London: SAGE Publications Ltd.
- Charmaz, K. (2008). Grounded theory in the 21st century - Applications for advancing social justice studies. In N. K. Denzin & Y. S. Lincoln (Eds.), *Strategies of Qualitative Inquiry*. California: Sage Publications.
- Chew, Y. T. (2005). Achieving organisational prosperity through employee motivation and retention: a comparative study of strategic HRM practices in Malaysian institutions. *Research and practice in human resource management*, 13(2), 87-104.
- Choi, S. L., & Wan Ismail, W. K. (2008). Understanding the relationship of HR competencies & roles of Malaysian human resource professionals. *European Journal of Social Sciences*, 7(1), 88-103.
- Choi, S. L., & Wan Ismail, W. K. (2010). Readiness of Malaysian human resource professionals to be a strategic partner. *Intangible capital*, 6(1), 26-50.
- Chow, I. H. (2005). High performance work systems in Asian companies. *International Business Review*, 47(5), 575-599.
- Chow, I. H. (2012). The roles of implementation and organisational culture in the HR-performance link. *The International Journal of Human Resource Management*, 23(15), 3114-3132.
- Chuang, C. H., & Liao, H. (2010). Strategic human resource management in service context: taking care of business by taking care of employees and customers. *Personnel Psychology*, 63(1), 153-196.
- Chui, J., Tong, C., & Mula, J. M. (2007). *Assessing the extent to which career development impacts employee commitment: a case study of the ICT industry in Hong Kong*. Paper presented at the 18th Australasian Conference on Information Systems, Toowoomba.
- Combs, J., Liu, Y., Hall, A., & Ketchen, D. (2006). How much do High-Performance Work Practices Matter? A Meta-analysis of their Effects on Organizational Performance *Personnel Psychology*, 59(3), 501-528.
- Conger, J. A. (1989). Leadership: The Art of Empowering Others. *The Academy of Management Executive (1987-1989)*, 3(1), 17-24.
- Coombs, C., R. (2009). Improving retention strategies for IT professionals working in the public sector. *Information & Management*, 46, 233-240.
- Couger, J. D., & Zawacki, R. A. (1980). *Motivating and managing computer personnel*. New York: Wiley.
- Couger, J. D., Zawacki, R. A., & Oppermann, E. B. (1979). Motivation Levels of MIS Managers versus Those of Their Employees. *MIS Quarterly*, 3(3), 47-56.
- Creswell, J. W. (2007a). Designing a qualitative study *Qualitative inquiry and research design: Choosing among five approaches* (Vol. 2nd edition): Thousand Oaks, CA: Sage.
- Creswell, J. W. (2007b). Five qualitative approaches to inquiry *Qualitative inquiry and research design - Choosing five approaches*. California: Sage publications.
- Dabos, G. E., & Rousseau, D. M. (2004). Mutuality and reciprocity in the psychological contracts of employees and employers. *Journal of Applied Psychology*, 89(1), 52-72.
- De Cuyper, N., Van der Heijden, B. I. J. M., & De Witte, H. (2011). Associations between perceived employability, employee well-being, and its contribution to organizational success: a matter of psychological contracts? *The International Journal of Human Resource Management*, 22(7), 1486 - 1503.
- Delaney, J. T., & Huselid, M. A. (1996). The Impact of Human Resource Management Practices on Perceptions of Organizational Performance. *The Academy of Management Journal*, 39(4), 949-969.
- Delery, J., & Doty, H. D. (1996). Modes of Theorizing in Strategic Human Resource Management: Tests of Universalistic, Contingency, and Configurational Performance Predictions. *Academy of Management Journal*, 39(4), 802-835.

- Denzin, N. K., & Lincoln, Y. S. (1994). Introduction Entering the field of qualitative research. In N. K. Denzin & Y. S. Lincoln (Eds.), *Handbook of Qualitative Research*. Thousand Oaks California: SAGE Publications.
- Denzin, N. K., & Lincoln, Y. S. (2008). Introduction: The discipline and practice of qualitative research. In N. K. Denzin & Y. S. Lincoln (Eds.), *Strategies of Qualitative Inquiry*. California: Sage Publications Inc.
- Dinger, M., Thatcher, J. B., Treadway, D. C., Stepina, L. P., & Breland, J. (2015). Does professionalism matter in the IT workforce? An empirical examination of IT professionals. *Journal of the Association for Information Systems*, 16(4), 281-313.
- Dockel, A., Basson, J., & Coetzee, M. (2006). The effect of retention factors on organisational commitment: an investigation of high technology employees. *SA Journal of Human Resource Management*, 4(2), 20-28.
- DOS Malaysia. (2013a). *2005-2013 National Accounts - Small and medium enterprises*. Putrajaya: Department of Statistics, Malaysia.
- DOS Malaysia. (2013b). *Services Statistics Information and Communication 2013*. Putrajaya: Department of Statistics, Malaysia.
- DTI. (2002). *High Performance Workplaces - The role of employee involvement in a modern economy*. London: Department of Trade and Industry.
- Dundon, T., Grugulis, I., & Wilkinson, A. (1999). Looking out of the black-hole: a non union relations in an SME. *Employee Relations*, 22(3).
- Eckhardt, A., Laumer, S., Maier, C., & Weitzel, T. (2014). The effect of personality on IT personnel's job-related attitudes: establishing a dispositional model of turnover intention across IT job types. *Journal of Information Technology*, 27, 1-19.
- Edgar, F., & Geare, A. (2005). HRM practice and employee attitudes: different measures - different results. *Personnel Review*, 34(5), 534-549.
- Eisenberger, R., Armeli, S., Rexwinkel, B., Lynch, P. D., & Rhoades, L. (2001). Reciprocation of Perceived Organizational Support. *Journal of Applied Psychology*, 86(1), 42-51.
- Eisenhardt, K. M. (1991). Better Stories and Better Constructs: The Case for Rigor and Comparative Logic. *The Academy of Management Review*, 16(3), 620-627.
- Eisenhardt, K. M., & Graebner, M. E. (2007). Theory building from cases: opportunities and challenges. *Academy of Management Journal*, 50(1), 25-32.
- Enns, H. G., Ferratt, T. W., & Prasad, J. (2006). Beyond stereotypes of IT professionals: Implications for IT HR practices. *Communications of the ACM*, 49(4), 105-109.
- EPU. (2010). *Tenth Malaysia Plan 2011-2015*. Putrajaya: The Economic Planning Unit.
- Fabling, R., & Grimes, A. (2010). HR practices and New Zealand firm performance: what matters and who does it? *The International Journal of Human Resource Management*, 21(4), 488-508.
- Feldman, D. C., & Bolino, M. C. (1996). Careers within careers: Reconceptualizing the nature of career anchors and their consequences. *Human Resource Management Review*, 6(2), 89-112.
- Fernandez-Alles, M., & Ramos-Rodríguez, A. (2009). Intellectual structure of human resources management research: A bibliometric analysis of the journal Human Resource Management, 1985-2005. *Journal of the American Society for Information Science and Technology*, 60(1), 161-175.
- Ferratt, T. W., Agarwal, R., Brown, C. V., & Moore, J. E. (2005). IT human resource management configurations and IT turnover: theoretical synthesis and empirical analysis. *Information Systems Research*, 16(3), 237-255.
- Fleming, P. (2005). 'Kindergarten cop': Paternalism and resistance in a high-commitment workplace. *Journal of Management Studies*, 42(7), 1469-1489.
- Flood, P. C., Turner, T., Ramamoorthy, N., & Pearson, J. (2001). Causes and consequences of psychological contracts among knowledge workers in the high technology and financial services industries. *International Journal of Human Resource Management*, 12(7), 1152-1165.
- Frost & Sullivan. (2007). *MSC Malaysia Supply - demand study of the ICT industry* (pp. 1-30).

- Fu, N., Flood, P. C., Bosak, J., Morris, T., & O-Regan, P. (2015). How do high performance work systems influence organizational innovation in professional service firms. *Employee Relations*, 37(2).
- Gavino, M., Wayne, S., & Erdogan, B. (2012). Discretionary and transactional human resource practices and employee outcomes: the role of perceived organisational support. *Human Resource Management*, 51(5).
- Ghapanchi, A. H., & Aurum, A. (2011). Antecedents to IT personnel's intention to leave" A systematic literature review. *Journal of System and Software*, 84(2), 238-249.
- Glaser, B. (2002). Conceptualization: on theory and theorizing using grounded theory. *International journal of qualitative methods*, 1(2).
- Glaser, B., & Strauss, A. (1967). *The discovery of grounded theory: Strategies for qualitative research*. Chicago: Aldine.
- Goh, L. (2013, 2014). Why job-hoppers hop Retrieved August 16, 2014, from <http://www.thestar.com.my/News/Nation/2012/02/19/Why-jobhoppers-hop/>
- Goulding, C. (1999). Grounded Theory: some reflections on paradigm, procedures and misconceptions. In K. Gilbert (Ed.). Telford, Shropshire: Wolverhampton Business School.
- Guba, E. E., & Lincoln, Y. S. (1994). Competing paradigms in qualitative research. In N. K. Denzin & Y. S. Lincoln (Eds.), *Handbook of Qualitative Research*. Thousand Oaks, California: SAGE Publications, Inc.
- Guest, D. (1998). Is the psychological contract worth taking seriously? . *Journal of Organizational Behaviour*, 19, 649-664.
- Guest, D. (1999). Human resource management - the workers' verdict. *Human Resource Management Journal*, 9(3), 5-25.
- Guest, D. (2001). Human resource management: when research confronts theory. *The International Journal of Human Resource Management*, 12(7), 1092 - 1106.
- Guest, D. (2002). Human resource management, corporate performance and employee wellbeing: building the worker into HRM. *The Journal of Industrial Relations*, 44(3), 335-358.
- Guest, D. (2011). Human resource management and performance: still searching for some answers. *Human Resource Management Journal*, 21(1), 3-13.
- Guest, D., & Conway, N. (1999). Peering into the Black Hole: The downside of the new employment relations in the UK. *British Journal of Industrial Relations*, 37(3), 367-389.
- Guest, D., & Conway, N. (2002). Communicating the psychological contract: an employer perspective. *Human resource Management Journal*, 12(2), 22-38.
- Guest, D., Michie, J., Conway, N., & Sheehan, M. (2003). Human resource management and corporate performance in the UK. *British Journal of Industrial Relations*, 41(2), 291-314.
- Guthrie, J. P. (2001). High-involvement work practices, turnover, and productivity: evidence from New Zealand. *The Academy of Management Journals*, 44(1), 180-190.
- Guthrie, J. P., Flood, P. C., Liu, W., & MacCurtain, S. (2009). High performance work systems in Ireland: human resources and organizational outcomes. *International Journal of Human Resource Management*, 20(1), 112-125.
- Guzman, I., Stam, K., & Stanton, J. (2008). The Occupational Culture of IS/IT Personnel within Organizations. *Database for Advances in Information Systems*, 39(1), 33.
- Hackman, R., & Oldham, G. (1976). Motivation through the design of work: test of a theory. *Organizational Behaviour and Human Performance*, 16, 250-279.
- Halim, H., Beck, J. E., & Soo, S. C. (2009). A cross national study of human resource strategies in managing knowledge workers between Malaysia and Singapore. *Labour and Management in Development*, 10, 1-21.
- Hall, D. T. (1996). Protean careers of the 21st century. *Academy of Management Executive*, 10(4), 8-16.
- Hall, D. T. (2004). The protean career: a quarter-century journey *Journal of Vocational Behaviour*, 65, 1-13.
- Hall, D. T., & Mirvis, P. H. (1995). The new career contract: developing the whole person at midlife and beyond. *Journal of Vocational Behaviour*, 47, 269-289.

- Hall, D. T., & Moss, J. E. (1998). The new protean career contract: Helping organizations and employees adapt. *Organizational Dynamics*, 26(3), 22-37.
- Hannan, M. T., & Freeman, J. (1977). The population of ecology of organizations. *American Journal of Sociology*, 82(5), 929-964.
- Hartog, D. N., Boon, C., Verburg, R., & Croon, M. (2013). HRM, communication, satisfaction and perceived performance: a cross-level test. *Journal of management*, 39(6).
- Hashim, J. (2009). Islamic revival in human resource management practices among selected Islamic organisations in Malaysia. *International journal of Islamic and Middle Eastern Finance and Management* 2(3), 251-267.
- Hendry, C., & Jenkins, R. (1997). Psychological contracts and new deals. *Human Resource Management Journal*, 7(1), 38-44.
- Hendry, C., & Pettigrew, A. (1990). Human resource management: an agenda for the 1990s. *The International Journal of Human Resource Management*, 1(1), 17-41.
- Herriot, P., Manning, W. E. G., & Kidd, J. M. (1997). The content of the psychological contract. *British Journal of Management*, 8, 151-162.
- Hesketh, A., & Fleetwood, S. (2006). Beyond measuring the human resources management-organizational performance link: applying critical realist meta-theory. *Organization*, 13(5), 677-699.
- Hofstede, G. (2001). *Culture's Consequences* (2nd ed.). California, US: SAGE Publications, Inc.
- Holm, J., Lahteenmaki, S., Salmela, H., Suomi, H., Suominen, A., & Viljanen, M. (2002). Best practices of ICT workforce management – a comparable research initiative in Finland. *Journal of European Industrial Training*, 26(7), 333-341.
- Holton, J. A. (2008). The Coding Process and Its Challenges. In A. Bryant & K. Charmaz (Eds.), *The SAGE Handbook of Grounded Theory*. London: SAGE Publications Ltd.
- Hooi, L. W. (2008a). *Human capital management in Malaysia-Local & foreign perspectives*: Universiti Teknologi Malaysia.
- Hoonakker, P. T., Carayon, P., & Korunka, C. (2013). Using the job-demands-resources model to predict turnover in the information technology workforce - general effects and gender differences. *Horizons of Psychology*, 22, 51-65.
- Hunter, M., Tan, F., & Tan, B. (2008). Voluntary Turnover of Information Systems Professionals: A Cross-Cultural Investigation. *Journal of Global Information Management*, 16(4), 46.
- Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*, 38(3), 635-670.
- Huselid, M. A., Jackson, S. E., & Schuler, R. S. (1997). Technical and Strategic Human Resource Management Effectiveness as Determinants of Firm Performance. *The Academy of Management Journal*, 40(1), 171-188.
- Ibrahim, H. I., & Shah, K. A. M. (2012). *Effects of organizational characteristics factors on the implementation of strategic human resource practices: evidence from Malaysian manufacturing firms*. Paper presented at the WEI International European Academic Conference Proceedings, Zagreb, Croatia.
- Ichniowski, C., Kathryn, S., & Prennushi, G. (1997). The effects of human resource management practices on productivity. *The American Academy Review*, 87(3), 291-313.
- Ichniowski, C., Shaw, K., & Crandall, R. W. (1995). *Old dogs and new tricks: determinants of the adoption of productivity-enhancing work practices*. Paper presented at the Brookings Papers on Economic Activity.
- Ifinedo, P. (Ed.). (2005). *Motivation and job satisfaction among information systems developers - perspectives from Finland, Nigeria and Estonia: A preliminary study*: Springer US.
- Igbaria, M., & Baroudi, J. J. (1995). The impact of job performance evaluations on career advancement. *MIS Quarterly*, 19(1), 107.
- Igbaria, M., & Greenhaus, J. H. (1992). Determinants of MIS employees' turnover intentions: a structural equation model. (information technology has produced an increasing demand for management information system professionals) (Cover Story). *Communications of the ACM*, v35(n2), p34(16).

