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Магістерська робота на тему:

**Revolutionizing Performance Management
To Impact IT Turnover**

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Contents of the Project

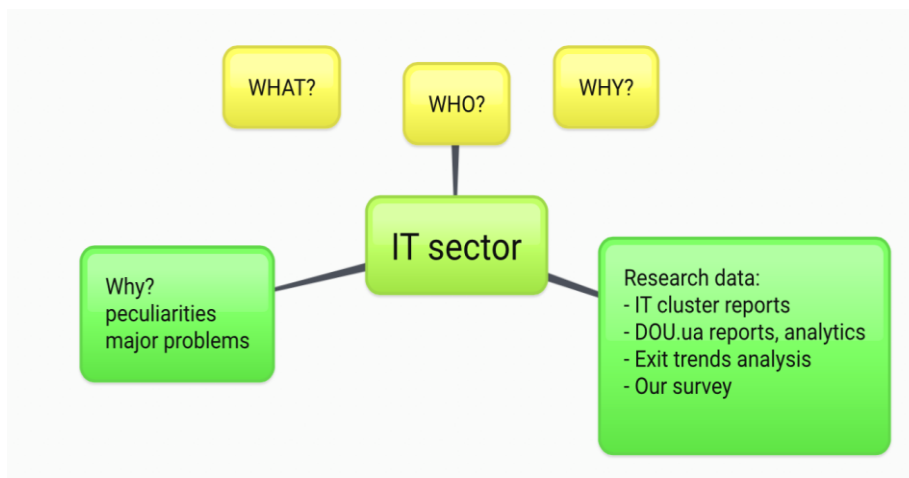
INTRODUCTION. POSITION STATEMENT AND SETTING THE SCENE.....	4
CHAPTER 1. THE ROOT CAUSES THAT IMPACT IT TURNOVER... 7	
1.1. Theoretical background. The Herzberg/Maslow theories.....	9
1.2. The Peculiarities of Current IT Workforce.....	12
1.3. Self-development Survey Results.....	20
CHAPTER 2. INTEGRATING SELF-DEVELOPMENT INTO PERFORMANCE MANAGEMENT.....	26
2.1. Performance and Self-development definition.....	27
2.2. Ways to improve employees' self-development	30
2.3. The SDP Grid.....	34
SUMMARY.....	46
LIST OF SOURCES	52
APPENDIX 1. THE 2017 SURVEY.....	53

LIST OF ABBREVIATIONS USED IN THE PAPER:

Initial Wording	Abbreviation used in the body of the diploma:
Maslow and Herzberg's theories	M/H
Self-development	SD
Self-development and performance	SDP
Personal Development Plan	PDP
Training and Development	T&D

INTRODUCTION. POSITION STATEMENT AND SETTING THE SCENE

For illustrative purposes the mind maps (below) will be used to show how the canvas of the diploma project develops.



The need for the current research has been stipulated by the fact that over the past few years, Lviv has emerged as a center of Ukrainian information technologies and become one of the top three IT-cities in Ukraine alongside Kharkiv and Kyiv, with high concentration of IT professionals who work both in outsource businesses and product companies. No wonder that Financial Times has named Lviv one of the top ten cities of the future adding that it is one of the most attractive investment IT centers in Europe (ref to report). Having a number of specialized university programs as well as certified courses which try to cater the need of all those who aspire to get into the business, it nonetheless represents a type of a rare phenomenon in Ukraine where demand is higher than supply. Therefore, with an ever increasing demand for professionals in this sphere locally and worldwide, IT companies are having a hard time with their staff turnover rates and this is exactly what this research will deal with. As IT Cluster report suggests [1], the increasing competitiveness will remain the core challenge for the majority of the IT companies. In what concerns industry specific issues, big concerns in Ukrainian IT include the following:

- Qualifies IT specialists who do not educate themselves further
- Fierce competition at the IT market: the demand exceeds supply
- Braindrain – highly-qualified staff goes abroad

- Lack of employees with medium qualification level
- Low level of English of IT specialists
- Lack of qualified managers who organize IT events
- Insufficient number of qualified speakers for events
- Unstable emotional or mental state of specialists due to relocation or its prospect
- Low level of education and preparation of IT specialists.

Out of those, listed above, the majority deal with two principal issues - that of retention and insufficient qualifications. Thus, our research will be focused on the way in which it is possible to reduce staff turnover, by analyzing industry-specific factors.

This project relies on both empirical data, (i.e. author's experience and that of colleagues) and academic/market research. Realizing how fast moving and sensitive the given domain is and in order to be up-to-date, we will also use the analytics, survey and reports by [DOU](#) (website for Ukrainian IT) and IT Cluster [1] which provide the most fresh and relevant information in this sphere.

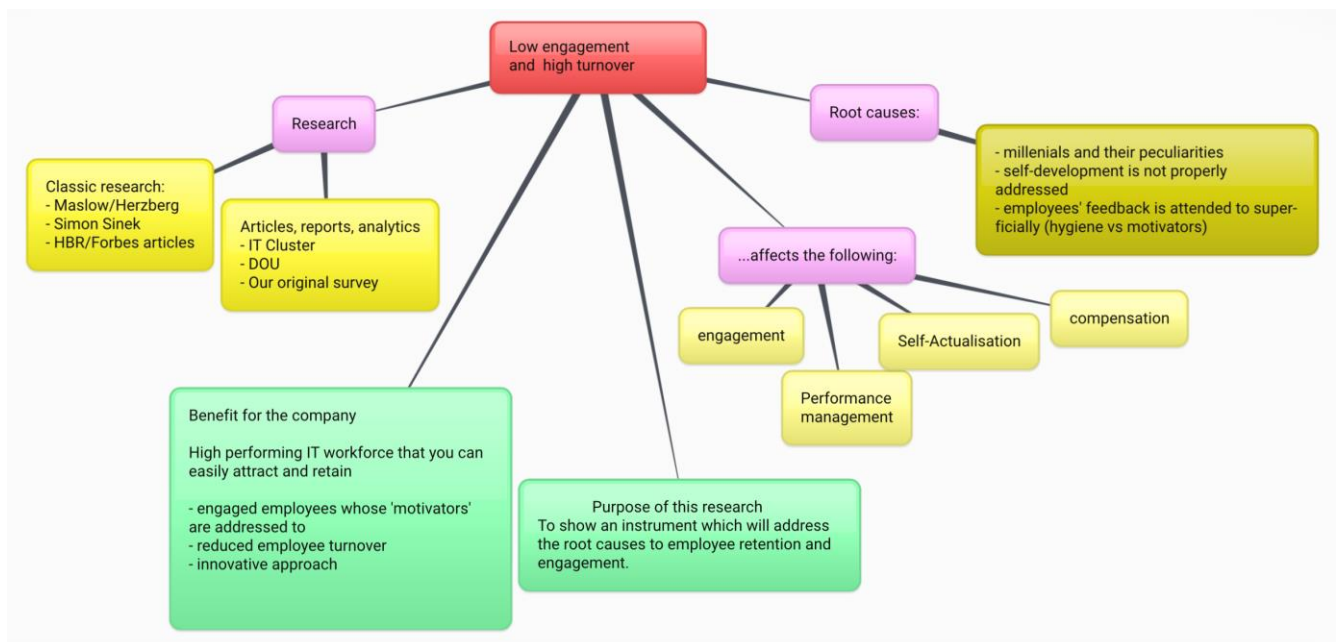
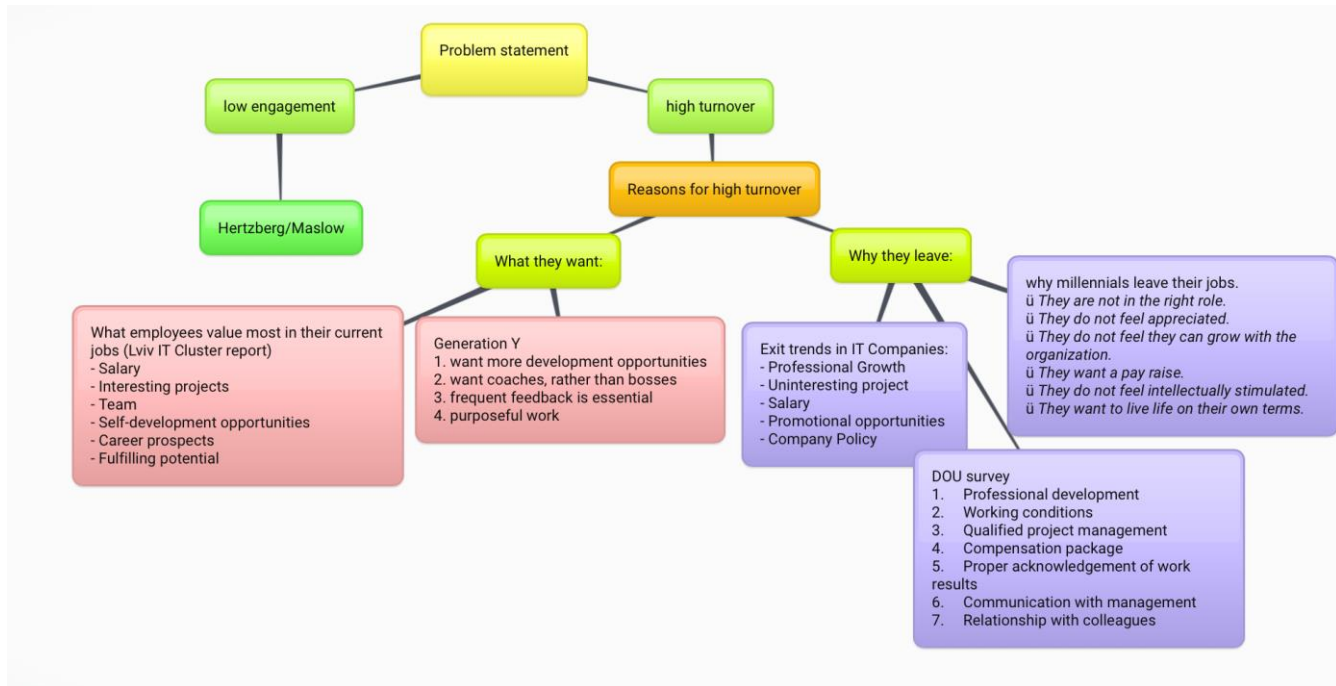
We will further narrow down the research to exclusively Lviv IT professionals, excluding human resources department, accounting, training and the like. Although we are channeling the research in this direction, it is nonetheless possible and even recommended to apply these solutions at any company outside IT.

In order to learn the opinions of respondents, 7 major Lviv companies have been selected for the original survey which was conducted with the aim to prove the hypothesis that self-development is an integral part of comprehensive performance management process and should be treated correspondingly.

As for diploma itself, it has been written and presented as a strategic product with a further aim of producing an MVP, a beta version of some of the functions. Thus, the purpose of this research lies in investigating the need for and further developing a system that will help organizations tackle most common disengagement/turnover issues. In addition, it provides a new look at a traditional

performance management by taking into account employees' feedback. We attempt at exploring the peculiarities of the domain in terms of the above mentioned, investigate the root causes for 'job-hopping' and offer a viable, innovative solution, which will give the companies a competitive advantage and eventually reduce the turnover. We will advocate the idea that by analyzing the root causes to major problems and developing a new approach based on additional data, analytics and customized survey we will be able to provide a strategic link between performance and business results. The integration of self-development into performance appraisal and everyday work is seen as a strategic goal. There is also a focus on Millennials since they constitute a major part of the target audience and can have somewhat different demands and traits that distinguish them from other generations.

CHAPTER I. THE ROOT CAUSES THAT IMPACT IT TURNOVER



Thus, there are two major problems that Ukrainian IT faces these days in what regards Human Capital: low engagement and staff turnover. This is the inverse relationship/correlation of these two that will be the basis of our hypothesis: low engagement vs high turnover and high engagement vs low turnover. It is also worth

mentioning that motivation is one of the factors influencing work engagement. When someone is highly motivated to do a work, they are more likely to put more effort, be dedicated, passionate and absorbed. Employee engagement is based on trust, integrity, two way commitment and communication between an organization and its members. It is an approach that increases the chances of business success, contributing to organizational and individual performance, productivity and well-being. Engagement is about how we create the conditions in which employees offer more of their capability and potential. Therefore, in this chapter we will focus on motivation as a precondition for better engagement. It is through finding those root causes that we will be able to address the issue of high turnover in IT.

