

# Challenges Faced by IT Companies in Attracting, Recruiting and Retaining Non IT Background Generation Y Graduates

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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 background Generation Y graduates in an IT oriented 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 background Generation Y graduates in an IT oriented company.

**Methodology:** This study mainly focus on Generation 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 from Universities in Hertfordshire area of North London, UK. 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 an IT company like IBM.

**Keywords:** Employee attraction • Recruitment • Employee retention • Non IT graduates • IT companies • Generation Y

## Introduction

Generation Y, who for the purposes of this study are defined as people born from 1980 to 1989, is one of the most unique generations in human history. Born into a technology boom, Generation Y's are the first to grow up with computers, the Internet, and information at their fingertips. They are extremely comfortable using technology for social networking, global connections, and entertainment. They are also accustomed to the immediate gratification the world of technology has afforded them. The effects of this incredible time in history on them are tangible in their attitudes in the workplace. Generation Y's are generally resourceful, creative, flexible, quick, efficient, technologically savvy, and more problem solving and communication oriented than generations before. However, they are also generally more demanding, less respectful of hierarchical structures (in which they can't immediately access people and information), impatient, more life-style oriented (at times, at the expense to their focus on work), and more concerned with their own achievements and advancement than that of a team [1].

In London - UK, these attributes are even more pronounced. Not only did the Generation Y's in UK grow up in the information age, but in the age of UK globalization, its rapid opening up. They are one of UK's most resource-rich generations; many of their families have significantly economically improved their lifestyles over a short amount of time [2]. Born into the one

child policy era, this family's resources (coupled with high expectations) have been lavished on them. Now, they are currently UK's young workers, early enough in their career to drive their work expectations from internal goals, rather than the outside pressures of family. They, like their global peers, are delaying marriage, children and home ownership longer. But these choices are very new to them and UK, so making them places greater pressure on them to make the most out of their first working decade.

## Problem statement

In this world of extremes, companies operating in North London area of UK especially IT industry, and specifically their managers, have to take stronger actions to address the needs of its Generation Y's workplace than in other countries. They must reconcile Generation Y's desire to regularly access knowledge, training, development opportunities, feedback, and rapid advancement with older generations' attitudes that emphasize collective good, patience, loyalty, hard work and a respect for structure. Managers must strike a balance between incentivizing without overindulging. Managers must help "raise" Generation Y through the ranks without breeding resentment from older generations who did not necessarily receive so many opportunities. Managers must inspire individual loyalty and hard work without sacrificing the overarching needs of the company and attention to their own responsibilities.

As a result, this study aims to be an efficient tool for managers facing these challenges by clearly addressing the key issues and providing solutions. IT companies in UK faces competent employee recruitment problems because they have to depend on same level IT specialist with their competitors such IBM, HP, Sony, Samsung, Panasonic, and Microsoft to name but these. This has resulted to shortage of talent within IT companies, even after working closely with recruitment agencies. There is therefore a need to address the staffing problem faced by Information Technology (IT) companies in particular. However, the perceived solution lies in attracting

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non-IT talent or graduates into IT companies due to lack of sufficient IT specialist. The greatest challenge here is the growing perception within non-IT graduates who believe that lack of IT background makes them unfit for jobs in IT companies. A consequence of this perception has scare non-IT background graduates from seeking employment in IT companies. The challenge to attract and retain Non-IT graduates will therefore be a more urgent matter in the IT industry in UK.

### Research objectives

The main objective of this study is;

- To determine the factors that will Attract and Retain Non-ICT background Generation Y graduates in an IT Oriented company

The Sub Objectives of this study are;

- To examine the relationship between the independent Variables and dependent variables and how they can help attract and retain Non-ICT graduates into IT company.
- To examine Non- ICT graduates perception of IT companies in UK in relations to employability without proper IT skills.

## Literature Review

### Graduate employees retention

A number of interventions have emerged as significant in terms of making a positive difference to graduate retention: managing graduate expectations; the use of a more proactive approach to career development; and the key role of the line manager. There is a wide range of evidence [3] which proposes that unmet expectations (that is, a discrepancy between pre-entry expectations and post-entry adjustment problems) can lead to, for example, low job satisfaction and early turnover. Exposure to employers through recruitment and selection processes is argued to be one part of a series of social episodes, which influence the development of appropriate expectations and inform the early development of individuals' psychological contract with the organization. This clearly signals to organizations the importance of providing accurate information that will not inflate the already high expectations [4].

It would appear that three years has been identified by graduates as an acceptable length of time to stay with an organization to avoid being labeled a "quitter". According to Berry Mike [5] however, organizations can only expect to break even on their investment after the individual has spent a year in a senior strategic role which is likely to be at the end of the fifth year of employment. The "three-year end" is one of a number of "pinch points" that Bernardes [6] argues requires action by the organization to reduce the likelihood of churn. She particularly identifies critical points as the completion of the graduate development scheme when going from a "somebody" to a "nobody" can be an isolating experience, and completion of a professional qualification which increases the graduate's market value.