- Igbaria, M., Greenhaus, J. H., & Parasuraman, S. (1991). Career Orientations of MIS Employees: An Empirical Analysis. *MIS Quarterly*, 15(2), 151-169.
- Igbaria, M., & Guimaraes, T. (1993). Antecedents and consequences of job satisfaction among information center employees. *Journal of Management Information Systems*, 9(4), 145.
- Igbaria, M., Meredith, G., & Smith, D. C. (1994). Predictors of intention of IS professionals to stay with the organization in South Africa. *Information & Management*, 26, 245-256.
- Islam, R., & Hj. Ismail, A. Z. (2008). Employee motivation: a Malaysian perspective. *International Journal of Commerce and Management*, 18(4), 344-362.
- Jackson, S. E., & Schuler, R. S. (1995). Understanding human resource management in the context of organizations and their environments. *Annual Review of Psychology*, 46, 237-264.
- James, D., & Merchant, R. (2013, 2014). Malaysia-Marching well together Retrieved September 18, 2014
- Jamrog, J. (2004). The Perfect Storm: The Future of Retention and Engagement. *Human Resource Planning*, 27(3), 26-33.
- Jean-Marie, H. (1996). The impact of human resource management on organisational performance: Theory and research. *European Management Journal*, 14(6), 628-637.
- Jiang, K., Chuang, C. H., & Chiao, Y.-C. (2014). Developing collective customer knowledge and service climate: the interaction between service oriented high performance work systems and service leadership. *Journal of Applied Psychology*.
- Jiang, K., Lepak, D. P., Hu, J., & Baer, J. C. (2012). How does human resource management influence organizational outcomes? A meta-analytic investigation of mediating mechanisms. *Academy of Management Journal*, 55(6).
- JobStreet. (2010). Malaysian ICT Job Market: Meeting Tomorrow's Needs Retrieved November 28, 2011, from [http://mscmalaysia.my/mms2010/downloads/4\\_Parallel%20A\\_Topic%201\\_Suresh%20Thiru\\_COO%20Jobstreet.pdf](http://mscmalaysia.my/mms2010/downloads/4_Parallel%20A_Topic%201_Suresh%20Thiru_COO%20Jobstreet.pdf)
- Johari, J., Yean, T. F., Adnan, Z., Yahya, K. K., & Ahmad, M. N. (2012). Promoting employee intention to stay: do human resource management practices matter? *International Journal of Economics and Management*, 6(2), 396-416.
- Joseph, D., Ang, S., & Slaughter, S. A. (2015). Turnover or turnaway? Competing risks analysis of male and female IT professionals' job mobility and relative pay gap. *Information Systems Research*, 26(1), 145-164.
- Joseph, D., Ng, K.-Y., Koh, C., & Ang, S. (2007). Turnover of information technology professionals: a narrative review, meta-analytic structural equation modeling, and model development. *MIS Quarterly*, 31(3), 547-577.
- Juhdi, N., Pa'Wan, F., & Hansaram, R. M. K. (2013). HR practices and turnover intention: the mediating roles of organizational commitment and organizational engagement in a selected region in Malaysia. *The International Journal of Human Resource Management*, 24(15), 3002-3019.
- Katou, A. (2008). Measuring the impact of HRM on organisational performance. *Journal of Industrial Engineering and Management*, 1(2), 119-142.
- Kaufman, B. E. (2010). SHRM theory in the post-Huselid era: why it is fundamentally misspecified. *Industrial Relations*, 49(2), 286-313.
- Kehoe, R. R., & Wright, P., M. (2010). The impact of high performance human resource practices on employees' attitudes and behaviours. *Journal of management*, 1-26.
- Khatri, N. (2000). Managing human resource for competitive advantage: a study of companies in Singapore. *The International Journal of Human Resource Management*, 11(2), 336-365.
- Khatri, N., Budhwar, P., & Chong, T. F. (1999). *Employee turnover: Bad attitude or poor management?* Nanyang Technological University. Singapore.
- Khatri, N., & Budhwar, P. S. (2002). A study of strategic HR issues in an Asian context. *Personnel Review*, 2002(31), 166-188.
- Kickul, J. (2001). Promises made, promises broken: an exploration of employee attraction and retention practices in small business. *Journal of small business management*, 39(4), 320-335.
- Kim, E. (2016, 8 May 2016). Dropbox cut a bunch of perks and told employees to save more as Silicon Valley startups brace for the cold Retrieved August 16, 2016, from

<http://www.businessinsider.my/cost-cutting-at-dropbox-and-silicon-valley-startups-2016-5/?r=US&IR=T>

- Kinnie, N., Hutchinson, S., Purcell, J., Rayton, B., & Swart, J. (2005). Satisfaction with HR practices and commitment to the organisation: why one size does not fit all. *Human Resource Management Journal*, 15(4), 9-29.
- Kochanski, J., & Ledford, G. (2001). "How to keep me" - retaining technical professionals. *Research Technology Management*. Retrieved from
- Koys, D. (1988). Human resource management and a culture of respect: effects on employees' organisational commitment. *Employee responsibilities and rights journal*, 1(1).
- Kuvaas, B. (2008). An exploration of how the employee-organization relationship affects the linkage between perception of developmental human resource practices and employee outcomes. *Journal of Management Studies*, 45(1).
- Lau, Y. W., & Tong, G. Q. (2008). Are Malaysian Government-Linked Companies (GLCs) creating value? *International Applied Economics and Management*, 1(1), 9-12.
- Laursen, K., & Foss, N. J. (2003). New human resource management practices, complementarities and the impact on innovation performance. *Cambridge Journal of Economics*, 27, 243-263.
- Lee, H. S. (2001). Paternalistic Human Resource Practices: Their Emergence and Characteristics. *Journal of Economic Issues*, 35(4), 841-869.
- Lee, P. C., & Lin, I. (2008). *Career anchors, national culture and leave intent of MIS professional in Taiwan*. Taiwan. Retrieved from [http://www.pacis-net.org/file/2008/PACIS2008\\_Camera-Ready\\_Paper\\_044.pdf](http://www.pacis-net.org/file/2008/PACIS2008_Camera-Ready_Paper_044.pdf)
- Lee, P. C. B. (2000). Turnover of information technology professionals: a contextual model. *Accounting, Management and Information Technologies*, 10(2), 101-124. doi: 10.1016/S0959-8022(99)00016-8
- Legge, K. (1995). *Human Resource Management Rhetorics and Realities*. Houndmills, Basingstoke, Hampshire: MACMILLAN Press Ltd.
- Lepak, D. P., Liao, H., Chung, Y., & Harden, E. E. (2006). A conceptual review of human resource management systems in strategic human resource management research. *Research in personnel and human resource management*, 25, 217-271.
- Lepak, D. P., & Snell, S. A. (1999). The human resource architecture: toward a theory of human capital allocation and development. *Academy of Management Review*, 24(1), 31-48.
- Lepak, D. P., & Snell, S. A. (2002). Examining the Human Resource Architecture: The Relationships Among Human Capital, Employment, and Human Resource Configurations. *Journal of management*, 28(4), 517-543. doi: 10.1177/014920630202800403
- Liao, H., Toya, K., Lepak, D. P., & Hong, Y. (2009). Do they see eye to eye? Management and employee perspectives of High Performance Work Systems and influence processes on service quality *Journal of Applied Psychology*, 94(2), 371-391.
- Liao, Y. S. (2005). Business strategy and performance: the role of human resource management control. *Personnel Review*, 34(3), 294-309.
- Lin, A. C. (1998). Bridging positivist and interpretivist approaches to qualitative methods. *Political Studies Journal*, 26(1), 162-180.
- Lincoln, Y. S., & Guba, E. E. (1985). *Naturalistic inquiry*. California: Sage Publications.
- LLiev, V., Lindinger, A., & Poettler, G. (2004). *Apple Computer Inc. Strategic Audit*. Strategic Management and Business Policy. Dublin Institute of Technology. Dublin.
- Lo, M.-C., Mohamad, A. A., & Maw, K. L. (2009). The relationship between human resource management and firm performance in Malaysia. *International Journal of Economics and Finance*, 1(1), 103-109.
- Locke, K. (2001). *Grounded theory in management research* (Vol. One). London: SAGE.
- Low, K. C. P. (2008). Father leadership: The Malaysian perspective. *Leadership & Organizational Management*, 1, 75-95.
- Lowry, G., Turner, R., & Fisher, J. (2006). The contribution of employment satisfaction factors to recruiting, retaining and career development of information systems and technology professionals. *The review of business information systems*, 10(1), 137-150.



- Luftman, J., & Kempaiah, R. (2007a). Managing IT Professionals: Human Resource Considerations. In P. Yoong & S. Huff (Eds.), *Managing IT Professionals in the Internet Age*. Hershey: Idea Group Publishing.
- Luna-Arocas, R., & Camps, J. (2008). A model of high performance work practices and turnover intentions. *Personnel Review*, 37(1), 26-46.
- MacDuffie, J. P. (1995). Human resource bundles and manufacturing performance: Organisational logic and flexible production systems in the world auto industry. *Industrial and Labour Relations Review*, 48(2), 197-221.
- Macky, K., & Boxall, P. (2007). The relationship between 'high performance work practices' and employee attitudes: an investigation of additive and interaction effects. *International Journal of Human Resource Management*, 18(4), 537-567.
- Mahatanankoon, P. (2007). Exploring the impact of essential IT skills on career satisfaction and organisational commitment of information systems professionals. *International Journal of Information Systems and Change Management*, 2(1).
- Maier, C., Laumer, S., Eckhardt, A., & Weitzel, T. (2015). Who really quits? A longitudinal analysis of voluntary turnover among IT personnel. *The Database for Advances in Information Systems*, 46(4).
- Mak, B. L., & Sockel, H. (2001). A confirmatory factor analysis of IS employee motivation and retention. *Information & Management*, 38, 265-276.
- March, J. G., & Simon, H. A. (1958). *Organizations*. New York, NY: John Wiley and Sons.
- Marchington, M., & Grugulis, I. (2000). 'Best practice' human resource management: perfect opportunity or dangerous illusion? *International Journal of Human Resource Management*, 11(6), 1104-1124.
- Marks, A., & Huzzard, T. (2010). Employability and the ICT worker: a study of employees in Scottish small businesses. *New Technology, Work and Employment*, 25(2), 167-181.
- Marks, A., Scholarios, D., & Lockyer, C. (2002). Identifying a profession: the creation of professional identities within a software work. Retrieved from <http://www.strath.ac.uk/Other/futureofwork/publications%20pdf%20files/EGOS%202002%20Identifying%20a%20profession.pdf>
- Martell, K., Gupta, A., & Carroll, S. J. (1996). Human resource management practices, business strategies, and firm performance: a test of strategy implementation theory. *Irish Business and Administrative Research*, 17(1), 18-35.
- Martin-Chua, E. (2009). *Maximizing human capital in Asia from the inside out*. Singapore: John Wiley & Sons (Asia) Pte. Ltd.
- MDeC. (2009). Careers in ICT. In M. D. Corporation (Ed.), (pp. 30). Kuala Lumpur: Times Guides Sdn Bhd.
- Medcof, J. W., & Rumpel, S. (2007). High technology workers and total rewards. *Journal of High Technology Management Research*, 18, 59-72.
- Merriam-Webster Dictionary. (2015, 2015) Retrieved January 10, 2015, from <http://www.merriam-webster.com/dictionary/pamper>
- Merriam, S. B. (1998). *Qualitative research and case study applications in education*. San Francisco: Jossey-Bass Publishers.
- Meyer, A. D., Tsui, A. S., & Hinings, C. R. (1993). Configurational approaches to organizational analysis. *Academy of Management Journal*, 36(6), 1175.
- Meyer, J. P., & Allen, N. J. (1997). *Commitment in the Workplace – Theory, research and application*. California, U.S.A: SAGE Publications Ltd.
- Mhd Sarif, S. (2008). *The challenge of stickiness in knowledge transfer among Information and Communication Technology (ICT) firms in Malaysian Technology Parks*. PhD, Murdoch University.
- Miles, M., & Huberman, A. M. (1984). *Qualitative data analysis: A sourcebook of new methods*. Newbury Park, CA: Sage Publications.
- MITI. (2013). *MITI Weekly Bulletin* Putrajaya: MITI.
- Moore, E. (2000). One road to turnover: an examination of work exhaustion in technology professionals. *MIS Quarterly*, 24(1), 141-168.