The picture below illustrated how engagement contributes to achieving business results and organizational success – from employee engagement and satisfaction to profitability and growth.



In order to understand how to encourage people to stay in their jobs, especially in such a competitive market as IT, it is necessary to understand what impels them to

leave and further prevent these situations from happening in the first place. In general, people leave their jobs because they do not like their boss, do not see opportunities for promotion or growth, or are offered a better job/higher pay; these reasons have held steady for years. Thus, if we look at the root causes of turnover in IT they are highly associated with satisfaction and this needs to be attended to.

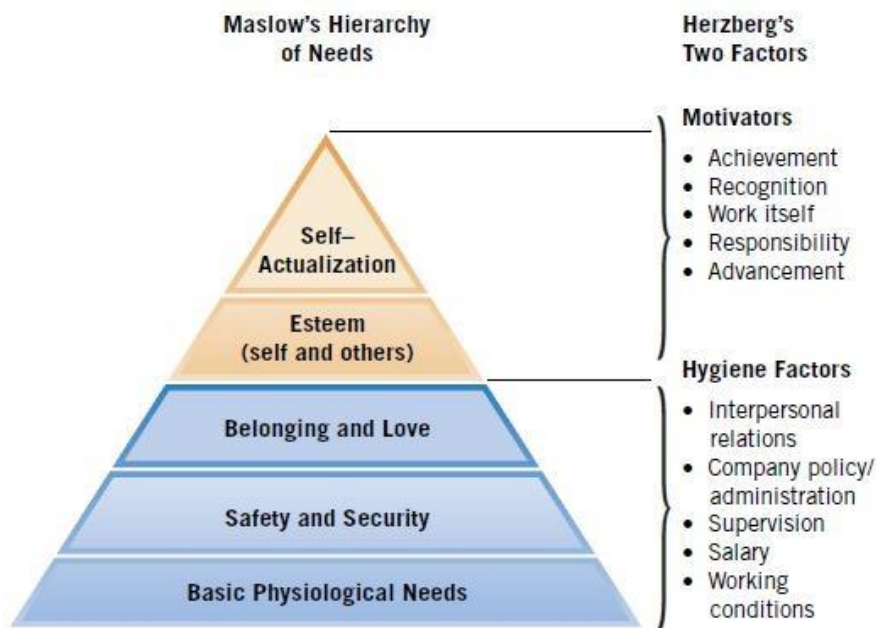
1.1. Theoretical background. The Herzberg/Maslow Theories

Two of the classic theories are applicable here: A.Maslow's *hierarchy of needs* [3] and F.Herzberg's *two factor theory* [4]. In this research we will consider only the highest levels of both theories since other dimensions are not of significance here.

From our analysis it appears that focusing on self-actualization as the highest level of this hierarchy makes the most sense for impacting turnover. Maslow describes this level as the desire to accomplish everything that one can, to become the most that one can be. "What a man can be, he must be."

Individuals may perceive or focus on this need very specifically. For example, one employee may want to progress career wise by focusing solely on their performance. For others, it may be expressed in extensive/moderate self-development activities, such as job-related on-line learning, trainings etc. To reach this level, all the previous 'stages' such as physiological needs, safety and a sense of belonging would typically be addressed by the individual.

According to Herzberg, individuals are not content with the satisfaction of lower-order needs at work; for example, the needs associated with minimum salary levels or safe and pleasant working conditions are only temporary. Rather, employees look for the gratification of higher-level psychological needs having to do with achievement, recognition, responsibility, advancement, and the nature of the work itself. This appears to parallel Maslow's theory of a need hierarchy.



However, Herzberg added a new dimension to this theory by proposing a two-factor model of motivation, based on the notion that the presence of one set of job characteristics or incentives leads to worker satisfaction at work, while another and separate set of job characteristics leads to dissatisfaction at work. Thus, his findings revealed that certain characteristics of a job like satisfaction and dissatisfaction are not on a continuum with one increasing as the other diminishes, but are independent phenomena.

Therefore, these factors and their characteristics are:

Factors for Satisfaction	Factors for Dissatisfaction
Achievement	Company policies
Recognition	Supervision
The work itself	Relationship with supervisor and peers
Responsibility	Work conditions
Advancement	Salary
Growth	Status
	Security

This theory suggests that to improve job attitudes and productivity, administrators must recognize and attend to both sets of characteristics and not assume that an increase in satisfaction leads to decrease in dissatisfaction.

To create satisfaction, Herzberg says we need to address the motivating factors associated with work. He called this *job enrichment* [10] and his premise was that every job should be examined to determine how it could be made better and more satisfying to the person doing the work.

As per Herzberg, this is a three step model according to which we have to:

- 1) Turn employees' efforts into performance
- 2) Link employees' performance directly to reward
- 3) Make sure the employees want that reward.

Things to consider within this model include:

- ✓ *Providing opportunities for achievement.*
- ✓ *Recognizing people's contributions.*
- ✓ *Creating work that is rewarding and that matches people's skills and abilities.*
- ✓ *Giving as much responsibility to each team member as possible.*
- ✓ *Providing opportunities to advance in the company through internal promotions.*
- ✓ *Offering training and development opportunities, so that people can pursue the positions they want within the company.*

Thus, the focus of our research would be majorly focused on but not limited to the first step of job enrichment, i.e. linking employees' job-related, learning efforts to performance. This will cover Herzberg's explanation of providing:

- ✓ freedom to facilitate job excellence;
- ✓ adequate recognition, appreciation, and other motivators;
- ✓ skill improvement opportunities. This could include paid education at universities or on the job training;

- ✓ encouragement and reward employee initiative.

Basically, what is happening in Ukrainian outsource business today is that they seem to attend to Hygiene factors with all the great offices, incomparable salaries, team-buildings, pretty light company restrictions but somehow neglect Motivation factors, (i.e. peculiarities of outsource business, lack of self-actualization, race for titles with unproven professional background, lack of professionals etc.) which all results in having the employees who have few complaints but are not highly motivated. The job is viewed in the majority of cases as a paycheck, which eventually causes job-hopping from one company to seemingly similar one for the sake of bigger remuneration.

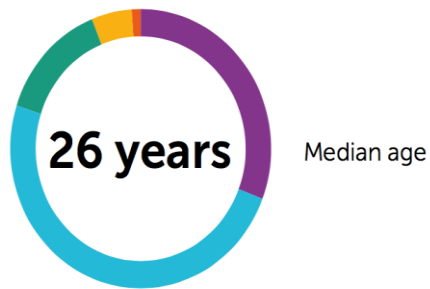
This theory is also of particular interest for this research from the point of view of independence of employees and ability to choose on their own how to proceed with their careers. We, therefore, focus on these theoretical statements in the chapters that follow, namely delegating more responsibility and providing more challenge, where feedback is given in a timely manner, frequently and directly. This is especially important for the so-called Millennials (or Generation Y) who see feedback as the most valuable part of performance. By analyzing exit and turnover trends, incorporating theory and practical findings, we may create a more engaged workforce, thus boosting productivity and reducing turnover dramatically.

1.2. The Peculiarities of Current IT Workforce

Having a job that most of the Ukrainian people would be jealous about, what is it that seems to drive people to switch their workplace faster than a trial period ends? These answers might be found both globally and locally. On the one hand, IT is a relatively young sphere, with up to 90% of employees being no older than 35 (Millennials). All the resources available for this research can prove this data:

IT Cluster report:

Age

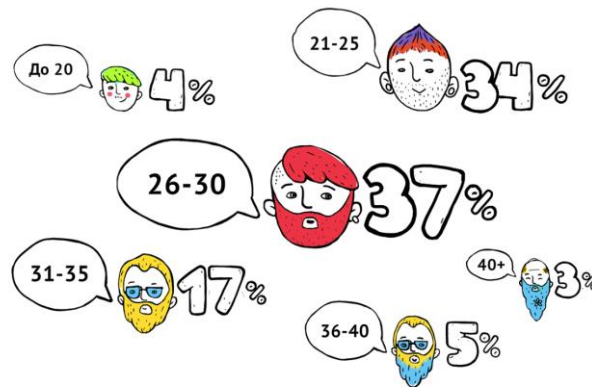
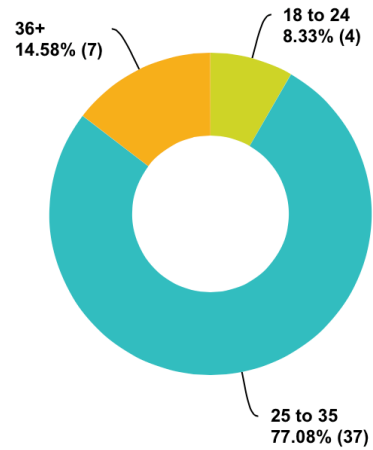


- 18-24 31.1%
- 25-30 49.1%
- 31-35 13.7%
- 36-40 5.0%
- 41-45 1.1%

Our Survey:

What is your age?

Answered: 48 Skipped: 0



DOU:

Considering these statistics, it is therefore necessary to adjust and focus on this specific age group and see what serves as a (dis)satisfier, a motivational factor and what will eventually boost their self-actualization.

A lot of research has been carried out about Millennials and their unique values, needs and attitudes. What is relevant for this research though, is that according to a new Gallup study, employees 20 to 36 years old are the least engaged generation in the workplace by far. The study suggests that after more than a decade

of effort, businesses still have not figured out how to successfully motivate, inspire and keep millennial workers.

They know very clearly what they want in exchange for their work, they reject traditional ways, and fully expect their bosses and organizations to adapt to them.

Given our experience, the Millennials are pushing organizations to fully reinvent how they lead and manage. Gallup has identified [11] a list of key functional changes managers must make in order to more successfully influence millennial workers. Collectively, they represent a list of what all 21st century employees seek from work today. Millennials are simply the first generation to insist upon them which adds another dimension of complexity:

✓ *They want to know their work has purpose*

Millennials are not a generation that wants everything handed to them, nor do they prioritize having a fun workplace over their own growth, development and feelings of fulfillment. They want to know their work matters; they want accountability and a sense of significance through their own accomplishments.

✓ *They do not want a boss; they want a coach*

They tend to set very high goals for themselves, take ownership for their successes, and want to be held personally accountable. They discover what they are best at, mentor their growth, and provide ongoing feedback.

✓ *They want much more frequent feedback*

Gallup's research shows most organizations today give employees an annual performance review – a discussion where managers devote more attention to correcting someone's weaknesses rather than focusing on their strengths. This is a generation that needs and expects much more frequent communication than that.

✓ *Growth and development is one the greatest drivers of millennial engagement*

It was W.B.[Yeats](#) who said, "*Happiness is neither virtue nor pleasure nor this thing nor that but simply growth, We are happy when we are growing*" and our findings can prove that statement. When people feel they are in a constant state of

maximizing their own human potential, they tend to be extremely engaged in their jobs. As the best educated generation of all time, Millennials are also highly attuned to their need for growth and want to envision their futures. They want to know where they stand, where they are going and how they will be supported in getting there. A manager's job going forward has to be focused on development as much as it is on performance. Development leads to performance and giving people more feedback leads to tighter relationships.

There has also been a research [2] conducted recently which explores the reasons why Millennials leave their jobs.

- ✓ *They are not in the right role*
- ✓ *They do not feel appreciated*
- ✓ *They do not feel they can grow with the organization*
- ✓ *No room for self-improvement*
- ✓ *They want a pay raise*
- ✓ *They do not feel intellectually stimulated*
- ✓ *They want to live life on their own terms.*

Subsequently, research shows that among all reasons for high turnover within Millennials in IT the most common one of them is lack of self-development where growth opportunities are not available for employees. A lot of good talent can be lost if the employees feel trapped in dead-end positions, uninteresting projects. They want to learn new skills, improve on their weaknesses, shore up their strengths, and generally continue to do a better job. When they can't do these things, they do not enjoy their work.

Most often, though, talented individuals in IT are forced to job-hop from one company to another in order to grow in status and compensation. The most successful organizations find ways to help employees develop new skills and responsibilities in their current positions and position them for future advancement within the

enterprise. According to the other research [12], employees who can see a potential for growth and comparable compensation are more inclined to stay with an organization. On the contrary, employee turnover comes at a very high cost affecting financials (According to the U.S. Bureau of Labor Statistics, turnover can cost an organization 33 percent of an employee's total compensation, including wages and benefits) and employee morale which is hard to quantify however it most often results in a domino effect that negatively impacts efficiency and effectiveness.

