PRECIPITATING EVENTS LEADING TO VOLUNTARY EMPLOYEE TURNOVER

AMONG INFORMATION TECHNOLOGY PROFESSIONALS: A QUALITATIVE

PHENOMENOLOGICAL STUDY

by

William J. Von Hagel, Jr.

A Dissertation Presented in Partial Fulfillment

of the Requirements for the Degree

Doctor of Management in Organizational Leadership

UNIVERSITY OF PHOENIX

May 2009

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ABSTRACT

Voluntary turnover rate of IT professionals within defense contracting organizations has increased by 12.6% since 2003 (Hedden, 2006). The purpose of the qualitative phenomenological study was to explore the perceptions and lived experiences of IT professionals in the defense contracting industry to better understand the precipitating events, or shocks, that led to their decision to voluntarily leave an organization. Twenty IT professionals at a small, service-based, government contracting organization supporting the intelligence community in Ft. Meade, Maryland were interviewed until the point of data saturation. Analysis of interview responses revealed three individual constituents indicating that managing relationships at multiple levels between employees, corporate management, and the direct supervisor or manager is one way that organizations can decrease their overall voluntary employee turnover. The results of the current research study may provide business leaders with information to create innovative retention plans and enact positive organizational change to reduce the voluntary employee turnover of IT professionals.

DEDICATION

In Loving Memory of my Father –

William Joseph Von Hagel

(1948 – 2007)

For his everlasting love and support in all of life's endeavors.

His leadership aptitude and business acumen will continue to inspire me throughout my

professional career.

ACKNOWLEDGMENTS

I am eternally grateful to the many people who helped me in the completion of my dissertation. I will always remain grateful to my advisor, Dr. Leslie Miller, for her guidance along my doctoral journey, her honest and constructive feedback, and the countless hours spent reviewing my dissertation. I would also like to thank my committee members, Dr. Jean Plough and Dr. Debra Maddox, for their guidance and support.

I could not have completed my dissertation without the constant love and support of my wife, Kimberly Ann Von Hagel. She kept me motivated and inspired along my doctoral journey, through my endless coffee house writing trips, and I will be eternally grateful for her help with editing and interview transcriptions.

Special gratitude is extended to my family, for their love and support, during the creation of the dissertation. My mom has always been an academic role model for me, inspiring me to develop my mind and spirit in a never-ending pursuit of excellence. My Aunt Lucille has always encouraged and supported me in all of life's endeavors. I would also like to thank Laurie Von Hagel for her encouraging words and endless support, and am grateful to Diane Bahr for her continued editing support.

I sincerely appreciate the support of all study participants, who dedicated personal time to help me collect data for the dissertation. In particular, I would like to thank Dave and Amy Walker, who provided me the ability to collect data and obtain background information for the study. I am also grateful to Terri Scull, who provided me with SHRM and demographic information for the study.

Finally, I would like to thank all of my doctoral colleagues for their support over the past three and a half years. The faucet of education is ever-flowing.

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CHAPTER 1: INTRODUCTION

The organizational cost of turnover for information technology (IT) professionals ranges from $80,000 to $800,000 per employee (Smart, 2005; Valdivia, 2005). Although the average U.S. voluntary turnover rate between 2005 and 2006 only increased by .7%, the voluntary turnover rate for IT professionals increased by over 7.2% (U.S. Department of Labor, 2006). Holtom, Mitchell, Lee, and Inderrieden (2005) suggested that certain precipitating events, or shocks, led to an employee's decision to voluntarily leave an organization. Little is known about the precipitating events that influence IT professionals' decision to voluntarily leave an organization.

Chapter 1 begins with an introduction of the topic of voluntary employee turnover, the specific problem of interest in the current research study, and the specific purpose of the study. Following a discussion of the significance of the research is a description of the research method and design appropriateness. After a discussion of the central and supporting research questions guiding the current research study, chapter 1 includes a discussion of the conceptual and theoretical framework for the research. Chapter 1 concludes with definitions of key terms, scope of the research, and statements of the assumptions, limitations, and delimitations in the design of the current research study.