- MOSTI. (2007). *National Strategic ICT Roadmap*. Putrajaya.
- Nadin, S., & Cassell, C. (2007). New deal for old? Exploring the psychological contract in a small firm environment. *International Small Business Journal*, 25(4), 417-443.
- Nadler, D. A., & Gerstein, M. S. (1992). Designing High-Performance Work Systems: Organising People, Work, Technology, and Information. In D. A. Nadler, M. S. Gerstein & R. Shaw, B. (Eds.), *Organizational Architecture Designs for changing organizations* (pp. 304). San Francisco: Jossey-Bass Publishers.
- Niederman, F., & Sumner, M. (2001). *Job turnover among MIS professionals: an exploratory study of employee turnover*. Paper presented at the Proceedings of the 2001 ACM SIGCPR Conference, San Diego, California, USA.
- Niederman, F., Sumner, M., & Maertz, C. P. (2007). Testing and extending the unfolding model of voluntary turnover to it professionals. *Human Resource Management*, 46(3), 331-347. doi: 10.1002/hrm.20167
- OECD. (2005). *Working Party on Indicators for the Information Society: Guide to Measuring the Information Society*. Paris, France: Secretary-General of the OECD Retrieved from <http://www.oecd.org/dataoecd/41/12/36177203.pdf>.
- Ogilvie, J. R. (1986). The Role of Human Resource Management Practices in Predicting Organizational Commitment. *Group & Organisation Studies*, 11(4), 335-359.
- Osman, I., Ho, T., & Galang, M. C. (2011). Are human resource departments really important? An empirical study on Malaysian small and medium enterprises (SMEs) in the service sector. *International Journal of Business and Management*, 6(2), 147-153.
- Osterman, P. (1982). EMPLOYMENT STRUCTURES WITHIN FIRMS. *British Journal of Industrial Relations*, 20(3), 349-361. doi: 10.1111/j.1467-8543.1982.tb00110.x
- Osterman, P. (1994). How common is workplace transformation and who adopts it? . *Industrial & Labour Review*, 47(2), 173-188.
- Othman, R. (1999). Human Resource Management Practice of Service Organizations: Evidence from Selected Malaysian Firms. *Journal of Asia-Pacific Business*, 2(3), 65 - 80.
- Paauwe, J. (2009). HRM and performance: achievements, methodological issues and prospects. *Journal of Management Studies*, 46(1), 129-142.
- Paauwe, J., & Boselie, P. (2005). HRM and performance: what next? . *Human Resource Management Journal*, 15(4), 68-83.
- Pardo, I. P. G., & Moreno, M. d. V. F. (2009). Looking into the black box: analysis of the effectiveness of human resources strategy. *Zb. rad. Ekon. fak. Rij*, 27(1), 31-56.
- Pare, G., & Tremblay, M. (2007). The influence of high-involvement human resources practices, procedural justice, organizational commitment, and citizenship behaviors on Information Technology professionals' turnover intentions. *Group & Organization Management*, 32(3), 326-357.
- Pare, G., Tremblay, M., & Lalonde, P. (2001a). The role of organizational commitment and citizenship behaviors in understanding relations between human resources practices and turnover intentions of IT personnel. Retrieved from
- Pare, G., Tremblay, M., & Lalonde, P. (2001b). *Workforce retention: what do IT employees really want?* Paper presented at the Proceedings of the 2001 ACM SIGCPR conference on Computer personnel research, San Diego, California, United States.
- Patel, P., Messersmith, J., & Lepak, D. P. (2013). Walking the tightrope: an assessment of the relationship between high performance work systems and organizational ambidexterity. *Academy of Management Journal*, 56(5).
- Pathak, R. D., Budhwar, P. S., Singh, V., & Hannas, P. (2005). Best HRM practices and employees' psychological outcomes: a study of shipping companies in Cyprus. *South Asian Journal of Management*, 12(4), 7-24.
- Pathirage, C. P., Amaratunga, R. D. G., & Haigh, R. P. (2008). Role of philosophical context in the development of theory: towards methodological pluralism *The Built & Human Environment Review*, 1, 1-10.
- Patton, M. Q. (2002). *Qualitative research & evaluation methods* (Third ed.). California: Sage publications.



- Paul, A. K., & Anantharaman, R. N. (2004). Influence of HRM practices on organizational commitment: a study among software professionals in India. *Human Resource Development Quarterly*, 15(1), 77-88.
- Peccei, R. (2004). Human resource management and the search for the happy workplace. Rotterdam: Erasmus Research Institute of Management.
- Pellegrini, E. K., & Scandura, T. A. (2008). Paternalistic leadership: A review and agenda for future research. *Journal of management*, 34(3), 566-592.
- Peña, I., & Villasalero, M. (2010). Business strategy, human resource systems, and organizational performance in the Spanish banking industry. *The International Journal of Human Resource Management*, 21(15), 2864-2888.
- Peretz, H., & Fried, Y. (2009). National values, human resource practices and organizational performance: A study across 21 countries (pp. 1-48).
- Pfeffer, J. (1998). *The human equation: Building profits by putting people first*. Boston, MA: Harvard Business School Press.
- PIKOM. (2008). Getting the right ICT Grads Retrieved 18 October, 2010, from <http://www.pikom.org.my>
- PIKOM. (2016). ICT job market outlook in Malaysia, July 2016. In R. De Silva (Ed.), *PIKOM ICT job market outlook*. Kuala Lumpur: PIKOM.
- Ponnu, C. H., & Chuah, C. C. (2010). Organizational commitment, organizational justice and employee turnover in Malaysia. *African Journal of Business Management*, 4(13), 2676-2692.
- Porter, L. W., & Steers, R. M. (1973). Organizational, work, and personal factors in employee turnover and absenteeism. *Psychological Bulletin*, 80(2), 151-176.
- Prathaban, V., & Shankar, S. J. (2006). The ICT agenda in the Ninth Malaysia Plan. *Malaysian Business*, 01.
- PSMB. (2009). About PSMB Retrieved 23 November, 2010, from [http://www.hrdf.com.my/wps/portal/PSMB/MainEN/CorporateProfile/AboutPSMB/!ut/p/c5/04\\_SB8K8xLLM9MSSzPy8xBz9CP0os3hnd0cPE3MfAwMDQzcDAyM3wxBjA2djQwNHQ6B8JJK8v5EvUD7MycTLx8DdKNjRnCTdaPIGRgR0-3nk56bqF-SGRpQ7KioCADv8zNI!/dl3/d3/L2dBISEvZ0FBIS9nQSEh/](http://www.hrdf.com.my/wps/portal/PSMB/MainEN/CorporateProfile/AboutPSMB/!ut/p/c5/04_SB8K8xLLM9MSSzPy8xBz9CP0os3hnd0cPE3MfAwMDQzcDAyM3wxBjA2djQwNHQ6B8JJK8v5EvUD7MycTLx8DdKNjRnCTdaPIGRgR0-3nk56bqF-SGRpQ7KioCADv8zNI!/dl3/d3/L2dBISEvZ0FBIS9nQSEh/)
- Purcell, J. (1999). The search for best practice and best fit in human resource management: chimera or cul-de-sac? *Human Resource Management Journal*, 9(3), 26-41.
- Ramakrishna, H., & Potosky, D. (2003). Conceptualization and exploration of composite career anchors: An analysis of information systems personnel. *Human Resource Development Quarterly*, 14(2), 199-214.
- Raman, R., Bharathi, V. S., Sessa, V., & Joseph, S. (2013). Structural equation modeling to empirically study the turnover intentions of information technology professionals in Pune city. *Indian Journal of Science and Technology*, 6(12), 5612-5624.
- Ramirez, C. D., & Tan, L. H. (2003). Singapore, INC. versus the private sector: are government linked companies different. USA: International Monetary Fund.
- Ramsay, H., Scholarios, D., & Harley, B. (2000). Employees and high-performance work systems: testing inside the black box. *British Journal of Industrial Relations*, 38(4), 501-531.
- Restubog, S. L. D., Bordia, P., & Tang, R. L. (2006). Effects of psychological contract breach on performance of IT employees: The mediating role of affective commitment. *Journal of Occupational and Organizational Psychology*, 79, 299-306.
- Rigas, P. (2009). A Model of Turnover Intention Among Technically-Oriented Information Systems Professionals. *Information Resources Management Journal*, 22(1), 1.
- Robinson, S. L., & Morrison, E. W. (2000). The development of psychological contract breach and violation: a longitudinal study. *Journal of Organizational Behaviour*, 21, 525-546.
- Rogers, E. W., & Wright, P., M. (1998). Measuring organizational performance in strategic human resource management: problems and prospects *CAHRS Working Paper Series*. New York: Centre for Advanced Human Resource Studies (CAHRS), Cornell University.
- Rousseau, D. M. (1995). *Psychological contracts in organizations: Understanding written and unwritten agreements*.

- Rowden, R. (2002). High performance and human resource characteristics of successful sma;; manufacturing and processing companies. *Leadership & Organization Development Journal*, 23(1).
- Rowley, C., & Abdul-Rahman, S. (2007). The management of human resources in Malaysia: locally-owned companies and multinational companies. *Management Revue*, 18(4), 427-453.
- Rowley, C., & Warner, M. (2007). The management of human resources in the Asia Pacific: into the 21st century. *Management Revue*, 18(4).
- Ryan, R., & Deci, E. (2000). Intrinsic and Extrinsic Motivations: Classic Definitions and New Directions. *Contemporary Educational Psychology* 25, 54-67.
- Saleh, S., & Ramasamy, R. (2013). Capability of the Information and Communication Technology Services sector in Malaysia: An industry perspective *ICT Strategic Review 2013/2014 The Digital Opportunity* (pp. 1-). Kuala Lumpur: MOSTI and PIKOM.
- Salleh, A. L., & Selamat, F. (2007). Intellectual capital management in Malaysian public listed companies. *International Review of Business Research Papers*, 3(1).
- SamGnanakkan, S. (2010). Mediating role of Organizational commitment on HR practices and turnover intention among ICT professionals. *Journal of Management Research*, 10(1), 39-61.
- Sarantinos, V. (2008). Psychological contract in small firms: a managerial insight. *Asian Social Science*, 4(6), 49-56.
- Schein, E. H. (1996). Career anchors revised: Implications for career development in the 21st century. *The Academy of Management Executive*, 10(4), 80-88.
- Scholarios, D., Van der Schoot, E., & Van der Heijden, B. (2004). *The employability of ICT professionals. A study of European SMEs*. European Commission. Retrieved from [http://www.e-innovation.org/stratinc/files/library/ict/36.ICT\\_SMEs.pdf](http://www.e-innovation.org/stratinc/files/library/ict/36.ICT_SMEs.pdf)
- Schuler, R. S. (1992). Strategic human resource management:linking the people with the strategic needs of the business. *Organizational Dynamics*, 21(1), 18-32.
- Schuler, R. S., & Jackson, S. E. (1987). Linking Competitive Strategies With Human Resource Managem. *The Academy of Management Executive*, 1(3), 207-219.
- Schumacher, E. F. (1973). *Small is beautiful - Economics as if poeple mattered*. New York: Harper & Row, Publishers, Inc.
- Seeck, H., & Parzefall, M.-R. (2008). Employee agency: challenges and opportunities for psychological contract theory. *Personnel Review*, 37(5), 473-489.
- Sethi, A., & Gott, J. (2016). 2016 Global Services Location Index Retrieved February 20, 2016, from <https://www.atkearney.com/strategic-it/global-services-location-index>
- Sharp, H., Hall, T., Baddoo, N., & Beecham, S. (2007). *Exploring motivational differences between software developers and project managers*. Paper presented at the Proceeding ESEC-FSE companion '07 - The 6th Joint Meeting on European software engineering conference and the ACM SIGSOFT symposium on the foundations of software engineering, Dubrovnik, Croatia.
- Sheehan, C., Cooper, B., Holland, P., & De Cieri, H. (2007). The relationship between HRM avenues of political influence and perceived organisational performance. *Human Resource Management*, 46(4), 611-629.
- Shen, J. (2010). Employees' satisfaction with HRM in Chinese privately-owned enterprises. *Asia Pacific Business Review*, 16(3).
- Shih, H.-A., Chiang, Y.-H., & Hsu, C.-C. (2006). Can high performance work systems really lead to better performance? *International Journal of Manpower*, 27(8), 741-763.
- Shropshire, J., & Kadlec, C. (2012). Feeling marginalised: turnover of public sector IT professionals. *Journal of emerging trends in computing and information sciences*, 3(6), 848-864.
- Simpson, R. A. (2005). *Government intervention in the Malaysian economy, 1970 - 1990: Lessons for South Africa*. Masters of Public Administration Masters, University of the Western Cape, Western Cape.
- Sims, R. (1994). Human resource management's role in clarifying the new psychological contract. *Human Resource Management*, 33(3), 373-383.