### Generational concept

Generations are shaped by their environment [7]. The generation cohort of the early 21st century, known as Generation Y, were born in an economically expanding, fast-paced, electronic age with the greatest information access, product choice, and ease of communication in history. As such there are huge dissimilarity between the young generation and their senior generations. Generation Y are described as better educated and more focused on teamwork, achievement, and good conduct [7]. They have different financial commitments, and thus, more than 70 percent of their income is spent capriciously, with the majority going to entertainment, travel, and food [8]. This is definitely different than the previous generations who have lived through hardships and a more unstable growing environment.

### Baby boomers generation

Baby Boomers grew up in the 1950s and 1960s with feelings of

prosperity, safety and that anything was possible [9]. As they are the largest generation in history, they are competitive by nature, believe in growth, change and expansion. They want it all and work long hours, show loyalty and will be ruthless if necessary to obtain success and material possessions, and also many do not plan to retire. Baby Boomers are passionate about their careers and are the ones that created the 60-hour work week [10]. They like participation and spirit in the workplace and have fought to bring humanity and heart into the office, creating a fair and level playing field for all. As a group, they are collegial and consensual, and they like growth, expansion, and teamwork. As such, in the workplace, Baby Boomers tend to seek consensus. They dislike authoritarianism and laziness and tend to micromanage others. They have paid their dues and proactively climbed the corporate ladder making new rules along the way. However, Baby Boomers respect authority, although they want to be viewed and treated as equals [11].

### Generation X

Generation X is the cohort which due to their edgy skepticism has received much negative press, while they also crave for feedback, desire workplace flexibility, hate close supervision, and "work to live, not live to work" [10]. Thus this Generation strives for work-life balance, and thus is not loyal to a workplace [12]. Their approach to authority is casual, as they prefer informality, and they are, as a group, quite self-reliant [10]. They however, have learned that hard work is no guarantee of survival, since they have seen that corporations can discard employees without warning. Hence, they tend to be self-reliant, individualistic and distrustful of large corporations [9]. While growing up, the Generation X cohort had a democratic relationship with their parents and never learned to be good soldiers. They also went to school in a system that encouraged diverse viewpoints. Thus they lack in social skills and they make up for it in their technical ability. At work, Generation X is unlikely to work for a single company or value long hours. They value developing skills and keeping them current, and also respond well to a coaching management style that provides prompt feedback and credit for results. This generation finds ways to get things done smart, fast and even by bending the rules [11].

### Generation Y

The term Gen Y first appeared in August 1993 [13] to describe the teenagers of the day separated from Gen X. Based on recent research reports from several researchers; it is common to find that Gen Y is seen independent, confident, diverse, collaborative and selfish. This new and young generation has grown up with technology, computers, mobile phones and the Internet. They are constantly reflecting back on the relationships between self, work and life. Gen Y believes they can achieve anything, they are supposedly 'high maintenance, high risk and high output'. Marie [14] feels that Gen Y is transformational, as they have grown in a different world to their parents and surrounded by modern technologies and a society of consumerism. Gen Y do things differently due to the modern educational curricula that have brought a wave of transformation in their life. Gen Y are techno-savvy, agile and multi-tasking, their ability to do different things at the same time is well known, but sometime it does not makes them more efficient in the way they work. They need to be well managed. Gen Y is strongly team-focused and seeks meaning in work and opportunity to learn. We should not forget that Gen Y were under more financial threats than the previous generations since the recent economy crisis. They will quickly buy into new concepts and ideas while new technologies become more affordable, and invade our market at a fast pace.

Members of Generation Y, the group of youths, born into a world that already celebrated the individual, were raised to put themselves first and follow their own dreams [10]. Thinking of themselves as special, individuals in this cohort do not have automatic respect for authority and feel free to make suggestions if they think they can improve a situation. Generation Y demand that respect be earned and not just assumed by position. Zachary and Christine [12] refer to this trait as the mentality of "I want it all now".

Generation Y had been observed to be more idealistic than the previous

generation which is Generation X, although they are a little bit more realistic than Baby Boomers. Generation Y is described as "considerably more optimistic and more interested in volunteerism than Generation X" [15]. Generation Y's beliefs and expectations toward work, work ethics, job expectations, values, and overall job satisfaction had been highly influenced from the global communication and access to instant information via the Internet. As such a study [15] noted that the scope Generation Y's potential impact is still being studied as they have only begun entering the workforce.