Background of the Problem

From 1958 to 1994, the majority of research on voluntary employee turnover has focused on job satisfaction and perceived job alternatives (Holtom & Inderrieden, 2006). During that time, research was conducted that furthered the understanding of job satisfaction and perceived job alternatives (Hulin, Roznowski, & Hachiya, 1985; Mobley,

1977; Mobley, Griffeth, Hand, & Meglino, 1979). In 1994, Lee and Mitchell developed a new model of voluntary employee turnover that combined elements of both areas of interest, job satisfaction and perceived job alternatives (Lee & Mitchell, 1994). Since 1994, the unfolding model of voluntary employee turnover (Lee & Mitchell, 1994) has improved the understanding of voluntary employee turnover (Holtom & Inderrieden, 2006).

After the unfolding model of voluntary employee turnover was originally published in 1994, Lee and Mitchell extended and enhanced the model several times until 2001 (Mitchell, Holtom, & Lee, 2001). The central idea of the model is the concept of shocks on an employee's system. Shocks are defined as particular, sudden, jarring events that initiate the psychological decision process of staying with or leaving an organization. Some examples of shocks include an argument with a supervisor, an unexpected raise or award, or a corporate merger. Lee and Mitchell asserted that employees followed one of four possible psychological decision paths, three of which are initiated by shocks, when deciding to stay with or leave an organization (Mitchell, Holtom, & Lee, 2001).

Although several quantitative research studies have been conducted to support and validate the unfolding model of voluntary employee turnover with nursing (Holtom et al., 2005; Lee, Mitchell, Wise, & Fireman, 1996), accounting (Donnelly & Quirin, 2006), banking (Holtom et al., 2005), and grocery store (Holtom et al., 2005) populations, no research study was found that focused on determining precipitating events for the IT professional population. The current research study is also unique because qualitative methods will be used to explore the precipitating events, or shocks, leading to voluntary employee turnover among IT professionals.

Social Concern/Interest

Although the average U.S. voluntary turnover rate between 2005 and 2006 only increased by .7%, the voluntary turnover rate for IT professionals increased by over 7.2% (U.S. Department of Labor, 2006). The increase of voluntary turnover among IT professionals has created an expensive problem for leaders of organizations in the information technology field ("Hire IT Talent for IT Success," 2007; Smart, 2005; Valdivia, 2005). Information technology organizations spend between $200,000 and $250,000 per departing employee, representing a $7,000 approximate daily loss of revenue (Joinson, 2000). The organizational cost to replace IT professionals is estimated at between 50% and 150% of their annual salary, depending on the level of individual skill and the level of the position within the organization ("Hire IT Talent for IT Success," 2007).

Actual voluntary turnover costs are considerably higher than the cost of replacing an employee (Joinson, 2000). According to the Society for Human Resource Management (SHRM), hidden voluntary turnover costs include pre-turnover, vacancy, separation, recruiting, and new-hire orientation. Pre-turnover and vacancy costs include increased levels of absenteeism, lower productivity, loss of revenue, loss of future opportunities, and the cost to use other employees to temporarily fill a vacant position. Recruiting costs include marketing, bonuses, security and background checks, interview time, and internal organizational paperwork. Finally, new-hire orientation represents the time required to assimilate a new employee in the organization.

Statement of the Problem

The general problem is voluntary employee turnover among IT professionals increased from 14.9% in 2004 to 22.1% in 2006 (U.S. Department of Labor, 2006). The organizational cost to replace IT professionals is estimated at between 50% and 150% of their annual salary, depending on the level of individual skill and the level of the position within the organization ("Hire IT Talent for IT Success," 2007). The specific problem is that the voluntary turnover rate of IT professionals within defense contracting organizations has increased by 12.6% since 2003 (Hedden, 2006). The recent increase of voluntary turnover among IT professionals has created an expensive problem for leaders of IT organizations ("Hire IT Talent for IT Success," 2007; Smart, 2005; Valdivia, 2005). Employees voluntarily leave organizations because they experience sudden jarring events, or shocks, that initiate a psychological decision process, often leading to the employees voluntarily leaving an organization (Holtom & Inderrieden, 2006).

