

Employee turnover – assignment

Sociology



Turnover (employment) Turnover, in a human resources context refers to the characteristic of a given company or industry, relative to rate at which an employer gains and loses staff. If an employer is said to have a high turnover, it most often means that employees of that company have a shorter tenure than those of other companies in that same industry.

Similarly, if the average tenure of employees in a particular sector is lower than that in other sectors, that sector can be said to have a relatively high turnover. In the U. S. for the period 2001-2006, the annual turnover rate for all industry sectors averaged 39. 6%, as compared to the Leisure and

Hospitality sector which averaged 74. 6%. {text: bookmark-start} {text: bookmark-end} Costs When accounting for the costs (both real costs, such as time taken to select and recruit a replacement, and also opportunity costs, such as lost productivity), the cost of employee turnover to for-profit organizations has been estimated to be up to 150% of the employees' remuneration package (Schlesinger and Heskett, 1991).

There are both direct and indirect costs. Direct cost relate to the leaving costs, replacement costs and transitions costs, while indirect costs relate to the loss of production, reduced performance levels, unnecessary overtime and low morale. {text: bookmark-start} {text: bookmark-end} Internal vs. external turnover Like recruitment, turnover can be classed as ' internal' or external [3]). Internal turnover involves employees leaving their current position, and taking a new position with the same organization.

Both positive (such as increased morale from the change of task and supervisor) and negative (such as project/relational disruption, or the Peter Principle) effects of internal turnover exist, and thus this form of turnover

may be as important to monitor as its external counterpart. Internal turnover might be moderated and controlled by typical HR mechanisms, such as an internal recruitment policy or formal succession planning. {text: bookmark-start} {text: bookmark-end} Skilled vs. unskilled employees Unskilled positions often have high turnover, and employees can generally be replaced without the organisation or business incurring any loss of performance. The ease of replacing these employees provides little incentive to employers to offer generous employment contracts: conversely, contracts may strongly favour the employer and lead to increased turnover as employees seek, and eventually find, more favourable employment. However, high turnover rates of skilled professionals can pose as a risk to the business or organisation, due to the intellectual property (such as skills, training, and knowledge) lost. Notably, given the natural specialisation of skilled professionals, these employees are likely to be re-employed within the same industry by a competitor. Therefore, turnover of these individuals incurs both replacement costs to the organisation, as well as resulting in a competitive disadvantage to the business. {text: bookmark-start} {text: bookmark-end} Voluntary vs. involuntary turnover Practitioners can differentiate between instances of voluntary turnover, initiated at the choice of the employee, and those involuntary instances where the employee has no choice in their termination (such as long term sickness, death, moving overseas, or employer-initiated termination). Typically, the characteristics of employees who engage in involuntary turnover are no different from job slayers. However, voluntary turnover can be predicted (and in turn, controlled) by the construct of turnover intent. {text: bookmark-start} {text: bookmark-start} {text: bookmark-end} {text: bookmark-end} Mostly it is said that employee turn

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over is not good for the organizations. But employers should remember that turnover is not that bad either. What is required is an optimum mix of turnover, not too high-not too low. An optimum mix of employee turnover can help in many ways. A little rate of employee turnover may result into: Bringing in new ideas and skills from new hires. Better employee-job matches.

More staffing flexibility. Facilitate change and innovation. High rate of turnover may lead to decrease in: Productivity Service delivery Causes of employee turnover In order to know the cause of excessive employee turnover, the causes of dysfunctional and avoidable turnover should be known. Few reasons for dysfunctional turnover may be: Compensation package differences Job and employee skill mismatch: the job may be less or more satisfying and challenging according to the employee.

Inferior facilities, tools, etc Less recognition Less or no appreciation for work done Less growth opportunities Poor training Poor supervision Less work and life balance practices Tips to Reduce Employee Turnover Competitive salary, competitive vacation and holidays, and tuition reimbursement are three basics in employee retention. Especially for millennial employees, these are the holy grail for recruitment and retention. But, employers can reduce employee turnover in many other ways. (If you think these read like the Golden Rule, you're right, they do. Reducing employee turnover is dependant on the total work environment you offer for employees. These recommendations about reducing employee turnover are also common-sense, basic and incredibly hard to find in organizations today. Select the right people in the first place through behavior-based testing and <https://assignbuster.com/employee-turnover-assignment/>

competency screening. The right person, in the right seat, on the right bus is the starting point. At the same time, don't neglect to hire people with the innate talent, ability, and smarts to work in almost any position even if you don't currently have the "best" match available.

Hire the smartest people you can find. Offer an attractive, competitive, benefits package with components such as life insurance, disability insurance and flexible hours. I'll never forget a young employee whose stated reason for accepting our job offer was the availability of our 401(k). And, my research on millennials and money indicates that they do not want to repeat the mistakes of their parents. Better benefits = reduced employee turnover. Provide opportunities for people to share their knowledge via training sessions, presentations, mentoring others and team assignments.

Employees like to share what they know; the act of teaching others ensures the employee's own learning. Demonstrate respect for employees at all times. Listen to them deeply; use their ideas; never ridicule or shame them. Via your communication, share that you value them. Offer performance feedback and praise good efforts and results. People want to enjoy their work. Make work fun. Engage and employ the special talents of each individual. Enable employees to balance work and life.

Allow flexible starting times, core business hours and flexible ending times. (Yes, his son's soccer game is as important as work.) Involve employees in decisions that affect their jobs and the overall direction of the company whenever possible. Involve them in the discussion about company vision, mission, values, and goals. This strategic framework will never "live" for

them or become “ owned” by them if they merely read it in email or hanging on the wall. Recognize excellent performance, and especially, link pay to performance.

Base the upside of bonus potential on the success of both the employee and the company and make it limitless within company parameters. (As an example, pay 10% of corporate profits to employees.) Recognize and celebrate success. Mark their passage as important goals are achieved. Staff adequately so overtime is minimized for those who don't want it and people don't wear themselves out. Nurture and celebrate organization traditions. Have a costume party every Halloween. Run a food collection drive every November. Pick a monthly charity to help.

Have an annual company dinner at a fancy hotel. Provide opportunities within the company for cross-training and career progression. People like to know that they have room for career movement. Provide the opportunity for career and personal growth through training and education, challenging assignments and more responsibility. Communicate goals, roles and responsibilities so people know what is expected and feel like part of the in-crowd. According to research by the Gallup organization, encourage employees to have good, even best, friends, at work. {text: bookmark-start}
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