**Conceptualization of research variables and hypothesis**

**Employee attraction:** Attracting refers to the process of making people aware of a company and the job opportunities they provide. The Thesis is looking at recruiting and retaining Generation Y, consequently attracting will not be looked at in great depth. Recruiting details what the recruitment process looks like and how best to adjust it for Generation Y in specific, based on the description of the Yers given previously. Retaining Generation Y will consider how best to meet the needs and wants of Yers without customizing the company to Yers. With the manager being one the focal points for an employee, the manager also becomes a crucial link in retaining employees

**Employer branding model:** A brand image signifies people's perceptions and beliefs regarding a brand. A company's employer brand image and the reputation of its products and services are usually closely connected. An organization that delivers a good external brand experience is assumed to be a good employer. Employer brand management has to ensure that the employee's viewpoint is taken into account in the development of external corporate or marketing communication. Employer branding involves managing the organization's image as seen by its stakeholders and potential employees [16]. The employer brand helps to communicate what it is like to work for that specific organization and what the organization represents; it is a unique value proposition to potential and current employees [17].

Employer branding helps to create brand associations and brand loyalty. Employer brand associations shape the employer image that in turn affects the attractiveness of the organization to the potential employees. Employer branding impacts organizational culture and organizational identity that in turn contributes to employer branding loyalty. This loyalty in turn retains employees and helps the organization to manage talent (Figure 1).

Some of the research carried out in the field of employer branding have attempted to bring out characteristics of successful employer brands. Amongst such is a study conducted [18] in which attractiveness and accuracy were identified as the two key dimensions of success for an employer brand. Accuracy was analyzed in terms of employer brand awareness, differentiation and relevance while accuracy was underpinned by factors such as the importance of consistency between the employer brand and the employment experience as well as company culture and values (especially as regards the lack of understanding of company value which potential employees suffer before joining the organization).

The analysis of these authors shows that there are two key dimensions of success for an employer brand: "attractiveness" and "accuracy". Attractiveness is underpinned by "awareness", "differentiation" and "relevance". Accuracy highlights the importance of consistency between the employer brand and employment experience, company culture and values. The study established a case for studying employer branding as a context distinct from consumer and corporate branding and conceptualized the employment experience of a firm as a product produced by the culture, policies and processes of the firm. It also established that there are many well-worn parts in marketing theory and practice that are applicable to employer branding context, particularly with respect to the employee attraction role of the employer brand.

However, in spite of these contributions, it appears limited attention has been given towards understanding the relationship that exists between employer branding on the one hand, and perceptions of current and potential employees on the other, especially as it relates to specific contexts. Many researchers have not considered that employer branding is not just concerned with attracting employees but also in retaining and motivating them. Hence, the determining factors used to analyze employees might not be applicable to both current and potential employees. Also, researchers on the subject have not fully addressed the influence employer branding has on perception of employees notwithstanding that existing contributions have been instrumental in the development of this research work. Finally, no scale has been provided in literature that can fully capture all the components of employer branding.

**H<sub>1</sub>:** The employer brand awareness presents information that contributes to formation of a psychological contract between the employer and the employee.

**Employee retention model:** According to Koustab Ghosh et al. [19] organizational social and technical subsystem elements are assessed to have an impact on retention of managerial personnel through developing a causal model that is proposed and tested subsequently. Hypotheses have been developed that essentially can serve to test the distinct impacts of social and technical subsystem elements on managerial retention. The causal model is intended to provide organizations with a logical path for addressing the issue of managerial turnover by examining the strength of each variable in relation to managerial retention for reducing turnover intention (Figures 2 and 3).

**Career growth/enrichment opportunities:** Kelan et al. found that Gen Y reflected upon their life and career options and make choices that are influenced by their own experiences form part of the options they choose for their future development. Gen Y wants to have a career where they are challenged and can grow with the challenges. Rather than being bored, they prefer jobs which stretch them and if they are no longer challenged they would consider moving on. Generation Y does not wish to stay at the same position for a long time. Instead they want change and development,

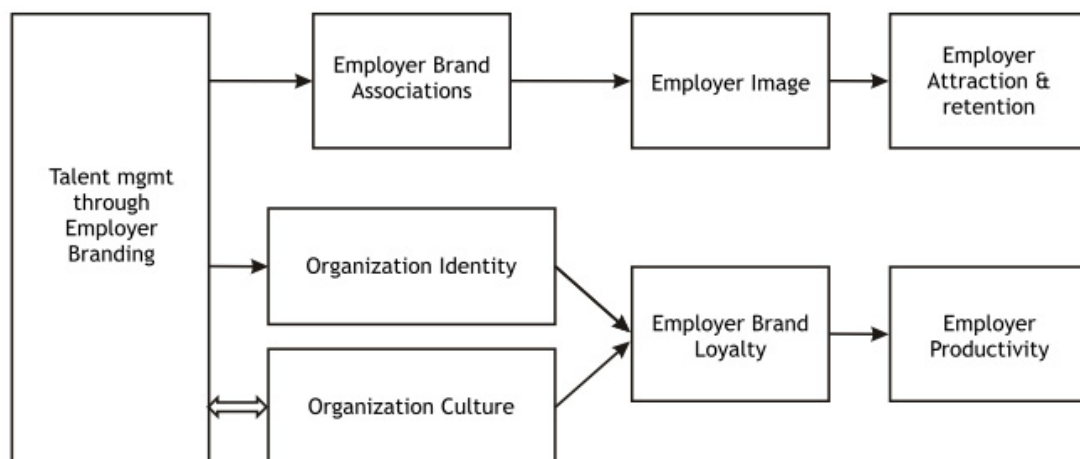


Figure 1. Employee Branding Process Model.