There are many frustrations that may get in the way of encouraging employees to develop their skills. Sending them to conferences and classes can be expensive, and it can be difficult to schedule time for one-on-one meetings or online trainings. However, if you want employees to continue to be satisfied in their jobs, making these things happen is absolutely essential [12] as they can easily find a new opportunity on the market in order to overcome the frustrations that do not let them progress in their field.

DOU, the most popular Internet source for Ukrainian IT professionals, has carried out their extensive research, [\[5\]](#) in 2016-2018 where 2000+ people from IT commented every year on the reasons why they left their previous IT jobs and these are:

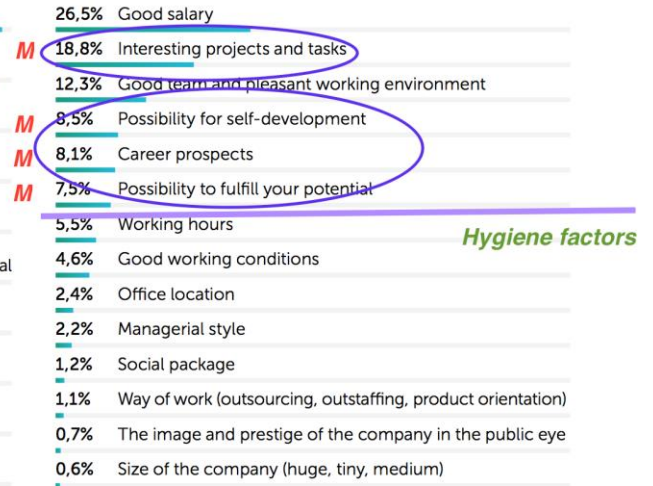
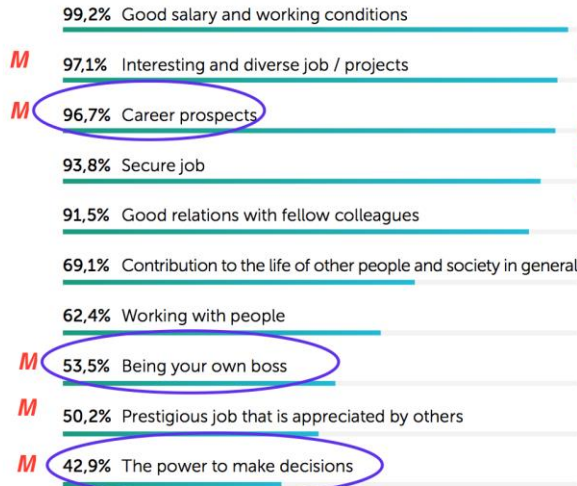
1. Professional development:

- ✓ lack of specified development programs;
- ✓ no feedback on personal development;
- ✓ career advisers although physically present, they do not provide any guidance; routine tasks;
- ✓ employees have to 'fight' in order to get at least some self-development opportunities and prove that this is such a vitally important thing;
- ✓ management not interested in employees' personal/career development;
- ✓ studying on your own in your free time and no one cares about it;

- ✓ it's hard to get into a company-funded training;
- 2. Working conditions;
- 3. Qualified project management - a very low level or even absence of management, poor communication;
- 4. Compensation package;
- 5. Proper acknowledgement of work results:
 - ✓ no proper career advancement;
 - ✓ absence of or unclear compensation strategy;
- 6. Communication with management;
- 7. Relationship with colleagues.

Thus, it can be observed that out of those reasons that were selected as the major ones for quitting their job, professional development (reason No 1) is the main one and along with No 5 are the only motivational factors. It seems that Hygiene also has to be attended to, perhaps a different approach might be selected, as reasons 2, 3, 4, 6,7 suggest.

These values are illustrated in the image below clipped from IT Cluster report [1], which actually lists the aspects of the job that employees particularly value in IT. These factors are obviously essential for retention and should be taken care of. It is important to note, though, that although these two columns were selected to show the root causes of turnover from the opposing sides – the first one illustrating what employees value with their current employees, while the other one showing what they would search for with a future job – the weight of answers in each column should be considered carefully. In the first column – it looks as though it was a multi-choice questionnaire, while the second one represents 100% weight split into different answers.

Aspect of the job that Lviv IT specialist cherish the most
Most important factors for job hunting (if you were looking for a job now)
M - Motivation factors


We highlighted the areas, which we believe this research is able to deal with; in particular we can trace most of the motivators as per Herzberg – achievement, recognition, work itself, responsibility and advancement. If these categories are neglected or at risk, then most probably there is an exodus. What the majority of the companies offer, when there is dissatisfaction or risk of losing an employee, is another salary augmentation, bonus or a perk. Some of the managers think that the best-case scenario for the employee would be job-rotation or promotion. Motivation through compensation, however, according to 2-factor theory, would eventually act more like a dissatisfier rather than a satisfier which will also trigger higher salaries in the whole sphere, making our market less competitive. We can basically trace this phenomenon in column 2 (above) where good salary tops the list, being the key motivator for switching jobs, along with another 4 ‘motivators’ like interesting projects, possibility to fulfill potential etc. Thus, it may be assumed that since there is a discrepancy between what is declared and actually done, that might be the real reason why there are such high turnover levels in IT. People declare, as IT Cluster report says “cherish”, the most (along with compensation and other hygiene factors) such things as self-development and fulfillment of their potential, but at the same

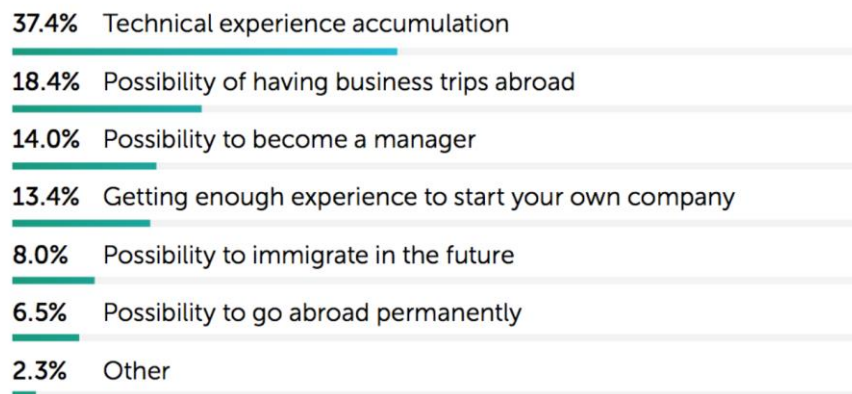
time when there is a job offer employees tend not to be sustainable and the salary turns out to be the most essential factor (26,5%).

Another clip (below) from the same report although worded in a different way, still represents the same idea of what people in IT value most. For them, developing themselves professionally, a sense of achievement, recognition and that of advancement is a major priority, thus most of them satisfying the Motivation factors.



Social profile of IT specialist in Lviv

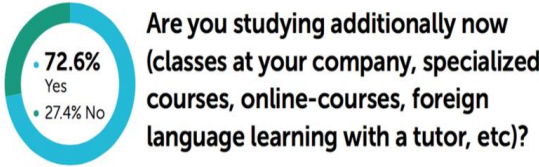
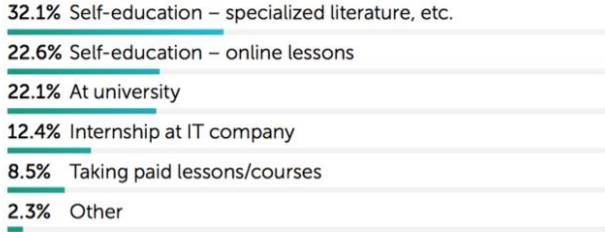
The prospects that specialists cherish the most in their job



Another set of clips shows that self-development is not a new thing for people in IT, with almost 55% of respondents having acquired their skills and knowledge individually by taking on-line courses etc. This trend can also be observed after they get into the sphere of IT – around 73% of respondents do continue their additional studies.

Skills & knowledge

Indicate please where did you acquire the necessary skills to do your job in IT?



For us, it is critical to find those motivating forces and try to deal with dissatisfaction since we believe that will create engaged workforce and in turn reduce turnover. Herzberg's theory concentrates on the importance of internal job factors as motivation for employees. He designed it to increase job enrichment and wanted to create the opportunity for employees to take part in planning, performing, and evaluating their work.

As for our contribution into this project, by applying M/H theories and market analysis we would show an instrument by means of which it will be possible to move IT employees (Millennials in particular) to the satisfaction level. For example, an instrument through which they would clearly see their career advancement, their input will be recognized, with instant feedback and proper remuneration. This will eventually lead to a more engaged IT workforce and thus increased productivity. The company will benefit from reduced recruitment costs, lower level of staff turnover and greater engagement.

1.3. Self-development Survey Results

Generally speaking, IT professionals claim that their career path is not clear and although self-development is hugely encouraged it is nonetheless hard to trace its impact on the work the person does and offer adequate compensation. It is backed by the recent research in the UK [13], which says that 47% of the employees feel their

personal development is not taken seriously by their boss. Personal development is sometimes (and often) viewed as a taboo subject as the research revealed that two thirds of employees (65.7 %) haven't discussed their personal development with their employer in over six months. Worse still, is that a staggering 27.9% admitted to having never discussed their personal development with their employer. This means that over 1 in 4 working in an SME environment do so with no idea how their job and skills might evolve.

In Ukrainian IT, too, the interrelation between personal development and performance is rather vague and generally overlooked by the managers, and our assumption and later on research proves that these figures are even higher in what regards ignoring self-development efforts and plans.

These assumptions have also been supported by interviewing 51 software developers from 7 major IT companies in Lviv: SoftServe, Eleks, CoreValue, Lohica, Remit, Symphony Solutions and MitaTechnika. Additionally, we had access to exit interview surveys from two IT companies (under NDA) that rank these reasons in the top five for quitting the company, namely professional growth and promotional opportunities. No further limitation to our survey has been set - age, seniority, length of experience were not discriminated against. Thus, we may assume that by conducting this survey we learn the 'median' opinion of an IT specialist. The invitations have been sent to randomly chosen 5-10 contacts and there were 51 full answers collected which has also become an integral part of this diploma project and a basis for our empirical evidence.

Our survey findings show very interesting data. Let us examine it in details.

We interviewed people about their age, experience and the overall understanding of realizing potential in the work-context. Since the majority of employees claim that this activity is missing in either their current workplace or this is a desirable criterion for future employment, we decided to learn what it is that they mean by this notion.

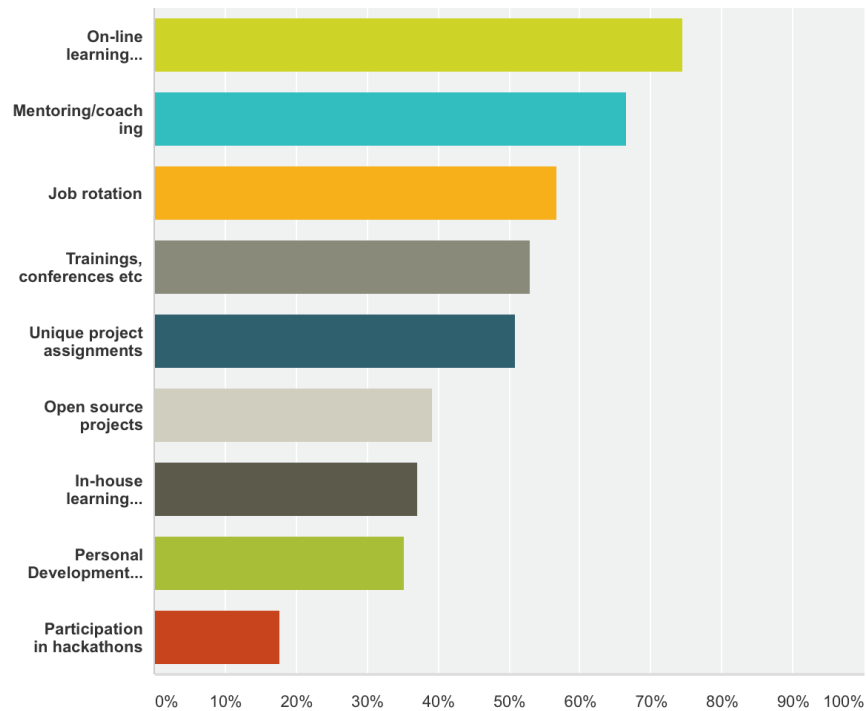
Thus, the first question as to the age of respondents proves that 84% of them are Millennials which aligns with our findings in the previous chapter and should be treated correspondingly; 82% have got more than 3 years of experience from which we may deduce that they already know the IT sphere, company policy, have dealt with HR and Training and development (T&D) and have formulated their views as to their future in terms of personal development.

