Chapter 3
Skills Development Practices and Engineer Turnover: Insights Into Tunisian IT Services Companies

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ABSTRACT

This chapter investigates the skills development practices and their relationship with engineer turnover in IT services companies (henceforth ITSC) from Tunisia. It presents a qualitative analysis of data that derived from a number of interviews conducted with human resource managers of these companies. Based on the findings, four human resources management (HRM) practices were identified that seemingly contribute to skills development in the firms investigated, which are recruitment, training, inter-project mobility, inter-firm cooperation. The findings indicate that these practices can also reduce engineer turnover rates. The chapter provides fresh insights into HRM practices of Tunisian companies, which has not attracted much attention yet.

INTRODUCTION

The information communication and technology (ICT) sector represents one of the most dynamic areas in Tunisia and is among those sectors whose growth rate was equal to 11% in 2014 (Charfi, 2017). Unlike other sectors such as agriculture and tourism, which have been negatively affected after the Tunisian revolution the Tunisian ICT sector has evolved from 5% in 2006 up to 11% in 2012 (Charfi, 2017). In this chapter, the researchers particularly interested in computer services and engineering companies (IT services companies: also known in the literature as *IT services and software engineering companies*) as this type of business enterprise has a prominent place in the ICT sector and employs advanced skills and

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field-specific knowledge (Coeurderoy & Chertman, 1997). As Lachance (2011, p. 9) points out: "The success of a company inevitably depends on its ability to acquire the skills necessary for its growth, to retain them and to develop them" (quoted in Giraud, 2012, p. 20).

The recruitment and retention of high-level employees are becoming increasingly difficult (Hiltorop, 2000), this refers to Tunisia as well. Therefore, to acquire, develop and retain skills, organizations make use of HRM practices such as training, recruitment, mobility, among others (Chaabouni & Jouili, 2005). IT services companies operate in a competitive environment that can have an impact on the attractiveness and retention of critical skills (Pronier et al., 2006). Nowadays, the preservation of skilled employees is a pressing challenge for all the types of firms, smaller private ones as well as large ones (Reina et al., 2017). Turnover, in particular, can be a problem for IT services companies, because when their employees quit their job, they take along with them their professional experience, knowledge, and skills as well as relational capital (Irani & Love, 2001; Durst & Wilhelm, 2012; Laulié & Morgeson, 2018). In addition, some researchers believe that a high turnover rate can have a negative impact on company performance (Kown et al., 2012; Mohr et al., 2012; Lee et al., 2017). Similarly, Martinez (2006) and Demiral (2018) argued that turnover is detrimental to IT services companies for various reasons, namely direct and indirect costs associated with employee departures, loss of productivity and the scarcity of experienced IT professionals on the labor market.

Given the negative consequences of turnover, many researchers have been interested in its determinants (e.g., Cotton & Tuttle, 1986; Mueller & Price, 1990; M'barek, 2007; Elouaer, 2008; Parker & Gerbasi, 2017). These authors classified turnover determinants into three categories according to whether they are related to the individual, sectorial or organizational characteristics. However, only a few studies have analyzed the organizational determinants of turnover (Leduc, 2010; Martinez, 2009). Many authors (e.g., Paré et al., 2001; Agarwal & Ferrat, 2002; Paré & Tremblay, 2007; Martinez, 2009; Reina et al., 2017) revealed that human resources management (HRM) practices could be an essential determinant of turnover. Shuck et al. (2014) suggested that employees who perceive a lack of support specifically for participation in HRM practices at times leave their organization. Because managers or owner-managers increasingly need employees with up-to-date skills, HRM as well as HRM practices are essential to all types of companies, from small and medium-sized enterprises/family owned companies to large enterprises (Nelissen et al., 2017). At the same time, some HRM practices associated with recruitment, training, internal mobility, etc., can lead to skills development (Pfeffer, 1998; Blanchot & Wacheux, 2003; Nerstad et al., 2018). Hence, the question to be raised is: What are the skills development practices related to engineers in ITSC and what is their relationship with engineer turnover?

More precisely, this chapter aims to describe and analyze skills development practices (i.e., recruitment, training, inter-company cooperation, and inter-project mobility) in Tunisian IT services companies and to study the relationship between these practices and engineer turnover rates. Against the lack of research on skills development practices in Tunisia (c.f., Ben Hassen, 2011), this chapter is considered both as relevant and timely. It is intended to be structured as follows. In the next section, the authors will focus on the theoretical background relating to the definition, types, consequences, and determinants of turnover. The following section is devoted to the presentation of skills development practices and their relationship to turnover. Then, the methodology adopted is presented followed by a discussion of the results. The chapter ends with the conclusion including practical and theoretical implications.