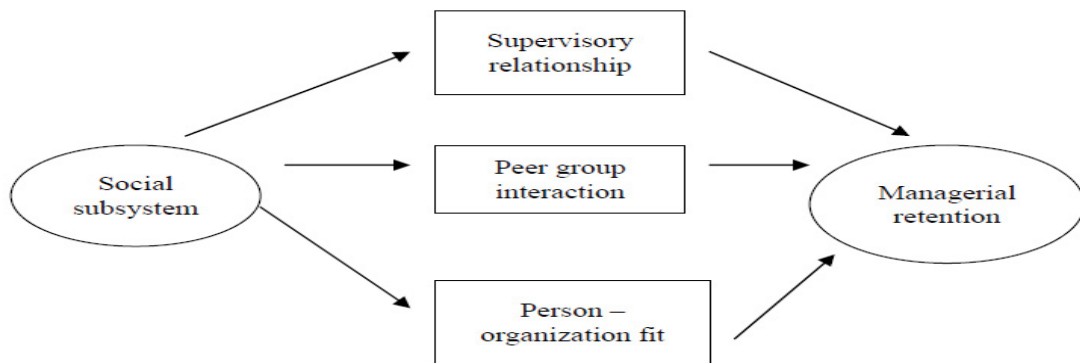


Figure 2. Causal relationship of social subsystem constructs to managerial retention Model.

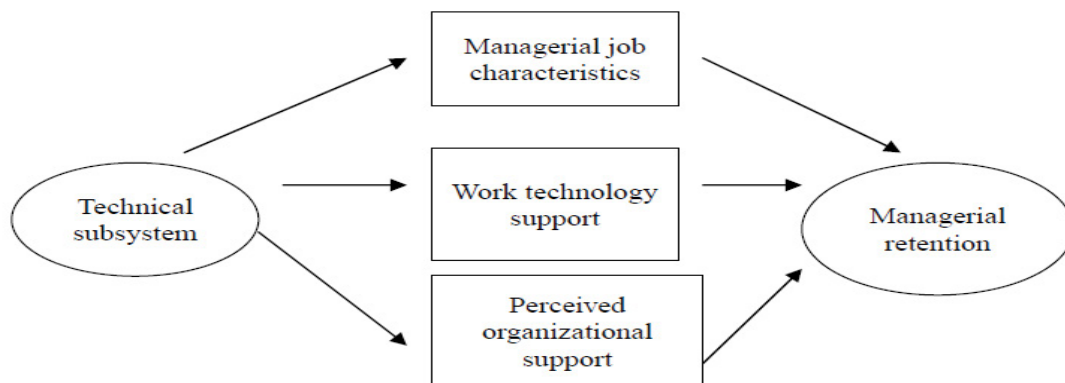


Figure 3. Causal relationship of technical subsystem constructs to managerial retention Model.

preferably rapid (Deloitte; RHI; ESB). That the only way to grow is up is no longer true, there are many career options available for an employee.

On-The-Job Training (OJT) is a form of planned training that occurs while the employees are working [20]. Ryan, Kriska, and Horvath cautions the reader to avoid one-size-fits-all solutions and instead individualize the OJT so that the training can focus on “what the learner needs to know and do to perform the job, why these activities are important, and what work results should be obtained”. These opinions are shared by an author [21] who says that in order for employees to remember and use their new knowledge, it has to be closely connected to their work situation and the employees need to know the purpose of the new knowledge. By offering training on the job, I believe a company can increase the chances that the employees use their new knowledge, since it is learned in connection with their work activities.

**H<sub>2</sub>:** Increase Career growth/enrichment opportunities results to higher employee attraction and retention.

### Recognition/salary, benefit and reward

Salary and other monetary benefits have been important incentives for employees since the creation of the labor market, and it is a significant factor for Generation Y too. We have used the collective name of compensation to describe base salary, monetary benefits, and monetary rewards. In a report [5] pointed out that as Gen Y have witnessed their parents working tirelessly in pursuit of higher salaries and promotions, these young people does not want to be in the same way. Gen Y has different priorities when searching for jobs. They care about salaries, flexible working, and a better work-life balance. Gen Y places money and status high on the agenda. Gen Y is looking for employers to offer this range of workplace benefits and rewards. They would prefer their employer to offer cash as an incentive to boost performance, with other incentives registering on their radars.

**H<sub>3</sub>:** Increased recognition, salary, benefits & rewards result to higher employee retention thereby affecting Gen Y turnover behaviors.

