

# Impact of staff turnover on organisational effectiveness



Employee turnover in organizations has received attention in the recent years from both academic and managers. A lot of emphasizing has focused more on trying to understand the main causes. Implicit in this approach is the speculation that employee turnover is catalyzed by certain exclusive characteristics of firms, workers, tasks and markets and by coming up with policies to address these characteristics, the management may reduce the incidence of turnover in their respective firms. The issue of employee turnover has not received the attention it deserves as observed by a number of observers. Most of the organization that faces high rates of employee turnover every year experiences poor employee performance which affects the effectiveness of the organization later Booth& Hamer, (2007). When an employee leaves a job, the management is tasked with looking for another employee to fill the gap left by existing employees fill it in an interim basis. This interferes with the performance of the employees since their daily work is disrupted. Companies invest a lot of funds every year on the training and hiring of new employees. Customers do complain about everyday basis regarding the performance of employees in organizations that experience employee turnover Booth& Hamer, (2007). This study will identify the causes of high rate of staff turnover and understand the main objective of the study; the researcher will come up with a number of research questions.

### Research Questions

The researcher will adopt the following research question.

- Ø What are the causes of staff turnover in organizations?
- Ø How does staff turnover impact on organizational effectiveness?

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Ø How does staff turnover impact on employee performance?

## Literature Review

### Causes of Employee Turnover

According to De Vos et al. (2007), a majority of employees may start withdrawing from work by utilizing all kinds of excuses. Employees anticipate that their contribution will associate with rewards received from the organization. If a certain level of performance is achieved, employees always set expectations about rewards and compensation. They explained that these expectations determine the level of performance of a firm. When employees feel like they have achieved a certain level of performance they always expect compensation at that particular level. If employees perceive that superior performance is recognized by the management and rewarded for them, employees anticipate the same connection to carry on in the coming days. These employees always expect the higher level of compensation when they set the higher level of performance. The employees tend to set minimum goals between them if they realize that there is very little relationship between performance and rewards.

Neo, et al., (2006) in his study on labor turnover in manufacturing sector concluded that out that environmental factor, for instance, the labor market has the significant impact on employee turnover. They explained that when demand in labor industry is high, employees are always exposed to opportunity for changing jobs. He further stated that personal and trait-based factors influence employee turnover. They stated that personal factors include the desire for employees to learn new skills and changes in the <https://assignbuster.com/impact-of-staff-turnover-on-organisational-effectiveness/>

family situation. A number of personality features are also linked with staff turnover. These behaviors include theft and absenteeism. Employees will be motivated to do their job if they have ownership of their work to reduce staff turnover. He stated that employees should be granted freedom and power to carry out their tasks so that they feel they own results to avoid the turnover. If employees stay for a longer time in an organization, they should give them opportunities for added responsibilities. In studies, they found out that there is a considerable affirmative association between supervision and employee turnover. They explained that when there is supervision, employees are socially supported. Employees can feel dissatisfied with their work if there is unfairness in their supervision and unwillingness to delegate responsibility.

#### Impact on Organizational Effectiveness

Recruiting of new employees every time is very expensive. He asserts that this directly impacts other functions that need money such as advertising and paperwork. Robbins & Decenzo (2001), explained that there are other hidden costs such as expenses that are incurred during training and providing supervision to these new staffs. At the same time, individuals who always fill in after an employee has quit his job always claim for overtime. He further stated that there is increased loss before employees settle.

They stated that staff turnover may have a negative effect on the services provided by the organization and these have a further effect in meeting the demand of customers. He stated that new employees may not have that experience offered by resigned employees when dealing with customers and

this lead to increased complaints. Robbins explained that organization that provides a good environment that retains hardworking staffs and attracts will have a competitive edge in the business environment it is operating.

#### Impacts of staff turnover on employee's performance

According to Neo et. (2006), Staff turnover can impact the performance of employees negatively by interfering with group socialization processes and incrementing conflict internally among employees and this leads to employing absenteeism. There are frequent changes that do happen in the organization and it is only experienced employees in that particular organization and good employees who can accommodate such changes in any given circumstance. An uninspired workforce is not able to meet organizational objectives and the needs of customers as compared to a highly satisfied workforce. They further stated that employees who are experiencing stress are vulnerable to make mistakes and low morale makes them not to care what they are doing. Employee turnover interrupts with the spirit of employees which is essential for the fluent running of organizational operations.

Robbins & Decenzo (2001), in their studies, stated that employee turnover leads to the extra workload to the remaining employees as they need to work extra hard so as to compensate for the work of those who have left the job. He further stated that when employees are overworked, they may be stressed and will have no morale which in turn leads absenteeism among employees.

#### Research Methodology

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The study will adopt a descriptive research design. Descriptive research design is an arrangement of conditions for collection and analysis so that the researcher can put together relevant data on the study topic. The researcher specifies sources to be used, the nature of information to be collected and procedures that will be used during the study. In quantitative research design, the data is gathered quantitatively and analyzed in order to demonstrate the present trends in a particular phenomenon and even linkages between various factors during the period of the study. The selection of descriptive research will be on the basis that it paves a way to the researcher to find out the relationship among the research questions in combination or isolation and their effect on the management.

Data collection (Cooper & Schindler, 2003),

The study will employ secondary data collection technique. Secondary data collection is obtaining of information that has been already researched and presented by scholars. The secondary data will be retrieved from annual reports of targeted companies. Secondary provide information that is useful available for easy evaluation. A lot of information lies in the secondary data as there is a lot of background work that has been already done by a different researcher. The data that will be collected will then be analyzed using the current Statistical Package for Social Science (SPSS) (Cooper & Schindler, 2003),

Impact of the Research Proposal

The research proposal will enable the managements to understand the effect and causes of staff turnover. This will enable that organization to come up <https://assignbuster.com/impact-of-staff-turnover-on-organisational-effectiveness/>

with strategies to understanding the negative effects that can be implemented in order to reduce the high rate of employee turnover.

First, this study will be carried out as an academic requirement and thus it will contribute greatly to academic knowledge and also

To begin with, the proposal is being prepared as an academic requirement hence it will play a very significant and at the same time enhance awareness on employee turnover. The study will also contribute to enhancing the student's knowledge through acquiring skills that will be vital in assisting them to recognize the potential effects of employee turnover. Another researcher can also use this proposal as a reference point when carrying out further research on the topic.

## References

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