- Singh, R. (1998). Redefining psychological contracts with the US workforce: a critical task for strategic human resource management planners in the 1990s. *Human Resource Management*, 37(1), 61-69.
- Sivarethinamohan, R., & Paranganathan, P. (2015). A study on turnover intention of software professionals in Chennai city. *International Journal of Management*, 6(4), 44-51.
- Soo, S. C., Halim, H., & Chew, I. K. H. (2010). The impact of globalisation on strategic human resource management: the mediating role of CEO in HR. *International Journal of Business Studies*, 18(1), 101-124.
- Sparham, E., & Sung, J. (2007). High Performance Work Practices - Work Intensification or 'Win-win'? (Vol. 50). Leicester, United Kingdom: Centre for Labour Market Studies, University of Leicester.
- Sparrow, P. R., & Cooper, C. L. (1998). New organizational forms: the strategic relevance of future psychological contract scenarios. *Canadian Journal of Administrative Sciences*, 15(4), 356-371.
- Srikanth, P. B., & Jomon, M. G. (2013). Role ambiguity and role performance effectiveness: moderating the effect of feedback seeking behaviour. *Asian Academy of Management Journal*, 18(2), 105-127.
- Stanton, P., & Nankervis, A. R. (2011). Linking strategic HRM, performance management and organizational effectiveness: perceptions of managers in Singapore. *Asia Pacific Business Review*, 17(1), 67-84.
- Strauss, A., & Corbin, J. (1994). Grounded Theory Methodology. In N. K. Denzin & Y. S. Lincoln (Eds.), *Handbook of Qualitative Research*. Thousand Oaks, California: SAGE Publication.
- Strauss, A., & Corbin, J. (1998). *Basics of qualitative research: Techniques and procedures for developing grounded theory*. California: Sage Publications
- Sturges, J., Conway, N., & Liefoghe, A. (2008). What's the deal? An exploration of career management behaviour in Iceland. *The International Journal of Human Resource Management*, 19(4), 752-768.
- Suddaby, R. (2006). From the editors: What Grounded Theory is not. *Academy of Management Journal*, 49(4), 633-642.
- Sung, J., & Ashton, D. (2002). *Supporting Workplace Learning for High Performance Working* Geneva.
- Sung, J., & Ashton, D. (2005). High Performance Work Practices: linking strategy and skills to performance outcomes: DTI in association with CIPD.
- Tamkin, P., & Hillage, J. (1999). Employability and employers: the missing piece of the jigsaw. In I. f. E. Studies (Ed.).
- Tan, M., & Igbaria, M. (1994). Turnover and remuneration of information technology professionals in Singapore. *Information & Management*, 26, 219-229.
- Tan, W.-G., & Gable, G. G. (1998). Attitudes of maintenance personnel towards maintenance work: A comparative analysis. *Journal of Software Maintenance: Research and Practice*, 10(1), 59-74.
- Taylor, S., Levy, O., Boyacigiller, N. A., & Beechler, S. (2008). Employee commitment in MNCs: Impacts of organizational culture, HRM and top management orientations. *The International Journal of Human Resource Management*, 19(4), 501-527.
- Teh, E. C. (2006). Human resource management in Malaysia. In A. R. Nankervis, S. R. Chatterjee & J. Coffey (Eds.), *Perspectives of human resource management in the Asia Pacific* (pp. 157-178). Sydney, Australia: Pearson Education
- Teo, S., Lakhani, B., Brown, D., & Malmi, T. (2008). Strategic human resource management and knowledge workers. *Management Research News*, 31(9), 683-696.
- Terry Anthony, B. (2001). Information technology: Core competencies, and sustained competitive advantage. *Information Resources Management Journal*, 14(2), 27.
- Thatcher, J. B., Liu, Y., Stepina, L. P., Goodman, J. M., & Treadway, D. C. (2006). IT worker turnover: an empirical examination of intrinsic motivation. *Database for Advances in Information Systems*, 37(2/3), 133-146.
- Thijssen, J. G. L., Van Der Heijden, B. I. J. M., & Rocco, T. S. (2008). Toward the employability - link model: current employment transition to future employment perspectives. *Human Resource Development Review*, 7(2), 165-183.

- Thite, M. (2004). Strategic positioning of HRM in knowledge-based organizations. *The Learning Organization*, 11(1), 28-44.
- Thite, M. (2006). Retaining IT personnel. In T. W. Ferratt & F. Niederman (Eds.), *IT workers: Human capital issues in a knowledge-based environment* (pp. 69-84): Information Age Publishing.
- Thompson, J. (1996). Employee attitudes, organizational performance and qualitative factors underlying success. *Journal of Business and Psychology*, 11(2).
- Tichy, N. M., Fombrun, C. J., & Devanna, M. A. (1982). Strategic human resource management. *Sloan Management Review*, 23(2), 47-61.
- Todd, P., & Peetz, D. (2001). Malaysian industrial relations at century's turn: Vision 2020 or a spectre of the past? *International Journal of Human Resource Management*, 12(8), 1365-1382.
- Towers Watson. (2010). Employee Well-Being - taking engagement and performance to the next level Retrieved 30th May, 2011
- Truss, C. (2001). Complexities and controversies in linking HRM with organizational outcomes. *Journal of Management Studies*, 38(8), 1121-1149.
- Truss, C., Gratton, L., Hope-Hailey, V., McGovern, P., & Stiles, P. (1997). Soft and Hard Models of Human Resource Management: A Reappraisal. *Journal of Management Studies*, 34(1), 53-73.
- Tseng, C., & Wallace, M. (2009). *Retention of software employees in the IT industry in Taiwan*. Paper presented at the Sustainable management and marketing: Australian and New Zealand academy of management (ANZAM), Melbourne, Victoria.
- Tsui, A. S., Pearce, J. L., Porter, L. W., & Tripoli, A. M. (1997). Alternative Approaches to the Employee-Organization Relationship: Does Investment in Employees Pay off? *The Academy of Management Journal*, 40(5), 1089-1121.
- Turnley, W. H., & Feldman, D. C. (2000). Re-examining the effects of psychological contract violations: Unmet expectations and job dissatisfaction as mediators. *Journal of Organizational Behaviour*, 21, 25-42.
- Voorde, K. v. d., Paauwe, J., & Veldhoven, M. v. (2012). Employee well-being and the HRM-organisational performance relationship: A review of quantitative studies. *International Journal of Management Reviews*, 14(1), 391-407.
- Wall, T. D., & Wood, S. J. (2005). The romance of human resource management and business performance, and the case for big science. *Human Relations*, 58(4), 429-462.
- Wallace, J., & Kay, F. (2009). Are small firms more beautiful or is bigger better? A study of compensating differentials and law firm internal labour markets. *The Sociological Quarterly*, 50, 474-496.
- Wang, D. S., & Shyu, C.-L. (2008). Will the strategic fit between business and HRM strategy influence HRM effectiveness and organizational performance? *International Journal of Manpower*, 29(2), 92-110.
- Weisner, R., & McDonald, J. (2001). Bleak house or bright prospect? Human resource management in Australian SMEs. *Asia Pacific Journal of Human Resources*, 39(2).
- Westlund, S. G., & Hannon, J. C. (2008). Retaining talent: assessing job satisfaction facets most significantly related to software developer turnover intentions. *Journal of Information Technology Management*, 19(4), 1-15.
- White, S. (2002). Rigor and relevance in Asian Management Research: Where are we and where can we go? *Asia Pacific Journal of Management*, 19(2,3), 287-352.
- Wilkinson, A. (1999). Employment relations in SMEs. *Employee Relations*, 21(3), 206-217.
- Williams, P. M. (2008). *University leadership for sustainability An active dendritic framework for enabling connection and collaboration*. PhD, Victoria University, Wellington.
- Willis Towers Watson. (2014, 2016). Towers Watson's General Industry Total Rewards Seminar - Malaysia Retrieved 23 August, 2016, from <https://www.towerswatson.com/en/Insights/IC-Types/Ad-hoc-Point-of-View/2014/01/Towers-Watson-General-Industry-Total-Rewards-Seminar-Malaysia>
- Willis Towers Watson. (2015, 2016). Employee Retention Remains A Key Challenge in Malaysia Retrieved 23 August, 2016, from <https://www.towerswatson.com/en/Press/2015/01/Employee-Retention-Remains-A-Key-Challenge-in-Malaysia>

- Wood, S. (1999). Human Resource Management and performance. *International Journal of Management Reviews*, 1(4), 367-413.
- Wood, S., & de Menezes, L. (1998). High commitment management in the U.K.: evidence from the workplace industrial relations survey, and employers' manpower and skills practices survey. *Human Relations*, 51(4), 485-515.
- Wright, P., M., & Boswell, W., R. (2002). Desegregating HRM: A review and synthesis of micro and macro human resource management research. New York: Centre for Advanced Human Resource Studies, Cornell University.
- Wright, P., M., Dunford, B., & Snell, S. A. (2001). Human resources and the resource based view of the firm. *Journal of management*, 27, 701-721.
- Wright, P., M., Gardner, T. M., & Moynihan, L. M. (2003). The impact of HR practices on the performance of business units. *Human Resource Management Journal*, 13(3), 21-36.
- Wright, P., M., & McMahan, G., C. (1992). Theoretical perspectives for strategic human resource management. *Journal of management*, 18(2), 295-320.
- Wright, P., M., & Nishii, L. H. (2006). Strategic HRM and Organizational Behavior: Integrating Multiple Levels of Analysis. In DigitalCommons@ILR (Ed.), *CAHRS Working Paper Series*: Center for Advanced Human Resource Studies, Cornell University ILR School.
- Wu, P.-C., & Chaturvedi, S. (2009). The role of procedural justice and power distance in the relationship between high performance work systems and employee attitudes: a multilevel perspective. *Journal of management*, 35(5).
- Wynekoop, J. L., & Walz, D. B. (1998). Revisiting the perennial question: Are IS people different? *Database for Advances in Information Systems*, 29(2), 62-72.
- Yehuda, B. (2001). Employability: a substitute for loyalty? *Human Resource Development International*, 4(4), 543 - 566.
- Yehuda, B. (2004). Transforming careers: from linear to multidirectional career paths: Organizational and individual perspectives. *Career Development International*, 9(1), 58-73.
- Yin, R. K. (2003). *Case study research-Design and methods* (3rd ed.). California: Sage Publications.
- Youndt, M. A., Snell, S. A., Dean, J. W., & Lepak, D. P. (1996). Human resource management, manufacturing strategy, and firm performance. *Academy of Management Journal*, 39(4), 836-866.
- Zheng, C., & Lamond, D. (2009). Organisational determinants of employee turnover for multinational companies in Asia. *Asia Pacific Journal of Management*, 27(3), 423-443.

## Appendix A

**Table 1 Global strategic HRM studies reviewed for the purpose of this thesis**

No.	Empirical study	Method	Country	Industry	Sample size	Respondents				
						Senior managers	HR managers	Line managers	Employees	Not specified
1	(Ogilvie, 1986)	Quantitative	New Zealand	Agriculture	67 respondents			•		
2	(Koys, 1988)	Quantitative	USA	Various industries	88 employees			•		
3	(Arthur, 1992)	Quantitative	USA	Steel mills	55 steel mills		•	•		
4	(Buller & Napier, 1993)	Quantitative	USA	Various industries	41 respondents	•	•			
5	(Osterman, 1994)	Quantitative	USA	Manufacturing	694 respondents	•				
6	(Arthur, 1994)	Quantitative	USA	Steel mills	30 mills		•			
7	(MacDuffie, 1995)	Quantitative	USA	Automotive	70 plants	•				
8	(Huselid, 1995)	Quantitative	USA	Various industries	968 firms		•			
9	(Bird & Beechler, 1995)	Quantitative	USA	Various industries	64 companies		•			
10	(Youndt, Snell, Dean & Lepak, 1996)	Quantitative	USA	Manufacturing	97 plants					
11	(Martell, Gupta & Carroll, 1996)	Quantitative	USA	Various industries	115 business units	•				
12	(Delery & Doty, 1996)	Quantitative	USA	Banking	1050 banks	•	•			
13	(Delaney & Huselid, 1996)	Quantitative	USA	Various industries	590 firms					•
14	(Thompson, 1996)	Mixed	USA	Various industries	15 sites				•	
15	(Truss, Gratton, Hope-Hailey, McGovern & Stiles, 1997)	Qualitative	UK	Various industries	8 companies	•	•	•	•	
16	(Huselid et al., 1997)	Quantitative	USA	Various industries	293 firms		•	•		
17	(Wood & de Menezes, 1998)	Quantitative	United Kingdom	Various industries	1693 respondents					•

No.	Empirical study	Method	Country	Industry	Sample size	Respondents				
						Senior managers	HR managers	Line managers	Employees	Not specified
18	(Guest, 1999)	Quantitative	United Kingdom	Various industries	Not specified					●
19	(Boxall & Steeneveld, 1999)	Qualitative	New Zealand	Engineering consultancy	3 companies	●	●	●	●	
20	(Ramsay et al., 2000)	Quantitative	United Kingdom	Various industries	Not specified		●		●	
21	(Khatri, 2000)	Quantitative	Singapore	Various industries	200 companies	●	●			
22	(Cappelli & Neumark, 2001)	Quantitative	USA	Various industries	2945 surveys				●	
23	(Truss, 2001)	Qualitative	United Kingdom	Information Technology	1 company	●	●	●	●	
24	(Guthrie, 2001)	Quantitative	New Zealand	Various industries	164 respondents	●				
25	(Buyens & De Vos, 2001)	Qualitative	Belgium	Various industries	97 respondents	●	●	●		
26	(Khatri & Budhwar, 2002)	Qualitative	Singapore	Manufacturing	35 interviews	●	●	●		
27	(Khatri, Budhwar & Chong, 1999)	Quantitative	Singapore	Various industries	395 questionnaires				●	
28	(Lepak & Snell, 2002)	Quantitative	USA	Various industries	234 surveys	●	●	●		
29	(Guest, 2002)	Quantitative	United Kingdom	Various industries	Not specified				●	
30	(Boselie & van der Wiele, 2002)	Quantitative	Netherlands	Professional consultancy	2300 respondents				●	
31	(Rowden, 2002)	Qualitative	USA	Manufacturing	31 manufacturing companies			●	●	
32	(Wright, Gardner & Moynihan, 2003)	Quantitative	USA	Food service	5635 respondents				●	
33	(Laursen & Foss, 2003)	Quantitative	Denmark	Various industries	1900 companies					●
34	(Guest et al., 2003)	Quantitative	United Kingdom	Various industries	366 companies		●			
35	(Batt & Valcour, 2003)	Quantitative	USA	Various industries	557 employees		●		●	
36	(Allen et al., 2003)	Quantitative	USA	Various industries	215 sales people & 197 insurance agents				●	
37	(Pathak, Budhwar, Singh & Hannas, 2005)	Quantitative	Cyprus	Shipping	110 respondents				●	
38	(Y. S. Liao, 2005)	Quantitative	Taiwan	Computer& peripheral equipment industries	218 respondents	●				