On-line learning, trainings/conferences, job rotation and mentoring/coaching were chosen by more than 50% of respondents (see image below) as the essential criteria for personal development. On-line courses seem to top the list (75%) while it has been a surprise that T&D department has hardly received 40% of votes. It should serve as a warning to T&D to align their programs, approach and strategy with that of what business wants and employees seek elsewhere.

It was surprising, though, that about 67% of people chose mentoring/coaching as the necessary activity, which actually suggests that they prefer to be guided in a professional way through their job-related activities. Although employees in the 21st century would generally strive for freedom and the ability to make decisions on their own, they would nonetheless want professional advice. In addition, this number also proves that Millennials do value the benefit of having a coach rather than a boss, giving feedback rather than orders. These findings are of particular interest since they in a way contradict the next question on our survey which deals with designing personal development plans – either by the company (10%) or by the employee themselves (49%). There is also a third category (37%) who chose both of these options which accordingly brings us to the conclusion that if properly designed and orchestrated, people would be happier with better balance between an individual and company (mentors, coaches, HR, direct manager and the like). Therefore, rather than being prescriptive (the company), it is necessary to design a program where employees have a choice as to how to proceed with their development.

Please tick the options that you find essential for self-development

Answered: 51 Skipped: 0



Thus, we may assume that lack of clear vision of the career map and relevance of the trainings offered (in the current workplace) to the actual job should be the key issues for HR and TD to tackle. Having a defined structure and clear personal development goals forms an intrinsic part of keeping staff motivated and engaged.

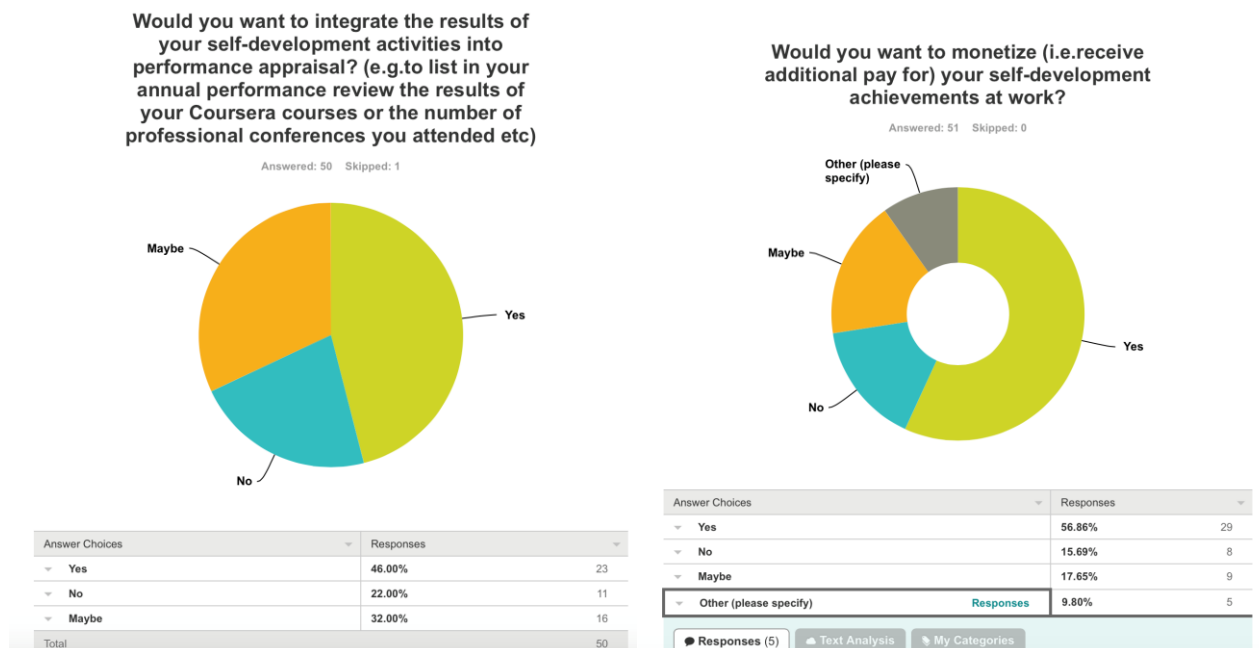
One of the key questions in the survey was how self-development in the work-context should be understood. The respondents' comments revealed some unexpected findings, which can be roughly classified into a couple of categories. Thus, personal development should, in their view:

- 1) be **aligned with business**, i.e. meet business goals, strategy. Employees want to develop and even accept it that this should be aligned with the business strategy and the needs of the company.
- 2) **have a clear connection to performance**, for example developing additional skills for successful implementation of given tasks,
- 3) **include both soft and hard skills**

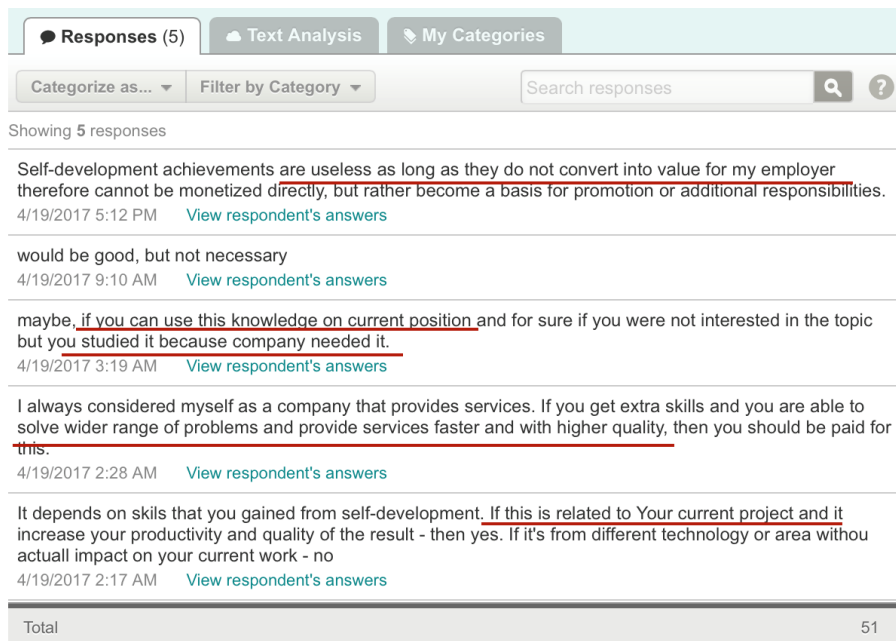
4) imply **personal development** (not job-related – music, arts etc.) This should be treated as a very positive thing since the challenges that we face in the 21st century clearly indicate that we have to promote a sort of Medici effect, under which innovation comes from diverse industries, cultures, and disciplines and when they all intersect, bringing ideas from one field into another, they create *the intersection* which leads in its turn to extraordinary innovations.

5) contribute to better **compensation**. It may be observed in this category that respondents typically realize that the more they learn the more valuable on the market they become. By stating that they have to invest their time and effort into fulfillment of their potential, they seem to place this responsibility solely on themselves, while on the other hand they would rather their employer dealt with their career. In the chapter that follows, we will offer an instrument, which is likely to deal with most of those concerns.

Finally, when asked whether they would want to integrate the results of their self-development activities into performance appraisal, 46% hailed it, while only 22% discarded the idea. We may also assume that, if properly designed, this system will win another 32% of employees who responded “Maybe”.

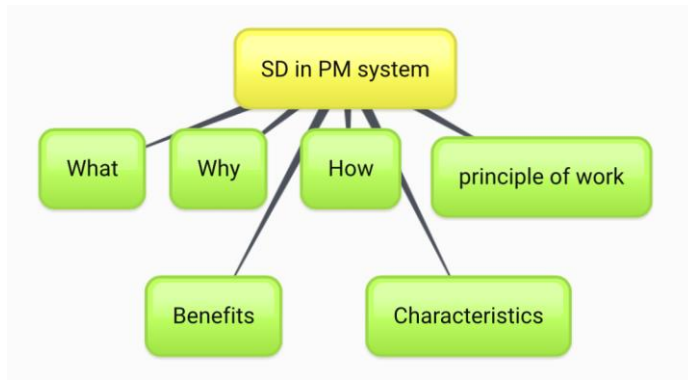


It came as a surprise, though, that a staggering 57% of respondents want to monetize (i.e. receive additional pay for) their self-development activities (pie chart above), with only 16% saying no and around 18% still hesitating. A message that can be read in the comments section shows that employees realize that their self-development activities should be aligned and executed along business objectives (screenshot below).



It may be concluded, based on our findings, that employees do want to develop professionally. They never cease acquiring new knowledge and skills. They want opportunities to advance their careers, and moreover they want employers to recognize their ‘extra efforts’ through annual reviews and a direct tie to compensation. Therefore, it is HR, T&D and line managers’ cooperation that should be streamlined towards eliminating the reasons for leaving the company by providing more development opportunities and integrating them smartly into performance appraisal procedure.

CHAPTER II. INTEGRATING SELF-DEVELOPMENT INTO PERFORMANCE MANAGEMENT



Numerous studies [7] show that acquiring new work skills is not enough; if you are not growing ‘personally’, your performance will suffer. When managers set clear goals, give employees the autonomy to reach them, and provide consistent feedback, the retrospective annual performance review should be reconsidered. Managers and direct reports can meet more frequently to focus on professional and personal growth and has a powerful effect on engagement and retention (e.g. Accenture and Adobe Systems).

When people feel they are in a constant state of maximizing their own human potential, they tend to be extremely engaged in their jobs. As the best educated generation of all time, Millennials are also highly attuned to their need for growth and want to envision their futures. They want to know where they stand, where they are going and how they will be supported in getting there. A manager’s job has to be focused on development as much as it is on performance.

Unfortunately, too many companies simply assume what Millennials want and are not well equipped to deal with the mindset and motivations of this new generation. Companies offer perks Millennials simply do not value such as game rooms and snacks. As we have learnt from our research in the previous chapter, it is the other motivational force that drives them into loyalty and self-actualization. This is maximizing their unique talents and needs, providing meaningful work and a sense of accomplishment, taking employee feedback seriously and offering flexible work options.

2.1. Performance and self-development definition.

As our findings in the previous chapter suggest, lack of professional and personal development is one of the top reasons for dissatisfaction not only among Millennials, but also among other generations in IT. Creating career paths that are well communicated and understood by employees is not something most companies do well. Even in the best-case scenario where managers are holding regular performance reviews with their employees, people often do not understand how to move either horizontally or vertically in an organization. Hence the disappointment and frustration and as a result the person leaves the company. Here the question arises as to who should be responsible for employee's development? The company (i.e. HR, TD, line manager, talent managers)? Or the employees themselves? Obviously, if they could handle self-development on their own, employees would not complain about it that much and list it as one of the top exit reasons. We believe that in order to meet the personal and corporate goal and be ready to accept the challenges of the 21st century, it should be a shared responsibility.

In the paragraphs that follow we will explain how this can be implemented, by providing analysis for these two categories, namely performance and SD. As defined by the Business Dictionary, *performance* is “the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed”. Performance at work is generally the main factor to be taken into account during annual reviews, compensation and feedback. It is also an important criterion for organizational development and success [14].

Another key feature of job performance is that it has to be goal relevant. In our case, when considering M/H theories, it should clearly provide opportunity for the sense of accomplishment. Performance must be directed toward organizational goals that are relevant to the job or role. Therefore, performance does not include activities where effort is expended toward achieving peripheral goals [8].

In the light of abovementioned, we may see that performance is directly related to organizational goals, and the “peripheral goals” or maybe even “extraordinary

performance”. In our case that might be closely related to *personal development*, which as defined by Wikipedia, [15] “covers activities that improve awareness and identity, develop talents and potential, build human capital and facilitate employability, enhance the quality of life and contribute to the realization of dreams and aspirations”. It becomes clear in the scope of this research that this is the exact ingredient, which should be actively used in the workplace to enhance employee as a person. So, as soon as the basic work-related skills training are covered the company should focus on enabling learning and development for people as individuals - which extends the range of development way outside traditional work skills and knowledge, and creates far more exciting, liberating, motivational opportunities - for people and for employers.