The qualitative phenomenological study explored the perceptions and lived experiences of IT professionals in the defense contracting industry to better understand the precipitating events that led to their decision to voluntarily leave an organization. The results of the current research study might provide business leaders with useful information to create innovative retention plans and enact positive organizational change toward reducing the voluntary employee turnover of IT professionals.

Purpose of the Study

The purpose of the qualitative phenomenological study was to explore the perceptions and lived experiences of IT professionals in the defense contracting industry to better understand the precipitating events, or shocks, that led to their decision to

voluntarily leave an organization. The sample consisted of 20 IT professionals at a small, service-based, government contracting organization supporting the intelligence community in Ft. Meade, Maryland. The participants were interviewed until the point of data saturation, which typically occurs between 8 to 12 interviews (Guest, Bunce, & Johnson, 2006). Participants were interviewed using semistructured open-ended interview questions to better understand the shocks that led to their decision to voluntarily leave an organization.

<div align="center">Significance of the Study</div>

The current research study is important because it may provide valuable information about the perceptions and lived experiences of IT professionals. Insight into the participants' perceptions might help determine what precipitating events led to voluntary employee turnover for IT professionals in the defense contracting industry. Although multiple research studies have supported the validity of the unfolding model with quantitative and mixed methods (Donnelly & Quirin, 2006; Holtom et al., 2005; Lee et al., 1996), no study was found that focused on determining shocks leading to voluntary employee turnover from a qualitative phenomenological perspective. The phenomenological approach is useful for focusing on human behavior without the imposition of various statistical and theoretical constructs to distort the full richness and meaning of human experience and behavior (Moustakas, 1994).

Numerous studies are available that were conducted to examine voluntary turnover among nursing (Holtom et al., 2005; Lee et al., 1996), accounting (Donnelly & Quirin, 2006), banking (Holtom et al., 2005), and grocery store (Holtom et al., 2005) populations. No study was located to determine precipitating events for the IT

professional population. The use of a new population provides evidence from an

additional data source to increase the validity of current research on voluntary turnover

(Creswell, 2005; Neuman, 2006). Since the voluntary turnover rate for IT professionals

has increased by 7.2% between 2005 and 2006, new research on the IT professional

population might yield important results from a voluntary turnover perspective (U.S.

Department of Labor, 2006).

Significance to Leadership

The current research study is significant to the field of leadership because the

recent increase of voluntary turnover among IT professionals has created an expensive

problem for leaders of IT organizations ("Hire IT Talent for IT Success," 2007; Smart,

2005; Valdivia, 2005). Previous researchers have indicated that leaders could increase

their understanding of voluntary turnover by using the unfolding model of voluntary

employee turnover by Mitchell and Lee to determine the precipitating events leading to

voluntary turnover (Holtom & Inderrieden, 2006; Mitchell & Lee, 2001). In the unfolding

model of voluntary employee turnover, Lee and Mitchell asserted that, after employees

experienced a particular, sudden, jarring event, they followed one of four possible

psychological decision paths when deciding to stay with or leave an organization

(Mitchell, Holtom, & Lee, 2001). The results of the current research study might provide

business leaders with information to create innovative retention plans and enact positive

organizational change to reduce the voluntary employee turnover of IT professionals.

Nature of the Study

The purpose of the qualitative phenomenological study was to explore the

perceptions and lived experiences of IT professionals in the defense contracting industry

to better understand the precipitating events, or shocks, that led to their decision to voluntarily leave an organization. Twenty IT professionals provided data for the research. The participants were located at small, service-based, government contracting organizations supporting the intelligence community in Ft. Meade, Maryland. The participants were IT professionals who recently joined one small, service-based, government contracting organization.

Appropriateness of Research Method

The two primary approaches to research are the quantitative and qualitative research methods (Creswell, 2005; Neuman, 2006). Quantitative research is focused on supporting hypotheses using objective facts, variables, and statistical analysis (Neuman, 2006). Quantitative research studies are most appropriate when variables are known and the researcher is interested in examining one variable in detail or describing the relationship between variables.