### Working environment

The physical and social working environment is very important for the detainment of Generation Y. The “Y’ers” likes to be surrounded by friends in their workplace and it is important to them that they are given chances of social interaction at work. Form their school years, they are used to working in groups and teams, and they are comfortable with that way of working (RHI; Parment, GNS). The physical environment of the workplace is also important. The “Y’employers” want a nice office space, but also the chance to take work elsewhere, e.g. at home or may be to park on a sunny day (RHI; Martin & Tulgan,).

The social environment of a workplace is something more intangible than the physical environment, but that does not mean it can be overlooked. Generation Y are expecting a relaxed, friendly, fun-filled environment (RHI; Martin & Tulgan, Deloitte). Generation “Y’ers” are expecting their workplace to be fun, not just in terms of fulfilling work assignments, but also as a place for social interaction and friendly conversations (ibid). This can for example mean throwing a party for all employees. Fostering a fun-filled work environment can also include turning the time before or after a staff meeting into a break where coworkers get together to share a snack.

**H<sub>4</sub>:** Increased work-life policies, supervisor support, Technology and Relationship with colleagues result into higher employee retention.

### Research frame work from literature

The discovery of the several gaps in the literature identified above inspires the necessity to interrogate the theoretical foundation of the existing models. Situating an appropriate theoretical background on the other hand, requires a theory which captures all the elements of the emerging model which consists of three main elements: the independent variables (Employer branding), the intermediate variables (career growth, recognition and working environment) and the dependent variable (Employee Attraction and Retention).



## Research Methodology

### Data collection

As described above, the third step in this research is to investigate the organizational conditions derived in step two in an actual organization. The researcher will find out both what formal ways an organization has to realize the conditions, and the informal ways that can help the organization achieve them. The researcher will not just be interested in hard facts, as was the case with the secondary research, but for the informants' opinions. Hence a qualitative research method is preferable in this step. Qualitative research is sometimes defined as everything that quantitative research is not, i.e. research concerned not with numbers but with words [22]. Qualitative research offers the researcher a chance to focus on the social context of the phenomenon or persons being studied and on the feelings of those persons (ibid). Some commonly used practices in qualitative research are participative observations and different kinds of interviews.

### Research design-sampling method

The sampling method chosen for this study is the non-probability sampling method of convenience sampling. According to Hair, Joseph et al. [23] convenience sampling is used because it enables researchers to quickly collect their data and is very cost effective. Convenience sampling is a sufficient sampling method used for this study as the sample population are students who came from all around UK and gather in higher educational institutions in Hertfordshire, thus it is believed to provide enough indication of the UK Generation Y population [24].

### Sampling location

According to Higher Education in London (2009), in UK there are 20 public universities, 4 foreign university branch campuses, 33 private universities, 500 private colleges, 24 polytechnic institutions, and 37 public community colleges. For this study, the survey questionnaires will be handed out by convenience sampling method to the undergraduate students (the respondents) of public and private higher educational institutions around the Hertfordshire areas. The locations of handing out the questionnaire are within the campus of selected public and private colleges and universities. Three private universities, one public university, and one private college will be selected for the distribution of the survey questionnaire due to their abundance of students who come from various states in UK. Permission to conduct this study on their respective campuses will be obtained from the involved public and private higher educational institutions. The name of the higher educational institutions involved for this study will not be mentioned to assure their confidentiality.

### Sample size determination

As mentioned before, sample size determination is an important process in a research study. Hence, to fulfill the objectives of this study, suitable sample size determination has been chosen. The formula used to determine the minimum required sample size in this study is  $N \geq 50 + 8m$ . According to Tabachnick Barbara et al. [25] the formula is a rule of thumb for determining sample size for multiple regression analysis involving the testing of R-square. From here, the calculation for the required sample size will be:

$$N \geq 50 + 8m,$$

$$N \geq 50 + 8(4),$$

$$N \geq 50 + 32,$$

$$N \geq 82 \text{ where, } N = \text{sample size,}$$

$$M = \text{number of independent variables.}$$

From the calculation shown, the sample size for this study should be more than 82. Along with the rule of thumb proposed by Roscoe where a sample size should be larger than 30 and is lesser than 500, the sample size for this study is 300.

### Validity and reliability

To ensure that the questionnaires used are valid, accurate and of high quality, the validity and reliability test will be used. In order to analyze the measurement and structural model, this study uses a PLS approach, specifically the Smart PLS version 2.0 M3 Beta [26] which is not based on covariance but rather variance. PLS is the most appropriate analytical technique for this study for several reasons. First, in PLS, constructs may be measured by a single item whereas in covariance-based approaches, at least four questions per construct are required. Second, PLS is optimal because it does not require any normality assumptions and handles non-normal distributions relatively well. Third, PLS accounts for measurement errors and provides more accurate estimates of interaction effects, such as mediation [27].