No.	Empirical study	Method	Country	Industry	Sample size	Respondents				
						Senior managers	HR managers	Line managers	Employees	Not specified
39	(Kinnie, Hutchinson, Purcell, Rayton & Swart, 2005)	Mixed	United Kingdom	Various industries	766 questionnaires and 40 interviews	•	•	•	•	
40	(Edgar & Geare, 2005)	Quantitative	New Zealand	Various industries	37 employers & 572 employees		•		•	
41	(Chow, 2005)	Quantitative	Hong Kong, Korea & Malaysia	Various industries	107 respondents		•			
42	(Shih et al., 2006)	Quantitative	Taiwan	Various industries	208 companies		•			
43	(Sheehan et al., 2007)	Quantitative	Australia	Various industries	441 respondents		•			
44	(Macky & Boxall, 2007)	Quantitative	New Zealand	Various industries	424 respondents					Working population
45	(Bartram et al., 2007)	Quantitative	Australia	Public healthcare	35 companies	•	•			
46	(Birdi et al., 2008)	Quantitative	United Kingdom	Manufacturing	684 manufacturing companies	•				
47	(Wang & Shyu, 2008)	Quantitative	Taiwan	Manufacturing	181 respondents		•			
48	(Teo, Lakhani, Brown & Malmi, 2008)	Qualitative	Australia	Professional service firm	40 interviews	•	•		•	
49	(Luna-Arocas & Camps, 2008)	Quantitative	Spain	Various industries	198 respondents	•		•	•	
50	(Katou, 2008)	Quantitative	Greece	Manufacturing	178 companies		•			
51	(Kuvaas, 2008)	Quantitative	Norway	Banking	593 employees from 64 banks				•	
52	(Pardo & Moreno, 2009)	Quantitative	Spain	Financial	62 respondents		•			
53	(H. Liao et al., 2009)	Quantitative	Japan	Banking	830 employees and 1772 customers	•		•	•	Customers
54	(Wu & Chaturvedi, 2009)	Quantitative	China, Singapore & Taiwan	Various industries	1383 employees in 23 firms from 3 countries				•	
55	(Kehoe & Wright, 2010)	Quantitative	USA	Food service	56 business units				•	
56	(Fabling & Grimes, 2010)	Quantitative	New Zealand	Various industries	2000 plus respondents					•



No.	Empirical study	Method	Country	Industry	Sample size	Respondents				
						Senior managers	HR managers	Line managers	Employees	Not specified
57	(Chuang & Liao, 2010)	Quantitative	Taiwan	Service industry	133 stores	•			•	
58	(Peña & Villalero, 2010)	Quantitative	Spain	Banking	86 banks		•			
59	(Shen, 2010)	Quantitative	China	Various industries	305 respondents	•		•	•	
60	(Stanton & Nankervis, 2011)	Quantitative	Singapore	Various industries	91 respondents	•				
61	(Chow, 2012)	Quantitative	China	Various industries	243 firms		•			
62	(Jiang et al., 2012)	Quantitative	Meta-analysis	Various industries	116 articles	Not relevant				
63	(Gavino, Wayne & Erdogan, 2012)	Quantitative	USA	Retail	198 line managers and employees			•	•	
64	(Patel, Messersmith & Lepak, 2013)	Quantitative	USA	High-tech manufacturing	215 firms	•				
65	(Alfes, Shantz, Truss & Soane, 2013)	Quantitative	United Kingdom	Service industry	297 employees in 1 company				•	
66	(Hartog, Boon, Verburg & Croon, 2013)	Quantitative	Netherlands	Food industry	2063 employees and 449 line managers in one chain of restaurants			•	•	
67	(S. Chang et al., 2014)	Quantitative	China	High technology	1059 employees in 55 firms		•	•	•	
68	(Jiang et al., 2014)	Quantitative	China	Retail	167 line managers and 628 employees			•	•	
69	(Fu, Flood, Bosak, Morris & O-Regan, 2015)	Quantitative	Ireland	Professional service firm	195 senior managers & HR managers	•	•			
70	(Arefin, Arif & Raquib, 2015)	Quantitative	Bangladesh	Manufacturing	247 employees in 3 firms				•	

## Appendix B

**Table 2 Strategic HRM studies that specifically investigate the relationship between human resource practices and employee retention/turnover/commitment**

	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Human resource practices	Outcomes measured	Organisational factors	Study findings
1	Ogilvie	1986	Quantitative	New Zealand	Agriculture	67 managers from one agricultural production company	Pay, fair promotions, fringe benefits	Organisational commitment	None	Found that human resource practices enhance organisational commitment among respondents
2	Koys	1988	Quantitative	USA	Various industries	88 employees	Human resource planning, training and development, compensation, employee benefits, legal requirements, labour relations, policy adherence, administrative services	Organisational commitment	None	Found that human resource practices that are motivated by justice and fairness increase organisational commitment
3	Arthur	1994	Quantitative	USA	Manufacturing	30 HR representatives	Decentralisation, participation, general training, skill supervisor, social events, due process, wages, benefits, bonus and percentage unionised	Manufacturing performance (labour efficiency, scrap rate and mill turnover the year before) Employee turnover	Firm age, size, union status, business strategy	Commitment based HR practices reduce employee turnover whereas control based HR practices increase employee turnover and result in poorer manufacturing performance

	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Human resource practices	Outcomes measured	Organisational factors	Study findings
4	Huselid	1995	Quantitative	USA	Various industries	968 HR Managers	Formal information sharing programme, formal job design, internal promotion, labour management teams, communication, quality of work programme, quality circles, profit sharing, training, formal grievance procedures, selective hiring, formal appraisal and merit based promotion	Turnover, productivity, financial performance	Firm size, capital intensity, firm/industry level union coverage, industry concentration, growth in sales, research & development, intensity, firm-specific risk, industry profit, net sales and total assets	Skill enhancing HR practices are associated with lower employee turnover and higher productivity, which in turn result into higher financial performance
5	Wood & de Menezes	1998	Quantitative	United Kingdom	Various industries	1693 working population	Quality circles, team briefing, top management briefing, monthly pay, cashless pay, no clocking in, internal recruitment, multiskilling, social skills, team working skills, training needs analysis, appraisal, merit pay, profit sharing, employee share options, fringe benefits, information disclosure	Productivity, financial performance, job creation, employee relations, labour turnover and absenteeism	Size, various proportions of workforce, competitors, unions, unemployment, ownership	Companies that adopt medium and high levels of high commitment management practices (HCMPs) perform better in terms of profitability and ability to create jobs. The practices have no effect on turnover

	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Human resource practices	Outcomes measured	Organisational factors	Study findings
6	Ramsay, Scholar & Harley	2000	Quantitative	United Kingdom	Various industries	Not specified	Downward communication, upward communication, performance related pay, profit sharing schemes, employee share ownership, problem solving groups, consultative committees, union involvement, employee consultation, job control, formal team structures, team autonomy, training, investors in people accreditation, internal labour market, recruitment & selection, induction, performance appraisal, job security, harmonisation, diversity management, family-friendly management, grievance procedure	Productivity, financial performance, quality of product and service, absence rate, turnover rate, change in labour cost, job discretion, management relations, organisational commitment	Employee variables (gender, employee age, employment status, hours worked per week, union membership, weekly income and membership in professional group) and workplace variables (size, age, union density, ownership)	Found little support for relationship between High Performance Work Practices and various outcomes including employee turnover and organisational commitment
7	Truss	2001	Qualitative	United Kingdom	Information Technology	Senior managers, HR Managers, line managers and employees	Recruitment & selection, promotion and development from within, performance appraisal, total quality control, training & development, rewards, career management, flexibility and work life balance	Morale, intent to turnover, motivation to perform, employees' perception of company effectiveness and financial performance	Not specified	Employees perceive practices differently than what is intended by the management. The company has sophisticated human resource practices and majority employees indicated intention to remain with the company for the rest of their career
8	Boselie & Van der Wiele	2002	Quantitative	Netherlands	Professional consultancy	2300 employees	Information delivery, salary, secondary work conditions, cooperation and teamwork, leadership, customer focus, appraisal, training and development and	Employee satisfaction and intention to leave	Age, gender, marital status, partner's employment status, children, contract and tenure	Human resource practices that result in positive perceptions among employees result into a higher satisfaction level and less intention to leave the organisation

	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Human resource practices	Outcomes measured	Organisational factors	Study findings
							goal setting			
9	Wright, Gardner & Moynihan	2003	Quantitative	USA	Food service	5635 employees	Selection & staffing, training, pay for performance, participation,	Operational performance and organisational commitment	Company size, technology and products	Strong relationship exists between human resource practices and organisational commitment. Human resource practices affect operational performance through their impact on employee commitment
10	Guest, Michie, Conway & Sheehan	2003	Quantitative	United Kingdom	Various industries	366 HR representatives	Recruitment & selection Training & development Appraisal Financial flexibility Job design Two-way communication Employment security Internal labour market Single status Harmonisation Quality	Labour turnover Absence Industrial conflict Labour productivity Financial performance	Sector Trade union membership Part of multinational Employment relations Respondents hold HR position Perceived importance of overall HR policy	Greater number of HR practices are associated with lower employee turnover and higher profit per employee, but showed no association for productivity
11	Batt & Valcour	2003	Quantitative	USA	Various industries	557 employees	Formal and informal work-family support factors, work design factors and human resource factors (salary, job security, career development)	Work-family conflict, employee control over work time and intention to quit	Individual and family characteristics, such as gender, life stage and tenure	Salary and job security tend to decrease turnover intentions, while career development benefits are associated with an increased probability of turnover.
12	Allen, Shore & Griffeth	2003	Quantitative	USA	Various industries	215 salespeople & 197 insurance agents	Participation in decision making, fairness of rewards/recognition, growth opportunities,	Perceived organisational support, organisational commitment, job satisfaction, turnover intentions and turnover	None	Found that perceptions of supportive HR practices (participation in decision making, growth opportunities, and fairness of rewards/recognition) increase employees' perceived organisational support (POS), which reduces . POS was significantly negatively correlated with turnover intentions, indicating that

	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Human resource practices	Outcomes measured	Organisational factors	Study findings
										individuals who perceive greater POS are less likely to withdraw. The relationship between POS and withdrawal, however, was mediated by commitment and satisfaction, with the path through commitment accounting for most of the relationship.
13	Pathak, Budhwar, Singh & Hannas	2005	Quantitative	Cyprus	Shipping	110 employees	Sophisticated selection Flexibility, team-working Internal promotion Employment security Employee involvement Employee voice Commitment to learning Performance related pay Employee ownership Harmonisation	Psychological contract Employee commitment Job satisfaction	Tenure with the company Employment type Gender	Greater number of human resource practices are related to positive psychological contract, which in turn causes higher motivation and commitment among employees
14	Kinnie, Hutchinson, Purcell, Rayton & Swart	2005	Mixed	United Kingdom	Various industries	766 employees and 40 interviews with senior HR executive or other senior executives	Training, career opportunities, performance appraisal, performance related pay, rewards and recognition, team working, involvement, communication, openness and work life balance	Commitment	Employee gender, age, length of service, length of time in the job, type of employment, overtime worked, sector and trade union membership	Three practices reinforce commitment of all employee groups: rewards and recognition, communication and work-life balance. In addition, career management and involvement are important for managers to enhance their commitment. Performance appraisal, involvement and openness are important to reinforce commitment among professionals. Openness is the forth practice that is important to reinforce commitment

	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Human resource practices	Outcomes measured	Organisational factors	Study findings
										of workers
15	Edgar & Geare	2005	Quantitative	New Zealand	Various industries	572 employees	Working conditions, training & development, equal employment opportunities and recruitment & selection	Organisational commitment, job satisfaction and organisational fairness	Not specified	Significant relationship exists between human resource practices and all employee related outcomes
16	Shih, Chiang & Hsu	2006	Quantitative	Taiwan	Various industries	208 HR executives	Recruitment, training, information sharing and worker involvement, performance-based promotion, performance-based pay, team based job design and job security	Perceived financial performance, employee commitment, job satisfaction and company's attractiveness to applicants	Industry environment, degree of internationalization, size of the firm and HR department and previous performances	Found that training, employee involvement, performance-based compensation enhance employee commitment and job satisfaction as well as the company's attractiveness and financial performance
17	Macky & Boxall	2007	Quantitative	New Zealand	Various industries	424 employees	Performance based pay, teams, employee participation programme, reduced status differences, internal promotion, formal & developmental appraisal, formal communication, employee survey, job security, training, grievance procedure, selection, merit promotion and formal job analysis	Job satisfaction Trust in management Organisational commitment	Employee age, gender, tenure with current employer, firm size and staff employment information	Greater number of HR practices are associated with higher job satisfaction, a greater degree of trust in the management, a stronger psychological identification with employers and higher employee commitment
18	Bartram, Stanton, Leggat, Casimir & Fraser	2007	Quantitative	Australia	Public healthcare	64 CEOs and 35 HR representatives	HR planning, recruitment, participation, training, equal employment opportunity and performance management	Voluntary turnover, number of complaints, number of grievance, number of disciplinary actions, number of stress related leaves, number of incidents reported, number of sick leaves and	Company size, tenure of manager and time in industry	Increased use of human resource practices result into lower employee turnover

	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Human resource practices	Outcomes measured	Organisational factors	Study findings
								number of injuries		
19	Luna-Arocas & Camps	2008	Quantitative	Spain	Various industries	198 employees	Salary, job enrichment and job stability	Employee commitment, job satisfaction, turnover intentions	Not specified	Job enrichment and salary have a direct relationship with job satisfaction. Job stability and job enrichment have a direct and important relationship with organisational commitment. Employee commitment is negatively related to turnover intention
20	Katou	2008	Quantitative	Greece	Manufacturing	178 person responsible for the HRM function	Selection, training & development, performance appraisal, compensation, promotion, incentives, work design, participation, involvement and communication	Organisational performance in terms of effectiveness, efficiency, development, satisfaction of stakeholders and innovation. HR outcomes such as competence, cooperation with management, cooperation among employees, motivation, commitment, satisfaction,	Company size, capital intensity, industry and degree of unionisation	Human resource practices have a direct positive effect on all HR outcomes. HRM outcomes have a direct positive effect on organisational performance. HRM policies have a direct positive effect on organisational performance.