Qualitative research is focused on exploring the central phenomenon surrounding a general problem (Creswell, 2005). Qualitative research studies typically involve interviews to explore the perceptions and lived experiences of individuals who have experienced a particular phenomenon. The qualitative research method is most appropriate when the variables are unknown and need to be identified (Neuman, 2006). The current research study is an exploration of one central phenomenon, the precipitating events that lead to IT professionals in the defense contracting industry decision to voluntarily leave an organization.

The qualitative research method is most appropriate for the proposed topic about a phenomenon that is present in the natural flow of social life (Neuman, 2006) and because

the phenomenon being explored, precipitating events, are unknown within the IT professional population. Qualitative phenomenological research focuses on analyzing word data from observations, interviews, and transcripts to extract themes regarding a central phenomenon. The qualitative study consisted of obtaining and analyzing interview data from IT professionals to explore the precipitating events, or shocks, leading to voluntary employee turnover.

Appropriateness of Research Design

Common qualitative research designs include ethnography, grounded theory, narrative, and phenomenology (Creswell, 2005; Neuman, 2006). A phenomenological research design is most appropriate for the proposed study because the focus of the current research study is on capturing and understanding the perceptions and lived experiences related to a phenomenon to better understand the underlying theoretical constructs and behavioral meanings (Creswell, 2005; Moustakas, 1994). The focus of the current research study was exploring the perceptions and lived experiences of IT professionals to better understand the reasons why they decide to voluntarily leave organizations. A phenomenological research design is appropriate because understanding a phenomenon in the context of experience and specific situations is essential to phenomenological knowledge.

Since the research did not involve explicit data, an ethnographic research design focusing on the cultural perspective behind explicit knowledge was not appropriate (Creswell, 2005; Neuman, 2006). Narrative research was also excluded for the current research study because the focus of narrative research is on the creation of life descriptions of participants, not on one particular phenomenon. Finally, although

grounded theory research involves multiple individuals to obtain an explanation for a process, action, or interaction among individuals, the current research study explored the perceptions and lived experiences of individuals rather than explaining a process.

Since the research was focused on exploring perceptions and lived experiences and did not focus on a program, process, or activity that involves individuals, an ethnographic case study was not appropriate (Creswell, 2005; Neuman, 2006). The focus of a case study is to explore a bounded system in sufficient detail. The current research study is unbounded since the focus was to determine precipitating events, or shocks, that led to an IT professionals' decision to voluntarily leave an organization. Finally, although case studies use multiple forms of data such as pictures, email, or videotapes, the current research study relied on interview transcripts as the primary data form.

Using in-depth interviews is an appropriate method to obtain qualitative data related to a central phenomenon (Creswell, 2005). Twenty IT professionals at a small, service-based, government contracting organization supporting the intelligence community in Ft. Meade, Maryland, provided data for the current research study. Participants were asked semistructured open-ended questions to explore the precipitating events leading to their decision to voluntarily leave an organization.

<div align="center">Research Questions</div>

The goal of the current research study was to better understand the precipitating events, or shocks, leading to voluntary employee turnover for IT professionals in the defense contracting industry. The following central research question guided the current research study: What are the perceptions and lived experiences of IT professionals about the precipitating events, or shocks, that lead to their decision to voluntarily leave small,

service-based, government contracting organizations supporting the intelligence

community in the Ft. Meade, Maryland area? The following six subquestions supported

the central research question:

R1. What circumstances are associated with the time when IT professionals first

begin to feel they should leave their job?

R2. What are particular events that cause IT professionals to feel or think they

should leave their job?

R3. How long after IT professionals begin thinking about leaving their job do they

decide to leave?

R4. What factors contribute to IT professionals' decision to voluntarily leave an

organization?

R5. What factors contribute to IT professionals' decision to stay with an

organization?

R6. What can organizations do differently, if anything, to prevent IT professionals

from leaving their jobs?

Theoretical Framework

The current research study falls within the broad theoretical area of human

resource management. Understanding voluntary employee turnover is a vital component

of human resource management (Dooney, 2005). The SHRM categorized employee

turnover as part of staffing management, a core focus area for human resource (HR)

professionals (SHRM, 2005). Unlike many organizational leaders who focus on one

subcomponent or division of an organization, HR professionals can view voluntary

turnover data across the entire organization to determine cost, discern causes of turnover,