### Data analysis

Generally, two methods will be used in the literature to estimate structural model, namely, one is LISREL based structural equation modeling (SEM) also called covariance based SEM, and the other one is PLS which is variance based approach developed by wold. Here, this research will use PLS as opposed to SEM, or other covariance based methods, as it requires smaller sample size to test the conceptual model and associated hypotheses [27]. Further, this approach does not require data to be normally distributed and measured on interval scale.

## Results and Discussions

### Response rate

The sample size for this study was determined and set for 300 respondents. These respondents mainly students, fresh graduates and employed came from randomly selected geographical region of Hertfordshire. Even though no particular standards or percentages of respondents were set, the respondent's categories were evenly distributed so as to cover all intended respondents. However, due to some circumstances that could not be avoided such as time constraints, mid-term break and long public holidays, 261 responses were collected. This represents 87% respondents' rate of the initial sample size of 300.

### Validity and reliability test

Summary of reliability and validity test is given in Table 1. The research model as shown in Figure 4 above was analyzed using Structural Equation Modelling tool using Smart PLS software. It assesses the psychometric properties of the measurement model, and estimates the parameters of the structural model. The reliability of items confirmatory factor analysis is assessed by using resulting Cronbach alpha value. In assessing reflective measurement models in terms of its reliability, each indicator must have

**Table 1.** Reliability Coefficient for the major Variables (Cronbach Alpha >0.7).

Variables	No. of Indicators	Indicators dropped	Indicators accepted	Cronbach's Alpha
Employer Brand Awareness	5	-	EBA1, EBA2, EBA3, EBA4, EBA5	0.79
Career Growth/Enrichment Opportunities	3	-	CGEO1, CGEO2, CGEO3	0.68
Recognition/Salary, Benefit and Reward	4	1	RSBR1, RSBR2, RSBR4	0.63
Working Environment	4	1	WE2, WE3, WE4	0.7
Attraction and Retention	4	1	ATTR1, ATTR2, ATTR3	0.74

**Note:** EBA: Employer Brand Awareness, CGEO: Career Growth Enrichment Opportunity; RSBR: Recognition/Salary, Benefit and Reward, WE: Working Environment; ATTR: Attraction and Retention.

loadings of at least 0.70 and loadings of 0.60 were also accepted in case that there were additional comparable indicators in the block [27].

### Partial least square (PLS) modeling

The Partial Least Square Modeling is used in analyzing the estimations indicated on the research framework adopted in this study after examining relevant literatures. PLS modeling will be used at this point to evaluate the fitness of the model and construct loading as well as significant of variables.

### PLS outer model testing

The model adopted in this research has four independent variables and one dependent variable. The model contains mainly reflective independent variables such as Employer brand awareness, career growth opportunity, salary/ benefits/reward and working environment. The first independent variable which is Employer brand awareness is considered an external variable while the remaining three variables- recognition, salary and working environment are considered internal variables which when combined will lead to a successful attraction and retention of non-IT graduates.

Construct validity of the measurement model is analyzed through convergent and discriminant validity by extracting the factor and cross loadings of all indicator items to their respective latent constructs. These results shows that loadings are significant and all items loaded on their respective construct from a lower bound of 0.674 to an upper bound of 0.990 are more highly on their respective construct than on any other. The model has a significant cross loadings and confirming the construct validity.

### Correlation of latent variables

As a means of evaluating discriminant validity, the AVEs of the latent variables should be greater than the square of the correlations among the latent variables [27]. As shown in Table 2, the elements in the matrix diagonals, representing the square roots of the AVEs, are greater in all cases than the off-diagonal elements in their corresponding row and column, supporting the discriminant validity of our scales (Table 3).

For the examination of scales' internal consistency, three measures were used including Cronbach's alpha, where according to Nunnally [28] in basic research, a value of 0.70 is acceptable; the composite reliability assessed by Dillon-Goldstein's rho, which is applicable if there is no tau-equivalence and should be higher than 0.70 [26,29] average variance extracted (AVE) measures, which is more conservative and should be greater than 0.50 [27]. As summarized in Table 4, the data indicates that the measures are robust in terms of their internal consistency reliability as indexed by the composite reliability. The composite reliabilities of the different measures range from 0.892 to 0.972, which exceed the recommended threshold value of 0.70. Cronbach's alpha is acceptable for all latent variables. In addition, the average variance extracted (AVE) for each of the measures exceeded 0.50 which is consistent with the guidelines of Fornell and Larcker. Therefore, the measurements are reliable.

In overall, the measurement model demonstrated adequate convergent validity and discriminant validity and reliability measurements confirming the reliability and validity of the measurement model used in the study (Figure 5).