	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Human resource practices	Outcomes measured	Organisational factors	Study findings
								retention and presence		
21	Guthrie, Flood, Liu & MacCurtain	2009	Quantitative	Ireland	Various industries	165 General Managers and HR Managers	Recruitment, promotion, performance appraisal, compensation, training and development, employee involvement programmes, internal communication, grievance handling procedure, self-directed work teams	Absenteeism, voluntary turnover, productivity, labour expense	Firm size, age, union density and primary industry	Results suggest that greater HPWS use enhances both human resource and organisational outcome, including employee retention
22	Kehoe & Wright	2010	Quantitative	USA	Food service	Unspecified number of employees in 56 business units	Staffing procedure, opportunities for employee participation, compensation, formal performance evaluation, information sharing, merit based promotion opportunities and extensive formal training	Employee absenteeism, intent to remain with company, organisational citizenship behaviour and affective organisational commitment	Job category	Human resource practices are positively related to all dependent variables. Also found that affective organisational commitment fully mediate the relationship between human resource perceptions and intention to remain with the organisation.
23	Jiang, Lepak, Hu & Baer	2012	Quantitative	Meta-analysis	Various industries	116 articles	Recruitment, selection, training, performance appraisal, compensation, incentive, benefit, promotion and career development, job security, job design, work teams, employee involvement, formal grievance and complaint process and information sharing	Human capital, employee motivation, employee turnover, financial performance and operational outcomes (productivity, quality, service and innovation)	None	Found that human resource positively relates to financial performance both by encouraging desired employee behaviours and by building a valuable human capital. Also found that human resource practices reduce employee turnover

	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Human resource practices	Outcomes measured	Organisational factors	Study findings
24	Alfes, Shantz, Truss & Soane	2013	Quantitative	United Kingdom	Service industry	297 employees in 1 company	9 practices but they are not listed	Employee engagement, perceived organisational support, leader-member exchange, organisation citizenship behaviour and turnover intentions	Age, gender, employment type (fulltime/part-time), working hours and job roles (managerial, administrative and others)	Human resource practices result into positive employee perceptions, which enhance employee citizenship behaviour and reduce turnover intentions

## Appendix C

**Table 3 Different terms adopted by the strategic HRM studies to describe the human resource practices**

Terms	Authors
Best Human Resource Management Practices	Pathak, Budhwar, Singh & Hannas (2005)
High Performance Work Practices (HPWP) / High Performance Work Systems (HPWS)	Fu, Flood, Bosak, Morris & O'Rega (2015), Patel, Messersmith & Lepak (2013), Kehoe & Wright (2010), Liao, Toya, Lepak & Hong (2009), Macky & Boxall (2007), Combs et al. (2006), Sung & Ashton (2005), Macky & Boxall (2007), Shih, Chiang & Hsu (2006), Chow (2005), Ramsay, Scholarios & Harley (2000), Becker & Huselid (1998), Huselid (1995)
High Commitment Management Practices / High Commitment Work Systems (HCWS)	Chang, Jia, Takeuchi & Cai (2014), Wood (1999), Wood & de Menezes (1998)
High Involvement Work Practices (HIWP) / High Involvement Work Systems (HIWS)	Boxall & Purcell (2008), Guthrie (2001)
Human Resource Management / Human resource system / Human resource management practices	Hartog, Boon, Verburg & Croon (2013), Alfes, Shantz, Truss & Soane (2013), Jiang, Lepak, Hu & Baer (2012), Guest, Michie, Conway & Sheehan (2003), Truss (2001), Guest (1999), Truss et al. (1997), Koys (1988)

## Appendix D

**Table 4 Malaysian strategic HRM studies reviewed for the purpose of this thesis**

	Author(s)	Year	Type of study	Industry	Sample size & participants	Study purpose	Study findings
1	Todd & Peetz	2001	Qualitative	Various industries	HR Managers in 16 companies	Examines industrial relations in Malaysia	Finds that Malaysian local companies irrespective of industry have a traditional human resource function unlike foreign-owned companies that usually have a full-fledged human resource function with elaborate practices
2	Bawa & Jantan	2005	Quantitative	Agriculture (palm oil sector)	129 estate managers	Examines the relationship between human resource practices and voluntary turnover of employees	Finds that only staffing process and employee monitoring effectively reduce involuntary turnover. None of the other human resource practices reduce voluntary turnover. Concludes that employees continue to leave irrespective of the human resource practices implemented in the company.
3	Chew	2005	Qualitative	Manufacturing	HR Managers and department heads in 5 companies	Examines strategic HRM practices in Malaysia	Finds that larger local company (with multinational status) appears to be moving towards adopting more modern, western practices, like the multinationals from western countries.
4	The	2006	Review paper	-	-	Examines strategic HRM in Malaysia	One of the observations is that Malaysia has limited HR experts who have the knowledge and skills to lead/undertake advanced level human resource programmes/efforts which is why they are more likely to assume the traditional role of personnel manager than of a HR Manager
5	Rowley & Abdul-Rahman	2007	Qualitative	Manufacturing	20 HR Managers in 11 companies	Compares the human resource practices in local Malaysian companies and multinationals	Finds that foreign owned manufacturing companies operating in Malaysia have more sophisticated human resource practices than in local manufacturing companies because local companies do not place high priority on human resource practices as the practices are costly to implement
6	Rowley & Warner	2007	Review paper	-	-	Examines human resource practices in Asia Pacific countries	One of the observations is that local companies' investment in HRM is fast-growing; multinationals lead in adopting sophisticated practices and a large number of small businesses are with less sophisticated practices

	Author(s)	Year	Type of study	Industry	Sample size & participants	Study purpose	Study findings
7	Abdullah, Ahsan & Shah Alam	2009	Quantitative	Various industries	153 managers in private companies in Selangor	Examines the relationship between human resource practices and business performance	Training and development, team work, HR planning and performance appraisal have positive and significant influence on business performance. Job security and compensation/incentives have no influence on business performance
8	Abang Othman	2009	Mixed methods	Manufacturing	86 questionnaires and interviews with 12 HR Managers and 9 line managers	Compares HRM practices in Japanese owned companies in Malaysia and in local companies	Finds that Malaysian companies have traditional practices whereas Japanese companies have more advanced practices. Malaysian companies' progress towards adopting advanced practices is slow
9	Abdullah	2009	Qualitative	Manufacturing	58 HR Managers	Examines challenges faced by HR Managers in managing training and development activities in Malaysian manufacturing companies	Finds that there is a shortage of intellectual HRM professionals to manage training and development activities, coping with the demand for knowledge workers and fostering learning and development in the workplace.
10	Halim, Beck & Soo	2009	Quantitative	Various industries	52 HR Managers	Examines human resource strategies in managing knowledge workers in Malaysia and Singapore	Finds that Malaysian companies pay importance on short-term gains such as daily productivity instead of putting in place policies to nurture and develop human capital for long-term benefit. Also indicated that Malaysian companies lack competent HR Managers
11	Lo, Mohamad & Maw	2010	Quantitative	Manufacturing	85 employees	Examines the relationship between human resource practices and company growth and market value	Of the four factors, only incentives and information technology are positively related to company growth and market value
12	Choi & Wan Ismail	2010	Quantitative	Manufacturing	89 HR Managers	Examines the role played by HR Managers in Malaysian manufacturing companies	Finds that most HR Managers play the role of administrative expert and employee champion. The main barrier that hinders HR professional to play strategic roles in an organisation is they have no time to address both administrative and strategic issues
13	Osman, Ho & Galang	2011	Quantitative	Various industries	43 HR Managers or senior managers in the absence of HR Managers	Examines the differences in terms of employees' job satisfaction and firms' performance for Malaysian companies that have their own Human Resource (HR) department against companies without own HR department	Companies with their own HR department show a greater degree of implementation in areas of training and development, performance appraisal, and employee relations and communication. Also finds that employees working in companies with HR department have higher job satisfaction
14	Tan & Nasurdin	2012	Quantitative	Manufacturing	171 managers of technical function in large companies in 6 states	Examines the relationship between human resource practices and organisational innovation	Finds that training and development practice is positively related to three dimensions of organisational innovation. Company size and age do not affect organisational innovation

	Author(s)	Year	Type of study	Industry	Sample size & participants	Study purpose	Study findings
15	Ibrahim & Shah	2012	Quantitative	Manufacturing	121 respondents (not specified)	Investigates how organisational characteristics variables, such as country of origin, company age and company size influence the implementation of strategic human resource (SHRM) practices in companies	Finds that only firm size influence adoption of strategic HRM practices, whereby, larger companies have more sophisticated practices than smaller companies
16	Johari, Yean, Adnan, Yahya & Ahmad	2012	Quantitative	Manufacturing	184 employees	Examines the relationship between human resource practices and employees' intention to stay	Of the four human resource practices, only compensation & benefit practice has a significant association with intention to stay among manufacturing employees
17	Juhdi, Pa'wan & Hansaram	2013	Quantitative	Various industries	457 employees	Examines the mediating effects of organisational commitment and organisational engagement on the relationship between human resource practices and turnover intention	All human resource practices positively contribute to organisational commitment and organisational engagement. Also found that organisational commitment mediates the effect of human resource practices on turnover intention. However, multiple regression analyses indicated that career management and job control do not have any significant influence on turnover intention
18	Ugheoke, Al-Rawas, Mohd Isa & Wan Mohd Noor	2015	Quantitative	Public sector	153 employees	Examines the impact of High Performance Work Practices on company outcomes in a public organisation	Finds that training and development and individual role influence company performance but performance appraisal does not. Reason being public organisation does not use performance appraisal, instead, rely on seniority in making decisions related to promotions and rewards

## Appendix E

**Table 5 IT/ICT employee management studies reviewed for the purpose of this thesis**

	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Study purpose	Study findings
1	Cougar, Zawacki & Opperman	1979	Quantitative	USA	Various industries	800 MIS Managers	Investigates <u>motivation</u> of MIS managers and their employees	Found that MIS managers perceive their jobs as vital motivation factor. Also found that MIS managers have low social need but high growth need
2	Couger & Zawacki	1980	Quantitative	USA	Various industries	Computer professionals	Investigates <u>motivation</u> and job satisfaction of computer professionals	Prefer to work alone or at most in small teams. Likes intellectual challenges of using creativity to overcome computing limitations
3	Barocci & Wever	1983	Quantitative	USA	Various industries	800 IS employees	Examines IS personnel <u>motivation</u>	Found that opportunities for professional growth is very important for IS personnel and the lack of such opportunity compel the personnel to leave. They know what they need to advance in their fields. They expect their employers to help them build and advance in their careers. Job security is not important to IS personnel
4	Bartol	1983	Quantitative	USA	Various industries	159 members of a national association of computer specialists	Examines actual <u>turnover</u> among computer specialists	Found that rewards, commitment and job satisfaction are significant predictors of actual turnover
5	Baroudi	1985	Quantitative	USA	Various industries	229 IS employees	Examines the impact of several antecedents (boundary spanning, role ambiguity and role conflict) on job satisfaction, commitment and <u>turnover intentions</u>	Role ambiguity is the strongest antecedent for turnover intentions, commitment and job satisfaction
6	Igbaria, Greenhaus & Parasuraman	1991	Quantitative	USA	Various industries	464 Association of Computing Machinery (ACM) members	Examines implication of career orientations on job satisfaction, commitment and <u>turnover intention</u>	Found that MIS employees are mostly technical or managerial oriented. Employees whose career orientation is compatible with their job setting report high job satisfaction, strong commitment and low intention to leave
7	Igbaria & Greenhaus	1992	Quantitative	USA	Various industries	464 ACM members	Investigates how demographic variables, role stressors, career experiences, work related attitudes impact <u>turnover intention</u>	Two work related attitudes (job satisfaction and organisational commitment) has the strongest effect on turnover intention
8	Tan & Igbaria	1994	Quantitative	Singapore	Various industries	6432 IT employees	Examines how remuneration factor influence <u>turnover decisions</u>	Identifies salary competition from other employers and limited career advancement opportunities as main reasons for turnover