The notion or rather a process that exists at some companies, however, and which somehow can be linked to our idea of self-development (hereinafer SD) is *personal development planning* which, as defined by Wikipedia is “the process of creating an action plan based on awareness, values, reflection, goal-setting and planning for personal development within the context of a career, education, relationship or for self-improvement” [16]. The **PDP** (personal development plan), also called an IDP (individual development plan) or a PEP (personal enterprise plan), usually includes a statement of one's aspirations, strengths or competencies, education and training, and stages or steps to indicate how the plan is to be realized.

Although there are different stages to PDP actualization and realization, it can be observed though that none of the definitions provides the idea of how to integrate this into the employee's general performance review process. In the current IT workplace the PDP process enables employees to identify their personal and business goals that are most significant to organization's success. The process also gives each staff person a chance to understand their true value added to the organization. Therefore, in our view, self (personal) development should be a new critical metrics for all those who wish to build a high-performing organization. In other words, SD must produce impactful performance at the following levels: inter/intra personal, team and organizational levels. And should be given more weight than traditional

PDP and should constitute an impactful part of the general annual review, being fully integrated into performance appraisal procedure.

From the *SME Research: Personal Development in the Workplace* research [13], the statistic revealed that 47.8% of employees working within SMEs feel that their personal development is not being taken seriously by their employer, while a staggering 66% have no kind of personal development plan whatsoever. These statistics confirm that despite the demonstrable benefits of an engaged and motivated workforce, the personal development of employees is far from a priority for the majority of SME business owners.

Further, by analyzing a number of definitions for the term ‘performance’ and ‘personal development’ we see that hardly any of them provides a self-sufficient explanation that could fully integrate the notion of self-development into performance management. Thus the conclusion may be drawn that since performance is the major, if not the only factor, to be taken into account while reviewing the employee’s input into company development, we may state that SD has been given too little weight and attention.

To sum up, the term *performance* is used in this project to signify all the objectives, metrics and work done professionally, within work responsibilities and clients’ demands whereas *self-development* (SD) would stand for any job-related individual development that aims at strengthening career opportunities and broadening the horizons within the scope of current or future job requirements.

2.2. Ways to support employees' self-development

One of the most important things we can do to nurture and retain talent is provide them with personal development opportunities. This can encompass anything from leadership training or building a new skill, to simply pursuing a passion that inspires an employee in and out of the workplace.

The Forbes article on how to support employees SD efforts in order to nurture and to retain talent says that PDP is no longer one-size-fits-all solution as they fail to focus on the particular needs and aspirations of the employee, their passions and interests.

However, this can be backed up by the Forbes Coaches Council solutions that aim to show support for employees' personal development initiatives, while still giving them the autonomy they need to grow in their own way [9]:

1. Create Growth Plans

The authors of the article suggest that a growth plan should be done:

- ✓ at the beginning of the year
- ✓ or when someone begins working with the organization.

It's important to find out where they want to grow and support them (e.g. reading three books in a year, learning how to hire, or shadowing someone in a different role).

Failing to plan growth prevents growth.

2. Build In 'Growth Time'

The advice here is to allotting 10 percent of their time to personal or professional growth in order to allow for employees to engage in personal development.

However, there is a rule to follow: it has to be something that has a benefit to the business, role-based or improving their leadership abilities.

3. Set 90-Day Learning Goals

- ✓ Encourage everyone to have a 90-day learning goal and to share what it is.

- ✓ Discuss learning from the past 30 days and what you want to focus on for the next 60 to 90 days.
- ✓ Be committed to both individual and organizational learning.

As per the author of this particular advice, making it safe to experiment with new ideas and report back on your learning is also a great way to encourage development.

4. Offer Innovative Learning Experiences

- ✓ Employees are more likely to get excited about personal development opportunities when they are innovative and entertaining.
- ✓ Mix things up by offering a variety of interesting and engaging learning experiences (e.g. destination learning, the use of cutting-edge technology or interactive exercises).

5. Map Out The Far-Reaching Benefits

- ✓ Introduce personal development so staff can see the broader benefits beyond the job. If it feels like it's strictly work-related, then people will compartmentalize what they're learning and won't feel the far-reaching benefits.
- ✓ Approach it from a whole-life perspective so employees bring their positive attitudes home and to their communities around them.

6. Make Development Opportunities 'One Size Fits One'

- ✓ The new generation of learning and development is grounded in one size fits one, being bite size and real-time accessibility.
- ✓ Understand the competencies and behaviors associated with the vision of the organization.
- ✓ Have managers get clear about what's important individually for their employees.
- ✓ Provide an internal platform and external mediums to support development.

7. Take An Active Interest In Personal Development

- ✓ Set up one-on-ones on a regular basis specifically to discuss personal development.
- ✓ Find out what interests them outside of their normal job scope and encourage and support them in pursuing it.

Staff performance and loyalty increases when employees feel supported and empowered to pursue their personal goals and dreams.

8. Think Beyond Formal Training

Go beyond the thinking that development has to happen through formal classroom training:

- ✓ Create a book club where employees can discuss the latest trends in your industry;
- ✓ provide 15-minute "lunch and learns" where employees teach each other a skill;
- ✓ or create a company Slack group for social learning.

Make development easily accessible (and easier on the budget) through useful, informal methods.

9. Ask And Listen

When you have your next one-on-one, listen with attention and intention.

- ✓ Give your employee your full attention, without getting lost in what you need to do next or what you want to say.
- ✓ Set your intention for the conversation to appreciate her perspective. Ask these two simple questions: What skills are you looking to develop? How can I help you grow?

10. Create A Culture Of Learning

All development is the result of learning. To effectively support personal development on a regular basis, organizations should foster a "culture of learning." When a strong learning culture is embedded in the foundation of an organization, more employees see the importance of continuous learning. There are many mechanisms, tools and incentives organizations can institute, but start with culture.

11. Train Managers To Be Mentors

Completing an annual development plan is helpful, but it could become a paper exercise. Train managers to regularly explore how and why a staff member wants to develop. A helpful question is, “In the next 6 to 12 months, how can you become a better version of yourself towards your personal career goals?” Managers can facilitate their staff’s development and help open doors.

12. Help Your Team Learn From Each Other

- ✓ Build communities of practice or peer learning groups where people can share their experiences and find people with similar challenges they can talk to.
- ✓ Support development by encouraging people to learn through cross-pollination (i.e. go see what others are doing in the same field) in other areas of the company.

13. Ask Employees What They Want And Need

Regularly soliciting ideas for personal development can help you understand what your team members want and give you some fresh ideas. If personal development is part of your company culture, people should feel free to talk about their goals and needs with their supervisors, human resources, and the rest of their team to develop solutions, within budget of course, that can benefit everyone.

As per our survey results, only 10% of respondents would like to have customized learning plans. On the contrary, they either wish to learn on their own (49%) or to have both: company guidance and self development (37%).

By having analysed these solutions in order to improve the existing PDP or replace it altogether, we can clearly see that it all boils down to a few major factors: In order to create a growth plan (one size fits one) you have to allow plenty of time to set the right, customized learning goals and mapping out the benefits. Managers, accordingly, will have to create a culture of learning and mentorship, with regular

needs analysis and knowledge-sharing and to check in on the status of learning progress on the regular basis.

2.3. The SDP grid

In order to make professional development more meaningful it is important to back it with a solid personal development program. Typically, businesses look at performance as the key indicator, while leaving out SD with all the negative consequences that follow. Having analyzed feedbacks, exit trends from some of the companies and moreover by interviewing 50 people specifically for this sort of research, we have generated the following idea, which will presumably meet both employee's personal aspirations and business goals.

Thus, we came up with an "SDP grid" (Self-development + performance), which is a matrix tool that is used to evaluate employees as based on two factors: performance and SD. Unlike a 9-box grid, which has the same approach but different structure and looks at the leadership potential, SDP grid is about incorporating the individual's efforts in terms of personal development into the work-context.

For performance appraisal purposes, the SDP grid provides a simple visual reference that does include appraisal and assessment data to allow both managers and employees to easily view actual and potential performance and SD. Individual developmental plans for both high- and low-performing employees can then be designed with collaboration from the employees' managers and the HR department. The most important characteristic of this tool, however, is that it answers the challenges that employers face with regard to low engagement and high turnover. It contains the features that Millennials really value: instant feedback, possibilities for SD and clear visual representation of the career path.

Performance and SD data can be extracted from any of the following sources:

- 360° reviews
- Self-assessments

- Performance appraisals
- Career/development planning surveys
- Competency matrix

On the vertical axis there is SD referring to a person's potential to grow one or more levels in an individual or professional capacity, measuring an individual employee's self-development efforts within the organization, and the horizontal one identifies whether the employee is below, meeting or exceeding performance expectations in his or her current role.

If the data from both axis is to be combined, the company and the employee will get a clear picture as to where the employee is in terms of his career, how they progress, behavioural changes and where they are heading. The company will thus get a pool of talents or performers for succession planning and other strategic issues.

So let us consider this tool in details.

Performance axis is time-based, focused on customer/direct manager/HR feedback and should incorporate meeting business and professional goals. Historically, employee performance was the main driver in determining succession, rewards, and recognition. Therefore, this axis represents the typical perception of performance management.

SD axis is time-based, relies on the feedback/evaluation from direct manager (as the primary stakeholder along with an employee). Within this axis, all the responsibility and accountability are tied to the individual and direct manager. It is the line managers who really have to drive the process for it to be successful since this intervention should really be about improving overall business performance. On the other hand, HR, L&D and other staff functions should be more secondary since they are merely the instruments of the process. This administrative function should deal with providing general guidance, designing the framework, and audit the process/progress. The SD axis, per se, and as our survey proved has been hailed by

respondents. The main objective within this axis is to measure the person's progress within certain area/ KPI.

SD axis is a complex category, which can be viewed from different angles and comprises the following features:

- 1) includes all the training and development that the employee goes through on an inter/intra personal level, cooperation in teams, soft and technical skills etc
- 2) comprises anything ranging from in-house training to online training, participation in hackathons, conferences, sharing experience, blogs, mentoring, open-source projects etc.
- 3) considers the interest of all stakeholders:
 - a) the company (given the direction of the company, for example, what competencies the person needs etc.)
 - b) the employee (leadership skills)

By meeting these criteria we would be able to assess the individual against organization, place them in the proper category, be aware of the potential, treat and reward accordingly. Most importantly, it will be possible to meet the employee's aspirations in what concerns professional and individual development and thus contribute to person's self-actualization. It will basically help to identify the employee's career path. Training and development function should be there to help realize that path thus contributing to realize individual's potential.

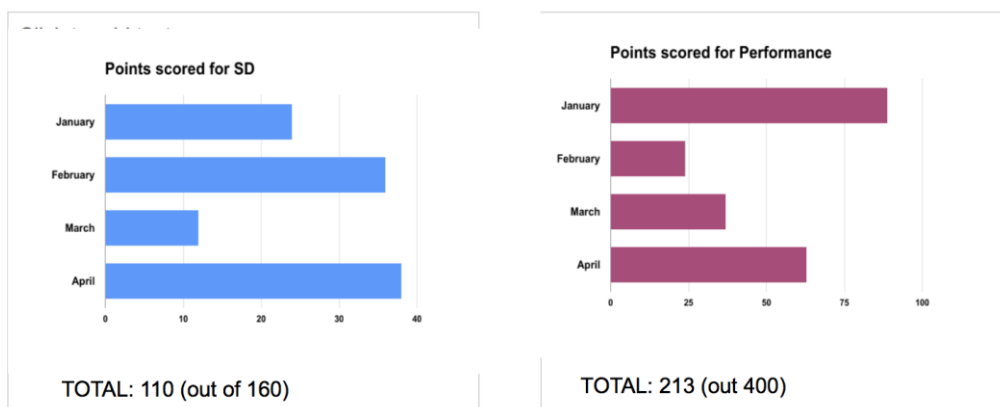
The thing to consider is which metrics to use to evaluate employee performance and SD. Performance scores are easy to collect, but how do we gauge self-development? Depending on company's strategy and preferences, we deem it reasonable to 1) choose the projects we would like the employees to take part in (say, knowledge-sharing and trainings), and these two would further be awarded a definite number of points depending on the scope, duration and difficulty of each; 2) let the employee select from the number of default projects which one he would like to have included into his performance review.