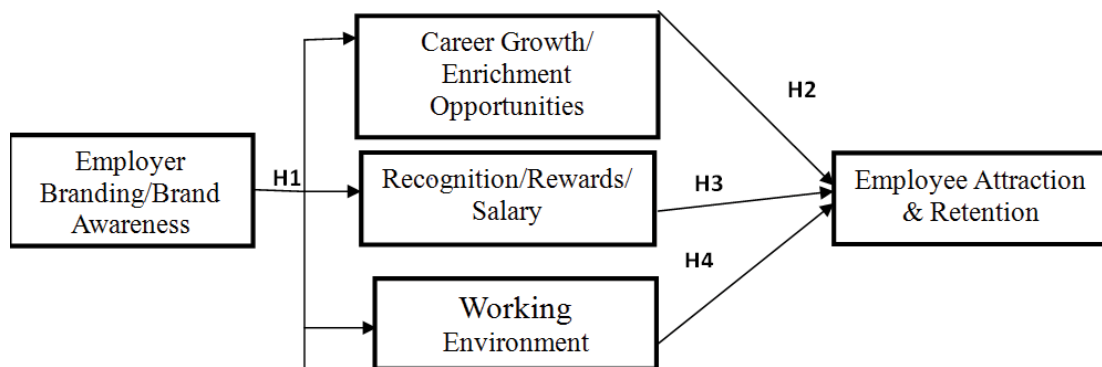


Figure 4. Research Conceptual framework for Employee Attraction and Retention.

Table 2. Results of outer Model Testing.

Variables	Indicators	Loading	Composite Reliability	AVE	AVE <sup>2</sup>
Employer Brand Awareness	EBA1	0.754			
	EBA2	0.68			
	EBA3	0.841			
	EBA4	0.745			
	EBA5	0.592	0.8545	0.6621	0.814
Recognition/Salary, Benefit and Reward	RSBR1	0.789			
	RSBR2	0.771			
	RSBR4	0.707	0.8003	0.5724	0.767
Career Growth/ Salary, Benefit and Reward	CGEO1	0.75			
	CGEO2	0.505			
	CGEO3	0.93	0.8834	0.5603	0.757
Working Environment	WE2	0.843			
	WE3	0.713			
	WE4	0.802	0.8309	0.622	0.469
Attraction and Retention	ATTR1	0.838			
	ATTR2	0.829			
	ATTR3	0.773	0.8545	0.6621	0.814

Convergent Validity: Individual indicator reliability, composite reliability and Average Variance Extracted (AVE).

Discriminant Validity: Correlation and AVE<sup>2</sup>.

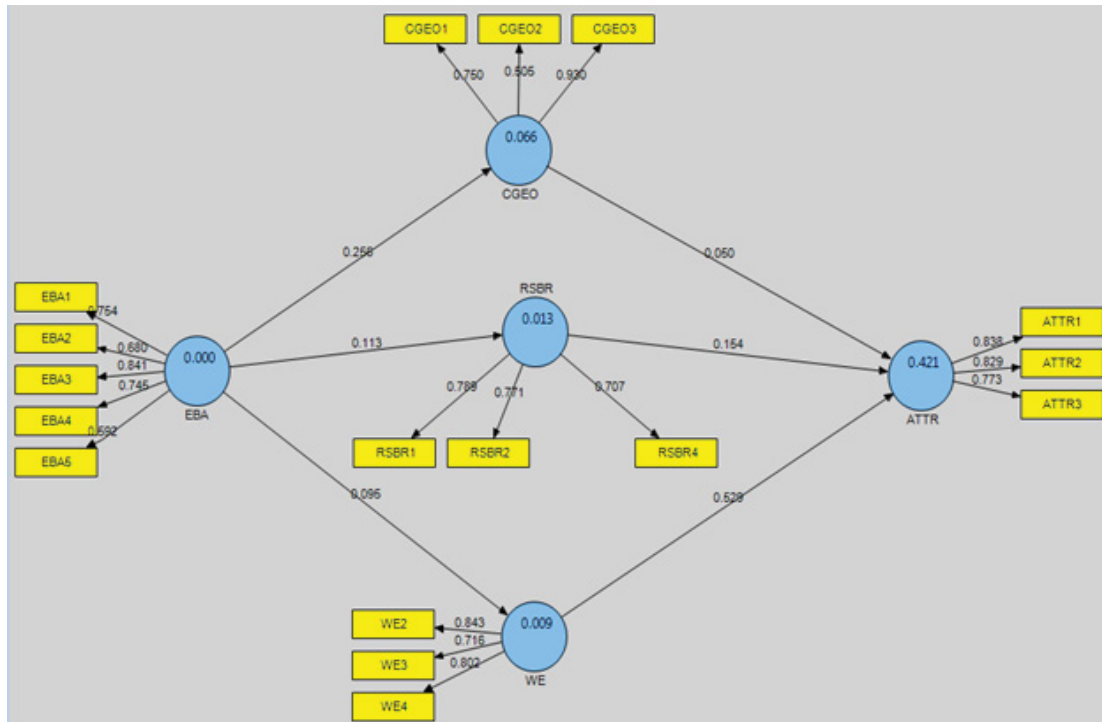
Note: Loading>0.7, Composite Reliability>0.8, AVE>0.5, AVE<sup>2</sup>>Correlation.

