

Literature review on employee turnover management essay



**ASSIGN
BUSTER**

Employee turnover is defined as ' the movements of individuals into jobs (hirings) and out of the jobs (separations)' in the organization over a particular period. (OECD, 2003) Employee turnover is distinguished into voluntary and involuntary turnover. Voluntary turnover is individual movement across the membership boundary of social system initiated by individual, for example resignation and retirement while involuntary turnover is the movement initiated by the organization, occurred in the forms of downsizing, dismissal or compulsory retirement. () An organization is considered high turnover it means that its employees have shorter tenure than those of other organizations in that same industry. (Hamdia Mudor1 Phadett Tooksoon, 2011) Employee turnover not a new fangled but the most problematic HR issue to most global organization, and particularly in tourism and hospitality industry. (Siti Zuraini Ramley Alan, Salleh Md. Radzi, Mohamad Abdullah Hemdi and Zulhan Othman, 2010) Worldwide researches indicated that employee turnover is among the highest in hospitality industry. A survey into labor turnover (CIPD, 2005) reports that the turnover rate in hotels, catering and leisure sector had significantly, with 65 percent of the average labour turnover rate in the UK (textbook). Research on the luxury hotel sector in Australia shown they suffered staff turnover levels of up to 48 per cent annually. (Hannan E., 2008) (<http://www.theaustralian.com.au/travel/news/five-star-staff-in-safe-work-fight/story-e6frg8ro-1111115764479>)Retreivede on 27/3 More widely set-up research studies carried out in a large number of hotel organizations seems to confirm this tendency. (Arjan van Rheede et. l,)

Tourism and hospitality is a service sector and thus labor intense. Research studies look insight into the reasons of employee turnover in the industry because it may lead to customer dissatisfaction, the reputation of the business and decrease organization's profitability. Intention to leave, or known as turnover intention refers to an employee's perceived probability of staying or leaving an organization they employed. (Siti Zuraini Ramley Alan, et. | 2010) Turnover intention has directly influence the attitude of voluntary leave the job. According to Doran et. l(2001), when employee have low intention to stay, they may perceived their job as less satisfying and decide to leave the organization. (THOMAS W. H. NG, MARCUS M. BUTTS, 2009) The research studies of employee turnover had point out several variables related to turnover intention. H. Asuman Kiyak (1997) indicated that the best predictor of turnover is the employee's intention to leave, which determined by age, tenure of employment, the community they employed and job dissatisfaction.(H. Asuman Kiyak, 1997) (<http://roa.sagepub.com/content/19/2/233>. abstract) Shu-chi Lin and Jung-nuung chang (2005) identified demographic factors (e. g. age, education, job level, gender, and tenure with the organization) and job satisfaction had close relationship with turnover intention, which in coordinated with H. Asuman Kiyak. In addition, they suggested that apart from demographic factors and job satisfaction, organization conditions such as stress, physical comfort and social support as another primary factor contributing to turnover. (Shu-chi Lin, Jung-nuung chang , 2005) To identify the main reason of turnover in T&H, this study focus on the demographic factors, job satisfaction, and work-life issues as the determines of turnover in T&H.

Demographic factor

T&H is prevalent dominated by younger employees and females. ILO (2005) indicated that women make up of seventy percent of workforce in tourism and the youth labors are numerous. Past research had founded that turnover intention have close relationship with demographic factors such as age, gender, tenure, level of education, level of income and nature of job (managerial or no-managerial). (NARESH KHATRI, poor management) C. G. Davidson M. et. I (2010) argued the hospitality employees' the work attitudes are different between generation and these different generational approaches pose significant problems for hospitality employers because in a service environment there is a heavy reliance upon work teams to ensure that customer service quality is maintained. Table A shown the hospitality employees had been classified into three generation grouping with different work attitude. According to C. G. Davidson M (2010), Gen Y is having greater expectations than Gen X and the various expectations including self actualization, intrinsic benefits, organization supports and opportunities. In other words, this group is potentially seeking opportunities out of the organization and even industry if the employers failed to fulfill their expectations. Empirical evidence has outlined that the Gen Y employee in hospitality industry are often disagreement with the opinion of their employers and the reality of the industry and this conflict subsequently impacts upon organizational outcomes such as turnover and productivity. [Solnet, D. and Hood, A. (2008). " Generation Y as hospitality employees: framing a research agenda", Journal of Hospitality and Tourism Management, Vol. 15 No. 1, pp. 59-68] [FastFood] researched on relationship between turnover and age and gender suggested the generation Y workers seem as <https://assignbuster.com/literature-review-on-employee-turnover-management-essay/>