Therefore, on a micro level, there is additional data hidden under this interface: a time frame of let us say a month and number/weight/results of the training and development the employee went through. It is necessary to note, though, that it is advisable to use the SDP grid for tracking the progress (gathering info) rather than reviewing, since we find it difficult for line managers to participate in reviews/appraisals on a monthly basis. Performance review as based on this system might be conducted every quarter; the results that are displayed here would be used for receiving instant feedback as to the current progress – what has been done, what is in progress and what needs to be done.

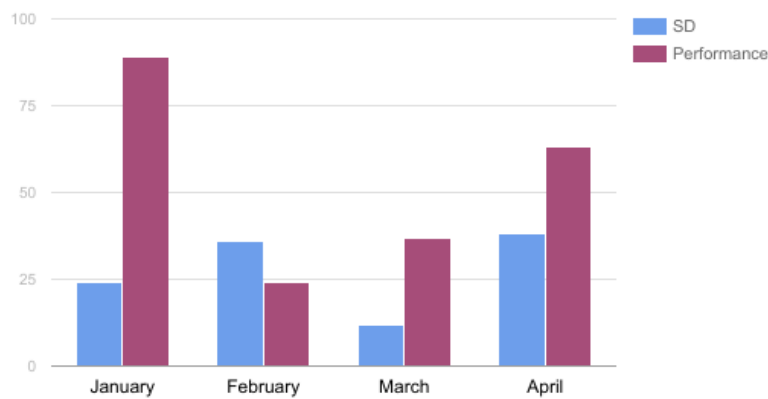
The graph below shows how the results can be measured and represented for a period of 4 months. The employee’s performance (red colour) and SD were measured as based on feedback and other constituents; with horizontal axis reflecting the number of points, while a vertical one showing the time-frame. It can be seen from example below that an employee has been fairly successful with completing their SD projects while barely passing the 50% barrier on their performance.

One of the possible representations could be:

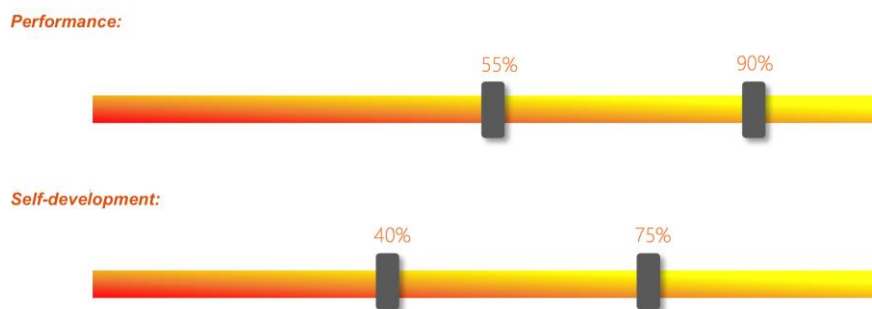
Point calculation per project (SD, P) per person



It will also be possible to check the employee’s progress on a monthly basis and compare the progress for each criterion.

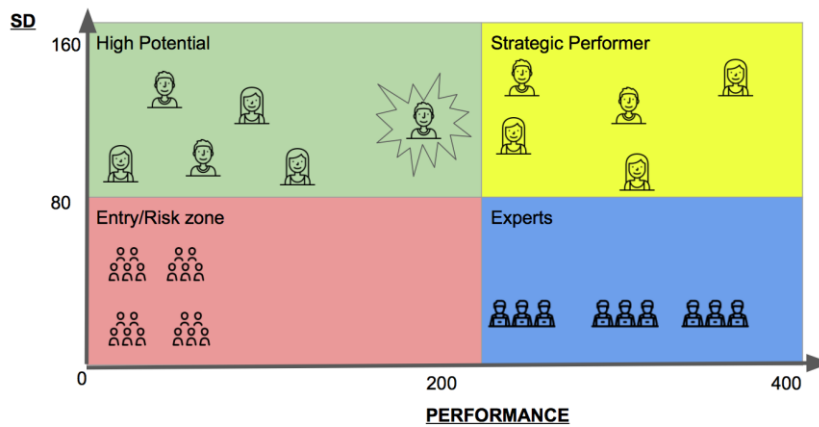


Once we have the total scores for an employee, we will need to set the thresholds for each segment of the SDP grid (i.e. what it means to be a ‘high performer’). This might differ from company to company and even within roles or departments so it is necessary to ensure that these thresholds remain flexible.



The companies are encouraged to set their own customized thresholds for these activities.

Further, the grid is subdivided into 4 major quadrants where the system will place the employee as based on their achievements. Each of the four boxes has a different set of actions associated with it. Once we have our data, the results are inserted into the SDP grid in order to plot a relative view of employees for each department and for the organization as a whole. For the sample data we used above, the results would look like this:



Thus, a view of the organization’s talent pool is displayed. Once the information is plotted, we recommend gathering managers and/or company leaders to review the grid and assess if the data is correct. Even though SD and performance scores are black-and-white, there are often adjustments or ‘calibrations’ that need to be made once the employee data is visible from a higher level. This graph shows how people, when following the integrated concept of SD and Performance, can progress with their SD and performance.

Each Quadrant within this model shows the progress the person achieved within a certain time-frame and has its own, individual characteristics.

Quadrant 1 (Entry/Risk zone) is the starting point for all the employees. Depending on the time frame essential for the company to receive feedback, this starting point could be renewed on a quarterly - yearly basis. Thus, eventually, every quarter the employee will have a new starting point unless otherwise restricted by the company. This is exactly from this Quadrant here that they can move on in a predetermined direction. It will be possible to view the scope of work/activities done for the next three/more months.

However, this Quadrant may serve not only as the starting point, but also as a zone of (high) risk provided employee has not progressed to the other three quadrants within a quarter. When the time elapses and the employee remains there, the managers should investigate the reasons for that ‘stagnation’ – sick leave? Vacations?

Reluctance to proceed with SD activities? No project (being on the ‘bench’)? Having excluded the reasons of such character, it may be possible to deduce that the employee is a low performer.

Quadrant 2 (High Potential) is where people turn to find themselves when they take their SD seriously although their performance ranges from low to medium. They might be viewed both as high-risk and high-potential employees (investment into future). These people should be coached and prepared for training role/knowledge-sharing etc. since there might be two considerable types of risk:

- 1) employees will use their skills and knowledge for their own sake and may remain eternally ‘potentially apt’ for the company.

"Brazil is the country of the future... and always will be," observed Charles de Gaulle about Latin America’s largest economy. This quote may also be applicable at times to those who focus solely on developing themselves.

- 2) employees may eventually leave the company even though they have been seriously invested into

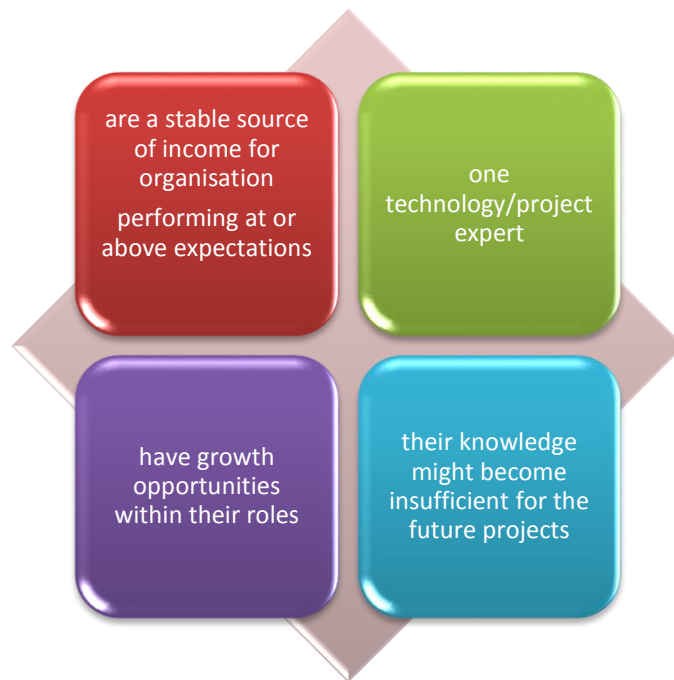
A sort of helicopter view of peculiarities for Quadrants 2-3-4 has been presented, roughly following the principles of SWOT analysis.



Quadrant 3 (Strategic Performer) is a star place, where the role models and pillars of the company are located – ‘high performers’ – people who consistently perform above the current scope of their job; who seek new opportunities for learning, leadership development, and advanced experience and generally meet all the requirements for improving both self and organization.



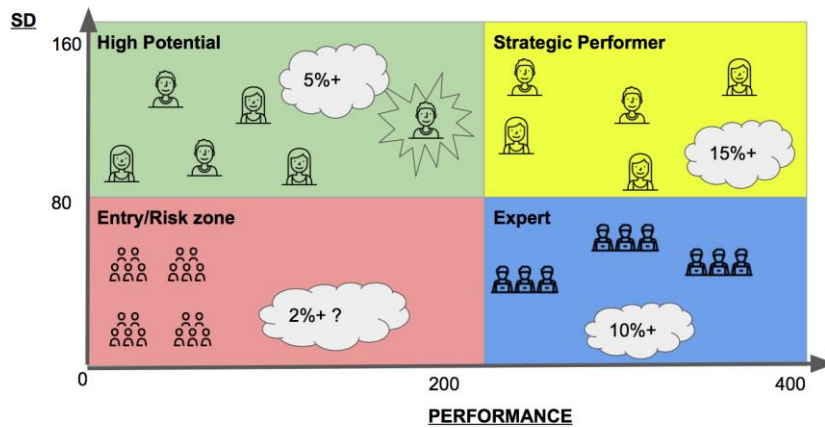
Quadrant 4 (Expert) is for those who are primarily performance oriented, their current level of skills and abilities totally satisfies the customer and they do not focus on (or do not have time for) additional TD and other SD activities. People who are performing in their current roles, but not "high potential" yet, are possibly experts in their functional area who may or may not want to move into further development. Therefore, individuals who are performing well in their current job but need to continue development in current role, or may have valuable technical skills will fall under this category.



The size/weight of the quadrant depends on predefined priorities of business. That is, one company might be interested in bringing-up high performers, thus nurturing their potential, creating proper conditions whereas the other outsourcing company is only about bigger margins. With the latter case, they will be mostly interested in people from Quadrant 4.

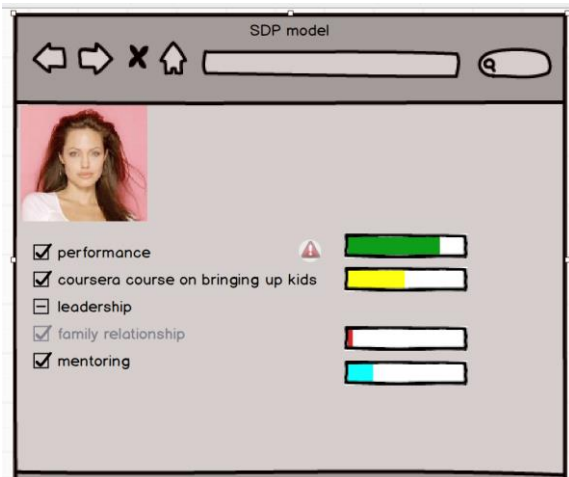
This matrix should be interactive and show at a single click where the employee is in terms of their development, performance and remuneration. It will also show progress, the experience, skills as well as what is to be planned and done in future. Thus, retrospective and perspective look for a certain period of time, achievements and milestones will be displayed graphically.

Another benefit of the current model is its ability to satisfy not only the Motivation side of the job – that of realizing potential etc, but also meets the aspirations of the employees as to the Hygiene factors. It therefore offers a clear visualisation as to remuneration provided for the completion/progress within both axis of SDP. For instance, it can be visualized as follows:



This model is a tip of an iceberg, which comprises statistics and analytics for a specific employee as well as the general employee population. There may be a number of components through which we may get the results and they may vary according to the business model of the company, HR strategy etc. For an outsourcing IT company it is advisable to include such components as the matrix of competencies, compensation, values and clients /manager/HR feedback as the core elements of future software.

The new metrics would suggest identifying key areas the company deems strategic and important. Thus, let us say that performance is there by default (the work of the definite employee that leads to achieving business results) as a key indicator, and then we add SD. They are further subdivided into smaller constituents – mini-projects. For SD it will be anything ranging from on-line courses to participation in conferences, knowledge-sharing etc. The company should offer the variety of mini-projects, whereas the employee will select which of them should fill his profile for the next time-period (quarter/year). The picture below shows in an illustrative way the interface of the employee’s profile, displaying the projects that have been selected and the progress for each.