**Table 3.** Discriminant validity of variable constructs (correlation Matrix).

	ATTR	CGEO	EBA	RSBR	WE
ATTR	0.814	-	-	-	-
CGEO	0.334	0.757	-	-	-
EBA	0.130	0.256	0.814	-	-
RSBR	0.448	0.273	0.113	0.767	-
WE	0.634	0.457	0.096	0.531	0.469

**Table 4.** Path coefficients and hypothesis testing.

Hypothesis	Relationship	Coefficient	T-Value	Supported
H1a	EBA → CGEO	0.75	4.362	Supported
H1b	EBA → RSBR	0.725	1.851	Supported
H1c	EBA → WE	0.762	2.35	Supported
H2	CGEO → ATTR	0.237	1.228	Not Supported
H3	RSBR → ATTR	0.701	2.35	Supported
H4	WE → ATTR	0.652	7.783	Supported



**Figure 5.** Structural Model Results.

As shown in Figure 4, the path coefficient indicates the strength of the relationship between the latent exogenous and latent endogenous variables. To assess the significance of the path estimates, a bootstrapping procedure calculating t-values with 500 re-samples was used which allows an evaluation of the stability and precision of the PLS results. The results and hypothesis testing is shown in Table 4 as below.

**Hypothesis testing**

According data presented above, H1, H3 and H4 is supported where Employer brand awareness, Recognition/salary/rewards and Working environment is significant predictor of extent of attracting and retaining non-IT graduates. H2 is rejected where career growth enrichment opportunity is not significant related to the dependent variables of attracting and retaining non-IT graduates.

Employer brand awareness has a strong positive relationship or influence on career growth opportunity, Recognition/salary benefits/rewards and working environment (b=0.750, 0.425, 0.762, p<0.05), while Recognition/salary/benefits/rewards and Working environment (b=0.701, 0.652, p<0.01) both have a weak positive influence on user acceptance towards online shopping while product involvement (b=0.707, p<0.01) also has a strong positive influence on attraction and retention of non- IT graduates.

**Discussion**

The research analysis of this study reveals that more non-IT graduates are likely to be attracted and retain in a job if they have a good working

relationship with their supervisors, their relationship with co-workers and the significant of the job they do as opposed to the intention to negotiate their own Remuneration package. This probably explains why the indicator “Negotiate Remuneration” was rejected in the model. This findings show that non-IT graduates will have the intention of staying in a job depending on their relationship with their supervisors, co-workers and the importance of the job they do. This is so because most employees leave managers not jobs and if the job they do is not recognized of important, there is no need to stay in such a job. Moreover, their relationship with co-workers is important as it is always difficult to make new friends especially those for whom you have spent so much time with. As to why non-IT graduates don’t have so much concern about negotiating their Remuneration as an important factor to be attracted and Retained in a job, this can be attributed to the fact that Gen Y employee don’t have the barging power to decide their own salaries especially when such Remunerations are sometimes determined by government regulations of minimum pay levels.

**Recommendations**

As indicated, the first hypothesis was accepted that Employer brand has an influence on employer association which in this study was determined by factors such as Career growth opportunity, Recognition/Salary/benefits and rewards, and Working Environment. However, the descriptive analysis shows that the respondents did not have a strong association with company brand Image. In this regard, there is a need for the company to undertake a branding strategy that will educate non-IT graduates and attract them to seek employment in the company. According to the study, companies need to start reorienting themselves towards Gen Y’s right at the very start of

the working relationship – at recruiting. According to those surveyed, Gen Y's (who are accustomed to and feel most comfortable in environments of clarity and information) feel that right up front, company procedures are not clear enough; this is very telling of future expectations at work.

The most successful programs aimed at managing, motivating and retaining Gen Y are those that bridge the differences identified above and speak to Gen Y directly. For example IBM Blue Pathway Internship and Recruitment Program speak to Gen Y through multimedia platforms and provides in depth interaction between incoming interns and managers. It also provides Managers an opportunity to evaluate Gen Y candidates' true work potential.

## Future Research

For future studies, larger sample size which is picked from all over the country and broader demographics such as gender, race, state of residence, and income may be included. It would be interesting if comparisons are made with higher educational institution respondents from arts or sciences major, or the comparisons between genders, and comparisons between races. The study could also analyze on the difference of working Generation Y who are currently employed from different industries. There could also be longitudinal studies that compare students of higher educational institutions, and follow-up on the same sample a few years later when they already are working.

## Conclusion

This study has answered the research objective on the factors that will attract and retain non-IT graduates in an IT company. This study also found out on the extent which the Generation Y respondents expect acknowledgment and recognition from their employers, the extent of wanting their jobs to be meaningful, the extent in which they place concern for professional growth opportunities in a company, and the extent of value they place on workplace flexibility, which it will lead to their job application intention and retention. Not to mention, this study also studied on the strength of influence the factors of this study has towards Generation Y's attraction and retention as well as on how well the research model is able to predict Generation Y's job attraction and retention.

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