



INTI LAUREATE INTERNATIONAL UNIVERSITY

MASTER OF BUSINESS ADMINISTRATION

**FACTORS THAT WILL ATTRACT AND RETAIN NON-IT
GRADUATES IN IT-COMPANY: THE CASE OF IBM GDC**

FOR REFERENCE ONLY

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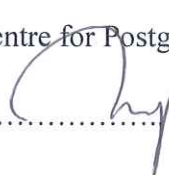
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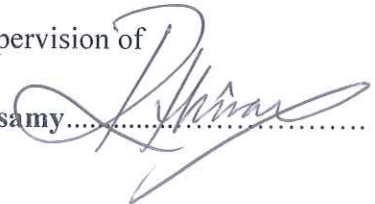
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(Name and Signature of Supervisor)

Date..... 11/12/2013

DEDICATION

To my beloved father, Taku Arrey Joseph and mother, Nchong Christina Arrey, who in spite of the vicissitudes of life nurtured me and ensured that I had a sound education. Also to my best friend, Tambe Pauline Ebanghanyor whom God has called from this life. May her soul rest in perfect peace.

DECLARATION

I hereby declare that this research project has been undertaken by me and is my original piece of work with the exception of information sourced from various authors and acknowledged in the in-text citations and references compiled at the end of this document.

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ABSTRACT

Purpose: This research is being carried out to examine some of the possible factors that can attract and retain non-IT graduates in an IT company. The main difference between this studies with similar studies carried out in the same field is that this work encompassed two theories put forward by other scholars in to one model. Other studies treated employer brand awareness and employer association as separate models. But in this study, both models where summarized into one model and tested to see if the results will lead to a possible attraction and Retention of non-IT graduates in an IT company.

Methodology: This study did focus on Gen Y employees who have graduated or still to graduate as well as those already working. The sample size for this study was 300 who are students from randomly selected Universities in Klang Valley area of Malaysia, Selangor and Nilai. The study adopted a quantitative approach and surveys where distributed to target population. The data collected was analyzed with the use of SPSS 2.0 and Smart PLS software.

Findings: The findings in this study reveal that employer brand awareness has an important and significant relationship with the employer brand association which in this study was represented as career growth opportunity, salary/benefits and rewards, and working environment. From the analysis it could be deduced that most IT companies don't attract non-IT graduates because they don't have a positive brand image. The findings also revealed that contrary to other findings, career growth opportunity do not have a significant impact on job attraction and retention. This discrepancy can be attributed to cultural differences and choice of target population. However, other variables such as salary/benefits and rewards, and working environment had a positive influence on job attraction and retention just as tested in other studies.

Limitations: This study was narrowed down to a quantitative research thereby completely ignoring a blend of quantitative and qualitative study. As a consequence, much information was not obtain which would have help to better understand the concept of attracting and retaining Non-IT when it comes to working in a company like IBM. The stakes of this study are high as it is an employer project, but due to time constrains, some undiscovered questions might not have been answered so as to give the employer what they really desire.

Key Words: Employee Attraction, Retention, Employer Brand Awareness, Gen Y.

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List of Abbreviations

CoE- Center of Excellence

DGC- Global Delivery Center

EQ- Emotional Intelligence

HP- Hewlett-Packard

IBM- International Business Machines

ICT- Information Communication Technology

IT-Information Technology

KDI- K-Workers Development Initiative

KL- Kuala Lumpur

MDeC- Multimedia Development Corporation

MDL- Malaysian Development Lap

MIDA- Malaysian Investment Development Authority

OJT – On the Job Training

PLS- Partial Least Square

RM- Ringgit Malaysia (Malaysian Currency)

SPSS- Statistical Package for the Social Sciences

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1.0 Chapter One

1.1 Chapter overview

This is a research on the Factors that will attract and Retain Non –ICT graduates of the Gen Y in an IT company: The case of IBM Malaysia. This chapter will look at the background of the study and evaluate the employability of graduates without any Information Technology (IT) background into an IT company in Malaysia. The issues surrounding the choice of the topic, the problem statement, and the objectives of the study will also form part of this chapter. The chapter will also examine limitations of the study and how this research will contribute in a significant way to a pool of existing literature and all the stakeholders involved. The chapter will end with a short conclusion of the chapter which will serve as a transitional statement to introduce the preceding chapter.

1.2 Background to the Study

Today's market is characterized by a shortage of top recruits, and exceptional candidates are highly aware of their marketability. Because of downsizing (Hirsch, 1987; Cameron et al., 1993) and hiring contingent workers (Pfeffer and Baron, 1988; Pfeffer, 1994), long-term organizational commitments are largely disappearing (Rousseau, 1996; Rousseau and Libuser, 1997) and high worker turnover has become common (Cohen, 1993; Hunt and Morgan, 1994). Under these circumstances, workers' mobility decisions become a critical issue. For the labor market, worker mobility represents the flow and exchange of labor forces (Ehrenberg and Smith, 1994). For a worker, it is the decision of "to stay or to go", or "retention or turnover". Worker mobility plays an important role in improving the "Match" between a worker and a given employer over time (Ehrenberg and Smith, 1994). It also forces both employees and employers to remain aware of the larger marketplace and to continuously examine one another's needs. In this way, mobility actually performs a socially useful role by matching workers with those employers who will most value their skills (Ehrenberg and Smith, 1994) as quoted by Norma, Martin and Jeanette, (2008).

It might be expected that the increased output of highly qualified individuals would lead to intense competition for positions on graduate schemes, but recent empirical research (Harvey and Contributors, 2003) suggest that a more complex picture is emerging, both with respect to new and emerging graduate occupations and also graduate expectations (Norma et al., 2008).

In a study from HESA (2006) it was noted that less than 60 per cent of graduates enter full time work, whilst others may opt for further study to enhance their prospects and that increasingly graduates put off the search for a graduate level job and choose to engage in voluntary work or travel instead. Additionally, according to Browning (2005), of those that do enter full-time graduate level employment many are looking for their next role or considering the next career step before their basic induction is completed. As reported in the Recruitment, Retention and Turnover Survey (CIPD, 2005), the main reasons why people leave employment are a desire for promotion and lack of career development. Browning (2005) also highlights that 70 per cent of employees are looking for more meaning at work and a more positive working culture. CIPD's survey on Graduates in the Workplace (Chartered Institute of Personnel and Development, 2006) reflects this attitude: organizations are most likely to fulfill graduates' needs by providing a good company culture and facilitating good relations between employees and managers.

In the late 1940s the industrialized world had just seen the end of World War II. It was a time when the outlook on the future was positive and the economy could thrive once again. During the following decade the number of babies born greatly increased; this created one of the largest generations of our time. We call this generation the Baby Boomers, and define it as the generation born 1946-1964 (census.gov). Some characteristics are typical for the Baby Boomers' generation. Growing up in a post-war era, they were taught by their parents to appreciate and make use of the scarce resources at hand (Stern 2008). But they also grow up with a positive view on the future – they wanted more and they were prepared to work hard for it. The Baby Boomers'