	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Study purpose	Study findings
9	Igbaria, Meredith & Smith	1994	Quantitative	South Africa	Various industries	112 members of Computer Society of South Africa	Examines antecedents of <u>intention to stay</u>	Salary is important to experience job satisfaction, organisational commitment and intention to stay. Job satisfaction is the most important antecedent for intention to stay followed by organisational commitment
10	Igbaria & Baroudi	1995	Quantitative	USA	Not specified	IS employees	Examines <u>traits of male and female IS employees</u> with regards to job performance evaluation and career advancement prospects	Found that career advancement opportunities are important to both male and female IS employees; hence, both genders perceive performance appraisal as a critical HRM practice as the outcome of the appraisal determines their career advancement prospects
11	Wynekoop & Walz	1998	Quantitative	USA	Oil and gas	112 IS personnel (programmers, system analyst and project managers) in three oil and gas companies	Compares <u>characteristics of three groups of IS professionals</u> within them and with the general population	Found that analyst and project managers demonstrate stronger leadership traits as they are more confident, productive, ambitious, hard-working, logical, analytical, creative, enthusiastic and less submissive than programmers. Overall, the three groups ranked higher on these values than general population
12	Tan & Gable	1998	Quantitative	Singapore	Not specified	47 software maintenance employees	Investigates <u>motivation</u> factors for maintenance employees	Found that being recognised and having meaningful work are important factors for maintenance employees to feel good about themselves
13	Moore	2000	Quantitative	USA	Various industries	270 IT professionals and managers	Examines the concept of work exhaustion (or job burnout) among technology professionals and its impact on <u>turnover intention</u> .	Found that work exhaustion partially mediate the effects of workplace factors on turnover intention. In addition, found that technology professionals experiencing higher levels of exhaustion reported higher intentions to leave their jobs.
14	Lee, Patrick	2000	Quantitative	Singapore	Various industries	403 members of Computer World	To test a model of <u>turnover intentions</u>	Growth need strength and job satisfaction play an important role in turnover intentions
15	Pare, Tremblay & Lalonde	2001	Quantitative	Canada	Various industries	260 members of the Canadian Information Processing Society	Investigate predictors of the <u>turnover intentions</u> of IT professionals	Distributive justice, competence development, recognition of contribution and empowerment are human resource practices that have the most direct influence on affective commitment and citizenship behaviours of IT professionals
16	Mak & Sockel	2001	Quantitative	USA	Various industries	118 IS employees	Examines Information Systems employees' motivation and <u>intent to remain</u> using Structural Equation Modelling	Job satisfaction and perception of management on career development are two important indicators for motivation. Loyalty, burnout and turnover intent are the indicators for retention. Motivation is highly correlated to retention
17	Rouse	2001	Conceptual	USA	-	-	Reviews rational models of voluntary turnover and the instinctual process of <u>voluntary turnover</u>	Made seven propositions; one of them being that companies ought to use combinations of non-work factors and organisational-focused factors to bind employees to them and; thus, achieving higher employee retention rates. Also proposes that unfulfilled need for achievement will create job dissatisfaction with IT professionals because this group views achievement opportunities very importantly.



	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Study purpose	Study findings
18	Marks, Scholarios & Lockyer	2002	Mixed method	UK	ICT companies	327 questionnaires & 89 unstructured interviews	Examines <u>professional commitment</u> of software employees	Found that perceptions of autonomy and undertaking complex tasks increase employees' pride and professional commitment
19	Batt, Colvin & Keefe	2002	Quantitative	UK	Telecommunications industry	302 respondents from network operation and service/sales	To identify the relationship between a set of human resource practices and <u>employees' turnover decisions</u>	Found that union representation, employee participation in problem solving, higher wages and internal promotion opportunities result in lower quit rates
20	Chan	2003	Quantitative	Singapore	Technopreneurial companies	Technopreneurs	Explore <u>career orientations</u> for Singaporean technopreneurs	Chinese male technopreneurs place high level of importance on entrepreneurial creativity and service and dedication to a cause.
21	Ramakrishna & Potosky	2003	Quantitative	USA		163 IS professionals	Analysed <u>career orientations</u> for Information Systems Personnel	Found that IS professionals have multiple dominant anchors. The anchors consist of managerial competence, identity, variety, service, geographic security, autonomy, organisational stability, technical competence and creativity
22	Ang & Slaughter	2004	Quantitative	USA	Various industries	IT and HR personnel in 41 companies	Test the impact of various antecedents on IT <u>employee turnover</u>	Found that managerial oriented IT jobs have lower turnover than technically oriented IT jobs.
23	Paul & Anantharaman	2004	Quantitative	India	Various industries	370 respondents in 34 software companies	Test the impact of various antecedents on IT <u>employee commitment</u>	Found that employee friendly work environment, career development, development oriented appraisal and training practices are related to organisational commitment.
24	Scholarios, Van Der Schoot & Van Der Heijden	2004	Mixed method	Germany, Greece, Netherlands, Norway, Italy, Poland and UK	ICT small and medium companies	107 interviews	Examine <u>characteristics of ICT professionals</u> in European small and medium-sized enterprises	Found that SMEs seldom have a separate HR department and do not formally invest in stimulating employees' growth and development. Instead, such companies take an informal approach to develop employees' competences, which is critical for employees so that they remain employable.
25	Baldry, Scholarios & Hyman	2004	Mixed method	Scotland	Various industries	75 interviews in 5 companies	Investigate <u>organisational commitment</u> among software developers	Software developers are more committed to their jobs than to their organisations. Career progression opportunities are important to them.
26	Ferratt, Agarwal, Brown & Moore	2005	Quantitative	USA	Various industries	106 senior level IT Managers	Examine relationship between different configurations of IT HRM practices and turnover	Found five contrasting HRM configurations: Human Capital Focused, Secure, Incented Technician, Utilitarian and Task Focused. Configurations with a human capital focus has lower turnover than the task focused configurations
27	Ifinedo	2005	Quantitative	Finland, Nigeria & Estonia	Various industries	71 Information systems personnel such as programmers, system analyst and others	Investigates <u>motivation</u> factors for information systems professionals in three countries	Cultural factor influences workers' motivation whereby workers from Finland and Estonia share similar motivation pattern than workers from Nigeria. Workers from developed countries rate interesting job, task variety, autonomy and job fit as important motivating factors. Workers from less Nigeria place importance on intrinsic factors such as growth and advancement. Main dissatisfactions among all workers re related to pay, lack of fringe benefits and lack of promotion opportunities.

	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Study purpose	Study findings
28	Ahuja, Chudoba, Kacmar, McKnight & George	2006	Quantitative	USA	IT	171 IT road warrior employees	Examines the antecedents of <u>turnover intention</u> among IT road warriors	Work-family conflict is a key source of stress among IT road warriors because they have to juggle family and job duties as they work at distant client sites during the week. These findings suggest that the context of the IT worker matters to turnover intention, and that models that are adaptive to the work context will more effectively predict and explain turnover intention.
29	Thatcher, Liu, Stepina, Goodman & Treadway	2006	Quantitative	USA	Public agency	228 employees	Examines how intrinsic motivation factors influence IT employees' attitudes and <u>turnover intentions</u>	Intrinsic motivation (feelings related to task and task performance) positively influences workplace attitudes and has a mediated influence on turnover intentions
30	Dockel, Basson & Coetzee	2006	Quantitative	South Africa	Telecommunications company	94 professional technicians	Investigates retention factors that induce <u>organisational commitment</u> of high technology employees	Found that compensation, job characteristics, supervisor support and work/life policies are significantly related to organisational commitment for hi-tech employees
31	Thite	2006	Review paper	-	-	-	Reviews issues, challenges and strategies in <u>retaining IT personnel</u>	IT personnel value autonomy, challenging tasks, immediate and frequent feedback and rewards, ownership of ideas, commitment to profession more than to organisation, teamwork, de-bureaucratized work environment and open, consultative fun loving organisational culture
32	Enns, Ferratt & Prasad	2006	Quantitative	USA	Various industries	180 members of a national organisation of IT professionals	Compares stereotypes of IT professionals with their actual <u>characteristics</u>	Found evidence for three types of IT professionals; the High Maintenance type who provide significant value to their companies but expect their needs in terms of high salary, benefits, advancement/growth opportunities and interesting/challenging work are met. The Lifestyle type, who are more balanced, intrinsically motivated, place higher priority on non-work commitments and are more self-sufficient; thus, they seek less recognition, promotion and achievements than the High Maintenance type. The "Technology Anchored" type, who are motivated mainly by technical skills.
33	Lowry, Turner & Fisher	2006	Quantitative	Australia	Various industries	IS & T members (253 students, 136 practitioners and 137 IS&T decision makers)	Examines work <u>motivation</u> factors for three groups - students, practitioners and decision-makers	Each group place importance on different workplace factors. Pay, pleasant working conditions, on-going training and growth opportunities are important motivators for IS&T practitioners.
34	Chui, Tong & Mula	2007	Quantitative	Hong Kong	Various industries	300 ICT employees	Tests relevance of existing <u>commitment</u> models on ICT employees	Wang's (2004) 5 point commitment model better explains turnover among ICT employees in Hong Kong than the traditional Meyer & Allen's (1991) model. Also found that career development is perceived to be very important by ICT professionals for their future career growth; hence, they perceive training and development as a critical HRM practice, which enables them to continuously learn new technology and stay-up-to-date

	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Study purpose	Study findings
35	Agarwal, Ferratt & De	2007	Quantitative	USA	-	63 students	Investigates the effect of individual and situational factors on the <u>turnover intentions</u> of new IT employee	Found that IT professionals are unlikely to leave if their jobs allows them to experience a wide range of technologies and opportunities and that the risks involved in their jobs are within their own preferences/tolerance of risks
36	Beecham, Sharp, Baddoo, Hall & Robinson	2007	Qualitative	USA	Various industries	32 IT personnel and 89 other employees	Explores <u>characteristics</u> of IT personnel	Found that IT personnel share some similar traits as other employees but also have unique traits that are confined only to them. Some of the unique traits are often use jargons, flexible and adaptable to changes.
37	Mahatanankoon	2007	Quantitative	USA	Various industries	95 full-time Information System professionals	Explores career satisfaction and organisational commitment of IS professionals and their impact on their <u>retention decisions</u>	Found that opportunities to communicate and work with other employees are crucial for IS professionals' career satisfaction, which leads to organisational commitment and intention to stay.
38	Niederman, Sumner & Maertz	2007	Quantitative	USA	-	169 graduates	Tests the unfolding model of <u>employee turnover</u> by Lee & Mitchell (1994) on IT employees	Identifies three routes IT professionals take in deciding to leave current employment. Information on alternative jobs influence turnover intentions
39	Medcof & Rumpel	2007	Conceptual	Canada	-	-	Reviews the reward preferences of high technology workers and the rewards arrangements that <u>motivate</u> them the most	High technology workers perceive their total rewards as in salary and fringe benefits importantly
40	Bryant, Moshavi & Nguyen	2007	Quantitative	USA	Software firm	149 IS workers	Investigates attitudes and citizenship behaviours of IS workers with focus on <u>organisational commitment</u> , <u>professional commitment</u> and peer mentoring, which is a form of citizenship behaviour	Found that workers who are professionally committed are receptive towards peer mentoring regardless of how committed they are towards their organisations
41	Guzman, Stam & Stanton	2007	Qualitative	UK	Various industries	Semi-structured interview with 5 software developers and observation of 5 XP teams	Examines how XP environment meets the <u>motivational</u> needs of software developers	Found that software developers place importance on their progress at work, access to information, communication/openness, autonomy, software quality, team morale and their ability to feel confident at work.
42	Joseph, Ng, Koh & Soon Ang	2007	Meta-analysis	-	-	26 prior studies	Meta-analysis about <u>turnover</u> of information technology professionals.	Found 43 antecedents to turnover intentions of IT professionals could be mapped onto March and Simon's (1958) distal-proximal turnover framework. Also found that proximal constructs of job satisfaction (reflecting the lack of desire to move) and perceived job alternatives (reflecting ease of movement) partially mediate the relationships between the more distal individual attributes, job-related and perceived organisational factors, and IT turnover intentions. Proposes a new theoretical model of IT turnover

	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Study purpose	Study findings
43	Pare & Tremblay	2007	Quantitative	Canada	Various industries	260 members of the Canadian Information Processing Society	Tests an integrated model of <u>turnover intentions</u> of IT professionals	Affective commitment is the strongest predictor of turnover intentions. IT professionals' affective commitment is influenced by organisation's willingness to invest in their competence development, recognition of individual contribution and amount of empowerment.
44	Sharp, Hall, Baddoo & Beecham	2007	Qualitative	UK	Not specified	6 software developers and 4 project managers	Explores <u>motivational</u> differences between software developers and project managers	Software developers and project managers are motivated by different factors. The conference paper states that software developers place highest priority on technical challenge, good tools, rewards and benefits. No mention of motivators for project managers
45	Hunter, Tan & Tan	2008	Qualitative	Singapore and New Zealand	Various industries	17 IS employees from Singapore and 18 IS employees from New Zealand	Examines the factors that are associated with <u>voluntary turnover</u> in two different cultures, Singapore and New Zealand	IS employees in both countries value challenging projects, opportunities to update/upgrade themselves (training opportunities), active involvement in new projects and promotion opportunities within the firm. In both countries also, financial incentives are not a primary reason for turnover. However, Singaporean IS employees value peer relations more than their counterpart in New Zealand whereas IS employees in New Zealand place more importance on management relations, career progression opportunities, family/personal factors than their Singaporean counterparts.
46	Westlund & Hannon	2008	Quantitative	USA	Various industries	128 software developers	Investigates facets of job satisfaction that are most significantly correlated with <u>turnover intentions</u> of software developers	Software developers' satisfaction with contingent rewards, promotion, supervision, pay, operating conditions, co-workers, benefits, communication and nature of work affect their turnover intentions.
47	Lee & Lin	2008	Quantitative	Taiwan	Various industries	486 MIS professionals	Investigates the relationship between career anchors and <u>turnover</u> intention of MIS professionals in Taiwan	Organisation stability, learning motivation and work-life balance are important factors to retain MIS professionals. Professionals who are entrepreneurial and seek independence are likely to resign.
48	Beecham, Baddoo, Hall, Robinson & Sharp	2008	Review paper	-	-	92 papers	Examines <u>motivation</u> of software engineering employees	Found that software engineers are different from other occupational groups as they are motivated by problem solving, working to benefit others and technical challenge.
49	Tseng & Wallace	2009	Quantitative	Taiwan	Research & development companies	362 software development employees	Examines the relationship between retention factors and <u>employees' decisions to stay</u> for software engineers, project leaders and assistant managers	Found that training and development, career advancement opportunities, recognition, encouraged to be innovative and creative, support from boss, autonomy, work-life balance and job satisfaction are important retention factors all three groups of employees.
50	Rigas	2009	Quantitative	Thailand	Various industries	437 IS employees	Examines factors that determine <u>turnover intentions</u>	Reducing perceptions of excessive workloads and work exhaustion and creating innovative work environment are the most important ways to reduce turnover