The two axis (SD + P) should be the main components of the general review process, i.e. the employee is evaluated against these two criteria, which would further have impact on compensation strategy. Thus, in a classic approach anything but performance is given little attention. By following our approach, the company will get a sort of 360 review of performance as based on the strategic things.

Each of these projects is based on its core activity and the evaluation and feedback from management, HR, customer or any other party involved in the particular project. Each feedback will have particular weight and will be further visualized in the system. The person will then see the accumulated result from each of the projects that will be translated into points.

By introducing this approach we will be able to put together those two disjointed systems of self-development and performance, which currently lack clear connection. Through this simple and at the same time powerful tool we can promote development thus creating conditions for engagement and accordingly reduced turnover. When used correctly with accurate data, we believe this instrument is able to deal with common disengagement issues and will provide a clear picture for all stakeholders through its expressive visualization.

“Business and human endeavors are systems... We tend to focus on snapshots of isolated parts of the system. And wonder why our deepest problems never get

solved.” – *Peter Senge, author of The Fifth Discipline: The Art & Practice of the Learning Organization*

Summary

Organizations can ignore the inevitable and keep practicing their traditional ways of employee management. What is offered through this research, though, is to reevaluate the current workplace and make adjustments to attract and retain young talent. The most forward-thinking businesses are turning their focus to employee engagement. Productivity and, ultimately, profitability are often victims to this lagging motivation. Moreover, as it has been pointed out earlier, the inverse relationship of low engagement and high turnover are one of the major issues companies are trying to deal with these days.

The topicality of this research lies in the fact that the majority of IT companies have not been attentive to current motivation for employees, dealing primarily with Hygiene factors (great offices, good salaries and impeccable rewards packages). It has been stated earlier that such motivational factors as ping-pong tables or catered lunches are no longer viewed as the essential perk. These hygienic factors although still important are nonetheless giving way to a motivational one such as self-actualization. We found out that the current generation of IT workforce, Millennials in particular, have a unique set of expectations and demands, the majority of which pertain to Motivation rather than Hygiene. And so far, it looks as if few companies are living up to them. Our research, both original and additional, demonstrates it. Because of the major focus on hygiene factors, retaining IT employees is not sustainable. By focusing on Herzberg's motivation theory and Maslow's hierarchy we further demonstrated how the longevity of IT employees could be enhanced. A tool that we are suggesting, apart from focusing on performance, will enhance self-development programs and tracking of that development.

Opportunities for personal development and a clear vision of where they are in the organizational hierarchy are the top priorities and would most probably serve as a precondition for engagement and company loyalty, when properly implemented. Employees want to feel valued, and the best way to express that value is through investment in the individual.

In truth, organizations looking for innovation in attrition must indeed take this new approach in terms of how they motivate and inspire their employee. One of strategies would be making a shift in performance management tactics, achieving a delicate balance among a number of often competing performance variables and should pay more attention to personal development programs that employees undertake.

Competitive compensation helps, but organizations need to consider a holistic approach which should deal with providing the resources for personal development. And that goes a long way in terms of employee engagement. Many companies automatically go to compensation, in the end they are not sustainable, based on my research compensation is not the answer to high IT turnover.

Basically, what we suggest through this new approach to performance management is giving more weight and attention to activities, which employees in Ukrainian IT find most disturbing and which constitute core reasons for switching jobs. The most effective way to develop people is quite different from conventional skills training, which many employees regard quite negatively (and our survey proves that). The most effective way to develop people is instead to enable learning and personal development, with all that this implies.

This research shows that since we have to deal with Millennials for whom growth and development are one of the greatest drivers of engagement and these people constitute around 85% of the IT workforce, a new approach should be considered. Integrating self-development and job performance into one system will create the precondition for high engagement, which is equated with passion and value. Since passion and engagement are highly correlated and creating value in their work is something that they would expect, we believe that by following our approach the companies will be able to meet their aspirations. The root causes analysis revealed that people are not engaged when they fail to find value. This happens because they cannot clearly see the relationship between what they are doing and where the company is going. By engaging employees, we are having them understand

how they contribute to that vision. They have to realize that they are creating value in their job and their job has meaning. SDP tool helps people to make the connection between the work they are doing and developing them for bigger contributions. That's how we create passion, that is also how we get them engaged by making them believe they are making a difference.

By doing this we will achieve the following outcomes for the stakeholders:

From the company perspective, the SDP grid when used as a system will primarily:

1) reduce staff turnover

- By dealing with common (dis)engagement problems, we will be able to address the inverse relationship of turnover and engagement. As illustrated in my research, there is a direct link between engagement, higher levels of productivity and turnover. Engaged employees work with passion and feel a profound connection to their company. They drive innovation and will ultimately move the organization forward. Disengaged employees, on the other hand, are sleepwalking through their workday and may be putting in the time, but lack passion and energy and drive to see their work through completion
- Giving employees the support to explore various inputs and have input / participate in the design of their SDP/the development of SDP will facilitate the higher level of engagement. In addition to reinforcing engagement, it can foster an understanding of how a business works across functions and departments. That knowledge is a solid foundation for future leaders so that it becomes more meaningful to them.

2) decrease/minimise administrative costs

- The day-to-day work of HR and T&D departments will become more administrative rather than prescriptive; for these departments to remain competitive, they should really focus on the 'coaching' aspect of their

function; they should also avoid covering the employees' skill gaps through only internal resources. Instead, the freedom of how to develop, in which direction and through which sources should be provided to people.

- T&D in particular will have to align its program with the requirements of employees, who choose on-line courses as the top developmental tool (which, in the majority of cases, is either a free source or offered for a minimum pay as compared to the costs spent on trainers and organising training events)
- Finance department and Comp&Ben managers will have a more clear structure of providing compensation to employees. Once developed with proper input, this system will be able to resolve any disputes that arise on financial matters.

3) bring clarity to succession planning and career pathing

- When employees have a clear target they work against, it facilitates the sense of accomplishment, enhances engagement, all of which is essential for Millennials. They will know where they are in the company/professional or developmental hierarchy and will thus know how to get to another milestone and with which benefits.
- by identifying skill gaps and providing reports on performance, skills, competencies etc it will be particularly of use for creating a company's talent pool, knowing the people who have high potential, those who bring money to the company through their day-to-day work or those who manage to fulfill these two functions. This positioning will help companies build better strategies (business, HR and recruitment), have better interaction with customers and be ready to face the challenges in this very competitive environment.

From the employee perspective, as per Herzberg, SDP model will meet two basic factors related to:

1) Hygiene

- it will satisfy the basic need – that of competitive compensation. Since this is the decisive criteria for job switching (as IT Cluster report reveals), our model will display all the opportunities available for people in terms of their compensation.
- show the compensation options (depending on the scope of activities the employees select for themselves);

Hygiene factors are necessary to ensure employees do not become dissatisfied, but they do not contribute to higher levels of motivation which create engagement and job satisfaction by fulfilling a person's need for meaning and personal growth.

2) Motivation

- By introducing a wide field for realizing employee's potential through numerous activities (on-line learning, coaching, job rotation etc),
- show where the person is in terms of their performance and development (both retrospective and perspective);
- will track all the SD activities and act as a sort of interactive SDP/IDP;
- provide immediate, interactive feedback;

In addition, implementing this customized approach within a company, we believe, will help to create the culture of feedback, accountability and actionable HR data. By promoting professional and individual development the companies will attract and retain valued employees, the workforce will be more energized, engaged and sustainable which will have a material effect for all stakeholders. By guiding professional and individual growth within the company, this system will align the business goals and employee's aspirations in a smart and cost-efficient way so as to provide better services to both parties.

This is what we believe our SD program is capable of delivering to any company that is ready to step back from more traditional approaches and really implement innovative solutions for tackling employee turnover, boosting engagement

and catering to the needs that most employees are looking for. When employees understand where the organization is heading, and how they are going to get there, with their roles being clear and well-stated, that, we believe, will create the environment of engaged professionals.

In conclusion, while the instrument itself facilitates the execution of SDP model, what is the real determining factor is the level of commitment and engagement from both employee and a manager that enhances their commitment to self-development. They have to be committed to it, it is the thoughtfulness, tied to goals of business and employee's values that contributes to engagement. The employee will be engaged because we give options to choose from, we consider their wishes and feedback and help them realize their ambitions. That will drive sustainability and passion. Therefore, primary to the SDP system implementation, there should be research focusing on the connection between the business performance, individual performance and individual's growth and how well the thing we are doing drives that connection.

Admittedly, achieving a balanced, systematic, and integrated approach to maintaining a stable, consistent IT force in Ukraine is not an easy task. Yet it is absolutely vital if organizations are to successfully navigate their way through the ever changing demands of the IT workforce. Since there are numerous internal/external factors that influence IT worldwide, turnover and increasing the longevity of the employees will remain a key challenge.

As K. and S.Blanchard have rightfully put it: "Connect the dots between individual roles and the goals of the organization. When people see that connection, they get a lot of energy out of work. They feel the importance, dignity, and meaning in their job." – *Ken Blanchard and Scott Blanchard, Do People Really Know What You Expect from Them?, Fast Company.*

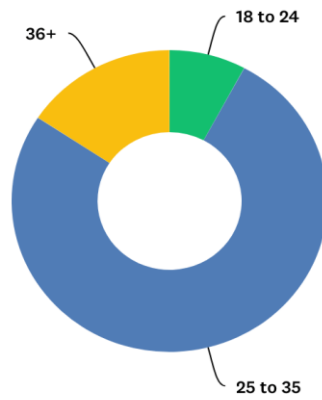
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2. https://www.huffpost.com/entry/why-do-millennial-women-quit-their-jobs_b_58d34d74e4b062043ad4b004
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13. https://cdn2.hubspot.net/hubfs/483440/Breathe_HR_July2017_Theme/pdf/Personal-Development-in-the-Workplace-Research-April-2013.pdf?t=1508166693389
14. <http://www.businessdictionary.com/definition/performance.html>
15. https://en.wikipedia.org/wiki/Personal_development
16. https://en.wikipedia.org/wiki/Personal_development_planning

The 2017 Survey. Conducted by Yuliya Nosal.

What is your age?

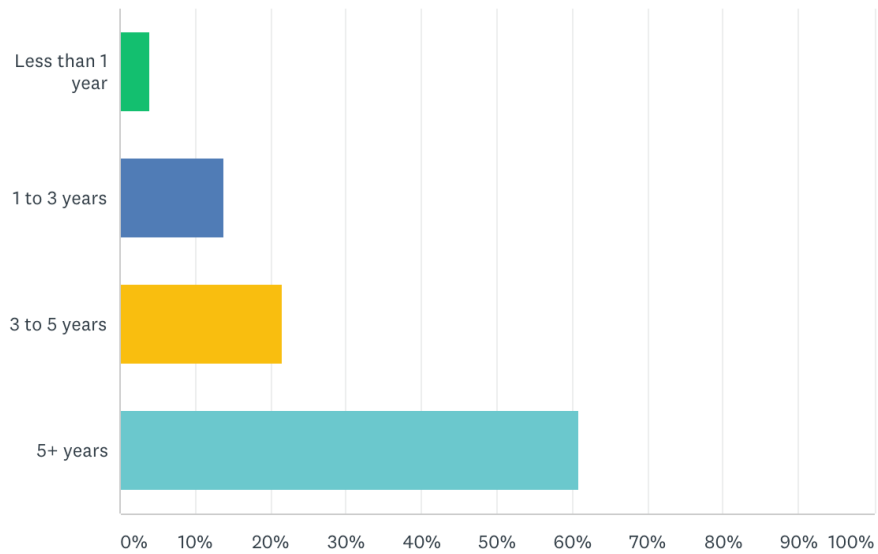
Answered: 51 Skipped: 0



ANSWER CHOICES	RESPONSES
18 to 24	7.84% 4
25 to 35	76.47% 39
36+	15.69% 8
TOTAL	51

What is the length of your experience in IT?