	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Study purpose	Study findings
51	Coombs	2009	Quantitative	USA	Public service organisation	207 IT employees	Examines antecedents of <u>intention to stay</u>	Employees' attitude towards their work is the strongest predictor for intention to stay (for example, if they feel positive towards their work, they will stay and vice-versa). Employees are also likely to stay if they anticipate no difficulty in continuing their employment and if they have a strong sense of identification with their employer. The study also found that IT employees value positive work features such as empowerment, challenging tasks and interesting projects. Opportunities to go for technical trainings are also important to IT employees.
52	Chang	2009	Qualitative	Taiwan	Various industries	353 MIS professionals	Examines career anchors of MIS professionals and their relationship with <u>turnover intentions</u>	Found that the lifestyle career anchor is the most important anchor for MIS professionals in Taiwan. Professionals tend to leave employment because of wanting to spend more quality time with family which is not possible because of work overload and excessive working hours. Other important career anchors are organisational stability, (professionals value the pursuit of stable and long term careers, job security and stability) and learning motivation (professionals want to update their knowledge and continuously improve their skills) .
53	SamGnanakkan	2010	Quantitative	Canada	Leading ICT companies	849 ICT employees	Examines the mediating effect of HR practices and <u>turnover intention</u>	Compensation and training has a significant direct effect on turnover intentions. Organisational commitment mediate HR practices and turnover intention relationship significantly
54	Marks & Huzzard	2010	Qualitative	Scotland	4 small ICT companies	20 ICT personnel	Examines <u>characteristics</u> of ICT employees in Scottish small companies	Employees indicated that acquiring up-to-date technical skills and knowledge are important in ensuring their employability. Employees take self-initiative and mainly rely on informal and self-learning via Internet or while being on the job to improve their technical skills. These companies invest very little in formal training programmes. Employees perceive job security as more important than going after opportunities to acquire new employability skills.
55	Ghapanchi & Aurum	2011	Review paper	-	-	72 studies	Examines the background and trend of research into IT personnel's <u>intentions to turnover</u>	Found that most IT turnover has been undertaken in North America, followed by Asia. Most studies investigate IT turnover drivers, which these authors have classified into the 5 broad categories of individual, organisational, job-related, psychological, and environmental, each containing three to four sub-categories.
56	Shropshire & Kadlec	2012	Quantitative	USA	Public sector	348 IT workers	Examines <u>turnover intention</u> of IT workers who experience low job embeddedness	Found that job satisfaction, perceived organisational support, affective commitment, perceived supervisor support, and organisational rewards are particularly important to IT professionals working in government. Also found that job embeddedness moderates their relationship with turnover intention. Hence, this study indicates that as the factors which draw many individuals into public service are eroded, turnover intention will increase.

	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Study purpose	Study findings
57	Hoonakker, Carayon & Korunka	2013	Quantitative	USA and Austria	IT industries	624 IT employees from US and 677 IT employees from Austria	Examines the general relationships between job demands, emotional exhaustion and turnover intention on the one hand and the relationship between job resources, job satisfaction, organisational commitment and <u>turnover intention</u>	Found evidence for relationship between job demands and turnover intention is mediated by strain, and that the relationship between job resources and turnover intention is mediated by job satisfaction.
58	Raman, Bharathi, Sessa & Joseph	2013	Quantitative	India	IT companies	412 IT employees	Identifies and explains the factors that contribute to <u>turnover intentions</u> of employees in the IT industry	Found that clarity of role, growth opportunities and feeling inspired by the organisation are important retention factors for IT employees.
59	Burrell	2014	Quantitative	USA	Public higher education	256 IT workers	Investigates whether public higher education sector can use recognition as a tool to <u>motivate</u> IT workers.	Found that recognition, which is an intrinsic motivation factor, is an important factor in the retention of IT workers. They want their managers to recognise their work and they want to feel that they are an important part of the organisation.
60	Eckhardt, Laumer, Maier & Weitzel	2014	Quantitative	Germany	Various industries	813 IT personnel	Analyses how IT personnel differ based on their personality and how the influence of these individual <u>characteristics</u> on job-related attitudes differs across four IT job types: system engineers, programmers, system administrators and IT consultants.	Found that the four groups are different in terms of personality and job-related attitudes. In terms of personality traits, system engineers rank highest in openness and conscientiousness, IT consultants in extraversion, programmers in neuroticism and system administrators in agreeableness. In 50% of all cases, these personality traits are significant predictors for job-related attitudes and they also indirectly affect IT personnel turnover intention.
61	Dinger, Thatcher, Treadway, Stepina & Breland	2015	Quantitative	USA	Government agencies	214 IT professionals	Investigates how professionalism influences IT professionals' <u>motivation</u> and their relationships with their jobs and employers	Found that professional autonomy and how organisations evaluate their performance and the subsequent reward system is important to IT professionals. Also found that IT professionals who have a strong sense of calling to the IT profession respond more positively to their work and their employer.
62	Joseph, Ang & Slaughter	2015	Quantitative	USA	Various industries	359 IT professionals	Examines the relationship between relative pay gap and patterns of IT <u>employee turnover</u>	Found that larger relative pay gaps significantly increase the likelihood of job mobility. Also found that IT males and IT females have different job mobility patterns, whereby, IT males are more likely to turn over than turn away-between when faced with a relative pay gap whereas IT females are more likely to turn away from IT than to turn over when faced with a relative pay gap

	Author(s)	Year	Type of study	Country	Industry	Sample size & participants	Study purpose	Study findings
63	Maier, Laumer, Eckhardt & Weitzel	2015	Quantitative	Germany	Various industries	125 IT personnel	Examines how personality traits influence IT personnel turnover behaviour and whether <u>voluntary turnover</u> of IT personnel improves job-related attitudes	Found that 91 out of 125 survey participants indicate a high turnover intention, but only 27 reported actual turnover behaviour within the following 12 months. Also found that IT personnel who are more likely to resist change seldom translate turnover intentions into actual turnover behaviour as compared to IT personnel who are less disposed to resisting change. Hence, intentions to turnover are a more suitable predictor for less change-resistant individuals than for change resistant ones.
64	Sivarethinamohan & Paranganathan	2015	Quantitative	India	IT	112 IT professionals	Studies <u>turnover intentions</u> of software professionals in Chennai City, India	Found that employees' turnover intentions are influenced by stress related factor, supervisor's relationship, compensation and accommodation

## Appendix F

Date

Person in-Charge

Address

Dear Sir/Madam,

### **Re: Research on HR practices in the context of Malaysian ICT industry**

Human resource management (HRM) is becoming increasingly important. This is reflected in the way personnel management function has transformed from one that concentrates on employee welfare to one that manages people in a way to match organisational and individual goals. Your company is recognised to acknowledge the importance of HRM, considering the progressive HR policies and practices that the organisation have adopted and implemented.

As such, I would like to invite your company to participate in a research I am conducting as a PhD candidate in the Commerce Division at the Lincoln University, New Zealand. The research aims to explore and generate knowledge on the human resource practices that are adopted by the ICT companies in managing skilled employee recruitment and retention. The research is supervised by Dr. Ramzi Addison and Dr. Rick Fraser – two senior academicians of the university's Commerce Division.

The research process involves unstructured interviews with a number of employees, including a senior manager, a HR specialist and ICT professionals. Interview questions would focus on how participants perceive the human resource practices that are used in the company - particularly how the practices influence skilled employee recruitment and retention and possible recommendations for improvements.

Each interview would be recorded by taking notes and/or audiotaped. Interviews would be carried out at times most convenient for your business. All information obtained from the interviews would be kept confidential. All responses would be reported in an aggregated case study report and in no way may be linked to your organisation or participants. You would receive a copy of this comprehensive report.

With a small allocation of time from the selected employees, your company would be contributing to the body of knowledge used by researchers and practitioners in understanding adoption and implementation of human resource practices in skilled employee recruitment and retention.

I appreciate your consideration and would be grateful for your cooperation. I will contact you within the next one week to obtain your reply. In the interim, please contact me at **6012-2925983** or at **[sukhdarp@lincoln.ac.nz](mailto:sukhdarp@lincoln.ac.nz)** if you have any questions.

Yours sincerely,

Parveen Kaur  
(Researcher)



## Appendix G

- Respondent (R) : The company requires specialised skill sets and knowledge, so the recruitment method is important. We recruit new people via word of mouth, JobStreet, newspaper advertisements **(types of recruitment channels most often used)**. There is a high demand for IT specialists in the company.
- Interviewer (I) : So, are you able to source the IT specialist that the company needs?
- (R) : So far we are able to recruit the talents that we require. At the moment we are looking for Network Engineers. For this position, we are relying on the word of mouth. Actually, we rely quite a lot on personal contacts and internal recommendations in looking for new employees **(types of recruitment channels most often used/word of mouth)**.
- (I) : Why?
- (R) : Because the prospective employee would have some information about the company and is likely to fit in better. It is unlikely that employees will recommend someone whom they think is not a good fit in the company.
- (I) : How is the recruitment process?
- (R) : The head of department fills in the recruitment request form and forwards the form to his superior who then forwards the form to me **(recruitment responsibility lies with the line managers and Human Resource Manager)**. Successful candidates will be interviewed by me and for the second time by the line manager **(prospective employees are interviewed two or more times)**. Successful candidates will be notified and given a letter of appointment before he/she commences work.
- (I) : Do you have a formal recruitment policy?
- (R) : The recruitment information is in the employee handbook. It is basically the procedure employees are expected to follow in applying for a new employee **(recruitment guideline is stated in the employee handbook)**.
- (I) : Are the applicants required to sit for assessments or any other form of aptitude test?
- (R) : The applicants do not need to sit for any tests **(assessment tests are not used in the interviews)**.
- (I) : Do you do orientation training for the new employees?
- (R) : We do orientation training for new recruits. The training is provided by my staff and it covers company rules, employee handbook requirements, company's IT policy and introduction of key personnel **(orientation training is given to new employees)**.

- (I) : How often do you conduct the orientation training?
- (R) : Once in a month.
- (I) : What about the salary and employee benefits offered here?
- (R) : The company pays below average salaries **(the company pays below industry average salaries)**. There are various benefits given to employees such as healthcare insurance and outpatient treatment allowance, hardship allowance for less fortunate staff, cost of living allowance for executives, computer loan, study loan, subsidized house loan and subsidized car loan **(types of healthcare benefits given to employees / types of loan subsidies provided to employees)**. Healthcare insurance and outpatient treatment allowance are also given to immediate family members. The company is actually thinking of extending the healthcare insurance to parents **(types of healthcare coverage provided by the company to its employees)**.
- (I) : How do you know that the company pays below average salaries?
- (R) : We participate in ICT industry salary benchmarking exercise by independent consultants **(the company participates in salary benchmarking surveys)**.
- (I) : Why is the salary such?
- (R) : The salaries here are lower than other private companies especially multinationals because this is a government-linked company. So, we have to follow the government's pay scale.
- (I) : Do you have a system in place to determine a staff's salary?
- (R) : Every employee is given a certain grade. The grade is tied in with a salary band, meaning the minimum and maximum salary an employee can enjoy while being in the particular grade. In the event an employee is promoted, he is given a new grade and consequentially, his salary also changes.
- (I) : How the benefits are made available to the employees?
- (R) : The employees are able to enjoy some of the benefits the moment they join the organisation. Other benefits are only given once an employee has been with the company for more than 3 years. For example, I need to complete three years of service before I can apply for the haj leave. Meanwhile, the company provides 15 percent EPF if an employee has been with the company for more than 5 years **(the company rewards employees based on seniority)**.
- (I) : What if a person does not perform satisfactorily, is he still entitled to a benefit once he has completed certain years of employment?
- (R) : Even if a person does not perform satisfactorily, he is still entitled to a benefit once he completes a certain years of employment. The management is quite relaxed about rewarding employees **(the company rewards employees based on seniority/the company provides high job security to employees)**.

- (I) What about the training practice?
- (R) The company recognises employee contribution by providing training opportunities. In fact, we spend tremendous amount of money on trainings. The company contributes to Human Resource Development Fund **(the company contributes to Human Resource Development Fund)**. I personally think the company spends way too much on training programmes.
- (I) How are the trainings organised?
- (R) The training programmes are based on departmental requirements. If your HOD feels that you need to attend a particular training, he will request accordingly. All trainings are subject to review by the divisional VPs and then CEO's approval. At the moment, the training programmes are dependent on the HOD's judgment and approval. In the future, we intend to use the Training Needs Assessment questionnaire.
- (I) What types of training programme are normally made available to employees?
- (R) Trainings depend on job positions and requirements so that one is able to perform his responsibilities effectively. We also have management leadership programmes for managers across different departments **(the company invests in off-the-job training and development programs for employees / the types of off-the-job training and development programs provided by the company)**.
- (I) Can you explain about the performance appraisal system?
- (R) We have designed a system about two years back but that was not implemented. We have just implemented a new system recently **(the company has a formal performance appraisal practice)**. The appraisal will be used to evaluate staff performance and behavior as well as to identify training needs and possible promotion opportunities **(the purpose of the appraisal is to evaluate employee performance)**.
- (I) What about goal setting for employees?
- (R) We have to have a section on KPIs but I think that will happen sometime later in the future.