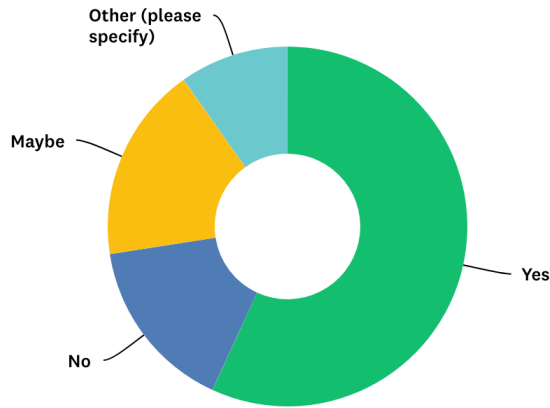
Answered: 51 Skipped: 0



ANSWER CHOICES	RESPONSES
Less than 1 year	3.92% 2
1 to 3 years	13.73% 7
3 to 5 years	21.57% 11
5+ years	60.78% 31
TOTAL	51

Would you want to monetize (i.e.receive additional pay for) your self-development achievements at work?

Answered: 51 Skipped: 0



ANSWER CHOICES	RESPONSES
Yes	56.86% 29
No	15.69% 8
Maybe	17.65% 9
Other (please specify)	Responses 9.80% 5
TOTAL	51

Showing 5 responses

- Self-development achievements are useless as long as they do not convert into value for my employer therefore cannot be monetized directly, but rather become a basis for promotion or additional responsibilities.
 4/20/2017 1:12 AM [View respondent's answers](#) [Add tags](#)

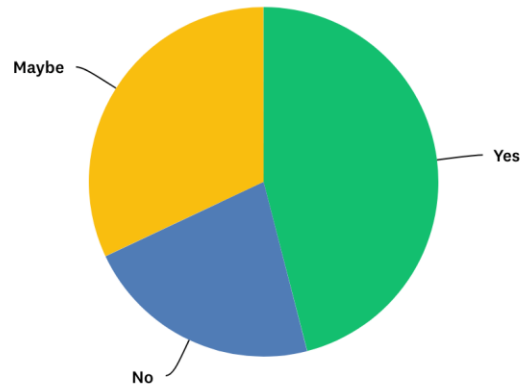
- would be good, but not necessary
 4/19/2017 5:10 PM [View respondent's answers](#) [Add tags](#)

- maybe, if you can use this knowledge on current position and for sure if you were not interested in the topic but you studied it because company needed it.
 4/19/2017 11:19 AM [View respondent's answers](#) [Add tags](#)

- I always considered myself as a company that provides services. If you get extra skills and you are able to solve wider range of problems and provide services faster and with higher quality, then you should be paid for this.
 4/19/2017 10:28 AM [View respondent's answers](#) [Add tags](#)

Would you want to integrate the results of your self-development activities into performance appraisal? (e.g. to list in your annual performance review the results of your Coursera courses or the number of professional conferences you attended etc)

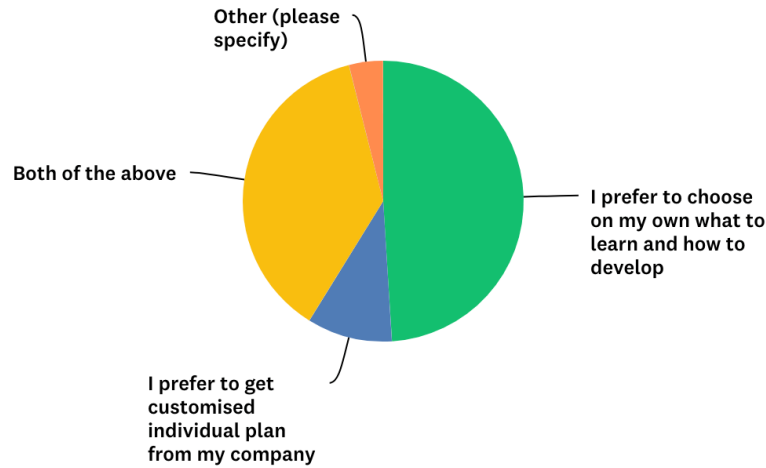
Answered: 50 Skipped: 1



ANSWER CHOICES	RESPONSES	
▼ Yes	46.00%	23
▼ No	22.00%	11
▼ Maybe	32.00%	16
TOTAL		50

If you could design/influence your self-development activities what would you do differently to what you have been experiencing up to date?

Answered: 51 Skipped: 0



ANSWER CHOICES	RESPONSES
I prefer to choose on my own what to learn and how to develop	49.02% 25
I prefer to get customised individual plan from my company	9.80% 5
Both of the above	37.25% 19
Neither	0.00% 0
Other (please specify)	Responses 3.92%
TOTAL	51

Showing 2 responses

I don't mind if my personal self-development plan doesn't fully match company's needs as long as they don't contradict or even don't overlap to minimal extend. Full match doesn't seem realistic. It is much better to find proper fit for your new skills/knowledge rather than adjust your preferences for rather limited environment. Freedom matters!

4/20/2017 1:12 AM

[View respondent's answers](#)

Add tags

It is extremely important to have a plan. Without strict plan you would get lost in today's IT variety techs

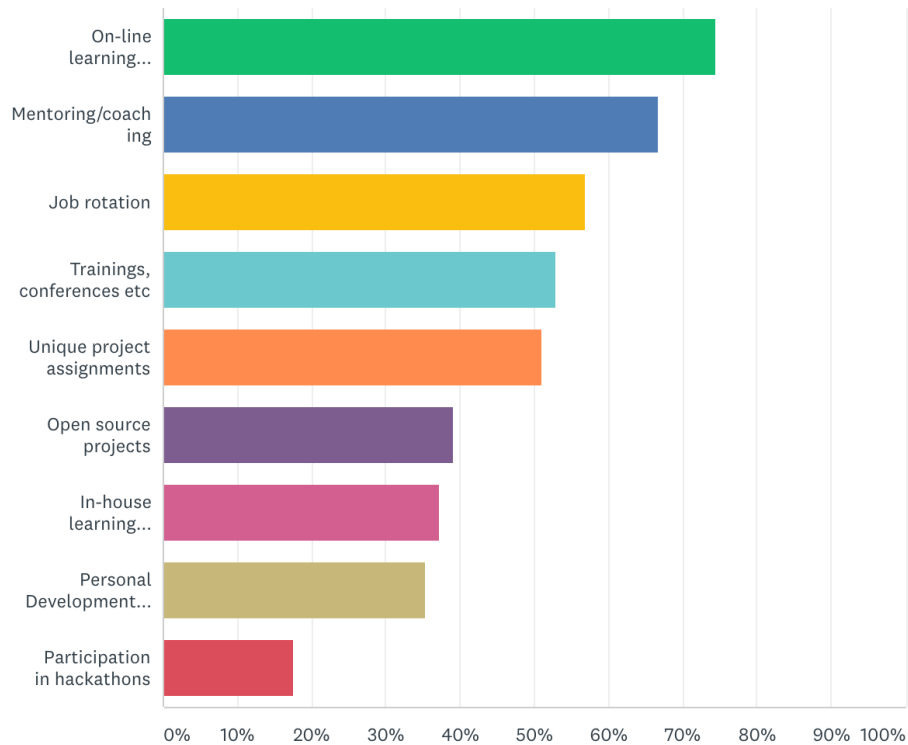
4/19/2017 5:33 PM

[View respondent's answers](#)

Add tags

Please tick the options that you find essential for self-development

Answered: 51 Skipped: 0



ANSWER CHOICES	RESPONSES
On-line learning (Coursera etc)	74.51% 38
Mentoring/coaching	66.67% 34
Job rotation	56.86% 29
Trainings, conferences etc	52.94% 27
Unique project assignments	50.98% 26
Open source projects	39.22% 20
In-house learning (training department)	37.25% 19
Personal Development Plans	35.29% 18
Participation in hackathons	17.65% 9

Total Respondents: 51

Comments (1)

RESPONSES (1) WORD CLOUD TAGS (0)

Sentiments: OFF

Add tags Filter by tag

Search responses

Showing 1 response

person should be excited about his work.

4/19/2017 5:33 PM


[View respondent's answers](#)

[Add tags](#)

In your opinion, how should personal development in the work context be understood?

Answered: 35 Skipped: 16

RESPONSES (35) WORD CLOUD TAGS (0)

 Sentiments: OFF

Apply to selected Filter by tag ▼

Search responses  


Showing 35 responses

- try to be on the cutting edge for both appropriate technologies and processes
5/3/2017 4:56 PM [View respondent's answers](#) [Add tags ▼](#)

- I see it as constant improvement of technical and communication skills.
5/3/2017 1:33 PM [View respondent's answers](#) [Add tags ▼](#)

- Keeping your skillset fit and up-to-date
4/20/2017 5:09 PM [View respondent's answers](#) [Add tags ▼](#)

- 1. to acquire new knowledge and experience 2. to build good relationships with colleagues 3. to optimize way how to perform tasks to reduce needed time
4/20/2017 4:20 PM [View respondent's answers](#) [Add tags ▼](#)

- Personal development shuldn't be read at work. only if you develop yourself in the same direction 

- increase you learning speed, gain new experience
4/19/2017 10:17 AM [View respondent's answers](#) [Add tags ▼](#)

- working on interesting projects and tasks, implementing innovative solutions
4/19/2017 10:05 AM [View respondent's answers](#) [Add tags ▼](#)

- Every employee should have an opportunity to get new knowledge and skills to constantly perform better and be able to take more challenging responsibilities than in the previous month.
4/19/2017 9:53 AM [View respondent's answers](#) [Add tags ▼](#)

-
- In my opinion, a personal development doesn't mean to learn only the stuff related to job. The person should be all round developed: music, arts, sports, Math, Politics, etc.
- 4/19/2017 11:08 AM [View respondent's answers](#) [Add tags](#) ▼
-
- More complex tasks
- 4/19/2017 10:46 AM [View respondent's answers](#) [Add tags](#) ▼
-
- Improve tech and soft skills
- 4/19/2017 10:42 AM [View respondent's answers](#) [Add tags](#) ▼
-
- Ehh, Im not sure I understand the question but... For me it is a constant growing. Developing soft and hard skills. And they have to be aligned with my and company goals.
- 4/19/2017 10:28 AM [View respondent's answers](#) [Add tags](#) ▼
-
- In my opinion, personal development should be understood as ability to understand and to convert technology's features to working mechanism.
- 4/19/2017 5:05 PM [View respondent's answers](#) [Add tags](#) ▼
-
- Growing tech and soft skills
- 4/19/2017 11:39 AM [View respondent's answers](#) [Add tags](#) ▼
-
- Personal development usually goes against work context. You have to create your personal, so called "pet project" and learn whatever you want there to polish personal skills.
- 4/19/2017 11:36 AM [View respondent's answers](#) [Add tags](#) ▼
-
- learn permanently and use knowledge on practice
- 4/19/2017 11:19 AM [View respondent's answers](#) [Add tags](#) ▼
-
- In my opinion companies should invest more in soft skills.
- 4/19/2017 5:33 PM [View respondent's answers](#) [Add tags](#) ▼
-
- Improving job-specific skills during employment time
- 4/19/2017 5:28 PM [View respondent's answers](#) [Add tags](#) ▼

-
- ability to choose rather than been chosen - ability to stay interesting for the job and ability to get interesting job - ability to control your work environment more than it controls you
4/20/2017 1:12 AM [View respondent's answers](#) [Add tags](#) ▼
-
- Both technical and personal(soft) skills should be important
4/19/2017 7:05 PM [View respondent's answers](#) [Add tags](#) ▼
-
- Develop skills in area you working.
4/19/2017 5:51 PM [View respondent's answers](#) [Add tags](#) ▼
-
- Personal development indeed is useful in work context because the more you know, the more valuable you are.
4/19/2017 5:33 PM [View respondent's answers](#) [Add tags](#) ▼
-
- Professional growth
4/20/2017 12:34 PM [View respondent's answers](#) [Add tags](#) ▼
-
- Learning things which help making your work simpler.
4/20/2017 12:28 PM [View respondent's answers](#) [Add tags](#) ▼
-
- Personal development improves the quality of your work, which in turn gives you extra bonuses
4/20/2017 12:15 PM [View respondent's answers](#) [Add tags](#) ▼
-
- to be beneficial to both employee and employeer
4/20/2017 3:38 PM [View respondent's answers](#) [Add tags](#) ▼
-
- Personal development concerns the targets and motivation to develop additional skills towards implementation of assigned tasks
4/20/2017 1:44 PM [View respondent's answers](#) [Add tags](#) ▼
-
- improving skills that are required for current or future position
4/20/2017 12:53 PM [View respondent's answers](#) [Add tags](#) ▼
-
- It shouldn't be obtrusive.
4/20/2017 12:41 PM [View respondent's answers](#) [Add tags](#) ▼
-