job-hub culture, which frequent job changes to pursue better remunerative. [Euro] investigated the reason of turnover and agreed that younger people are more mobile and switch career frequently than the mature workers that are less transient. From our study, the older people are easier satisfied than younger people, in respect that younger people are apt to seize new things and they are not experienced so they will have higher expectation, when actuality is not the same with their expectation they will not be satisfied with their jobs.(ChinaTurnover) Since the behavior of younger workers, or Gen Y is judged by empirical studies has significant impact on turnover, and as outlined that major younger employee in T&H, this study will concerned on the relationship of age with turnover intention.

Job Satisfaction

Job satisfaction is the feelings or general attitude of the employees toward their jobs. (Jobsatisfaction&Commitment) Job satisfaction may arise from many different sources, for example salary and benefits, role ambiguity, autonomy, quality of supervision, quality of social relationship and level of support in the workplace. [ChinaHotel] Almost all employee turnover research studies evidenced that job satisfaction is the primary determinant of employees' turnover intention. Fishbein and Ajzen (1975) demonstrated that attitude towards the job impact the beliefs about the consequences or utility of leaving the organization which ultimately leads to actual turnover behavior. (D. Zimmerman R., C. Darnold T., 2007) Feinstein and Vondrasek (2001) analyzed the effects of job satisfaction on organizational commitment among the restaurant employees and the findings proved that satisfaction level would predict their commitment to retain in the organization.

[JobSatisfaction&commitment] K. Milesb A. and Coppagec S. () conducted a research on employees' satisfaction in Brazil Hotel and founded that the level of satisfaction on work is closed with employee's achievement, nature of job and some hygiene factors such as salary and interpersonal relationship at work, which in accordance with Herzberg's Two-factor theory of motivation. This paper utilizes HRM practices in specific internal fit as an ideal set of practices which identify three variables; supervision, job training, and pay practices believed to influence job satisfaction and toward turnover of the employees, as some of the practices of high the performance working system practices by previous HRM researchers such as Bradley, Petrescu and Simmons (2004).

Pay

Pay satisfaction and attitudes towards benefits have significant relationships with organizationally important outcomes such as absenteeism, turnover intentions, perceived organizational attractiveness for job seekers, organizational commitment and job performance. M. Carraher Shawn (2010) suggested pay as well as benefits satisfaction as a turnover predictor and she outlined that employee who has high level satisfaction on pay may have high level of self esteem and enhance their commitment to the organization. (M. Carraher Shawn, 2010) According to ILO, tourism sector is known for low pay, for example, it is less than 20 percent of the average salary in European Union. (ILO) In other words, pay considered the key dissatisfaction factor among hospitality employee. Munasinghe and Sigman (2004, p. 217) examined longitudinal wage data and discovered that the younger worker are more likely to seek for other jobs when dissatisfied with wages. [segi]

This result indicated that younger workers when disagree with employer are high mobility than the older workers, as outlined by Solnet, D. and Hood A. (2008).

Supervision

' Employee would not leave a job, but leave a poor leader.' Lcke (1969, p. 317) defined job dissatisfaction is " the unpleasurable emotional state resulting from the appraisal of one's job as frustrating or blocking the attainment of one's values". (jobsatis&commit) It is argued that a satisfactory job experience is that employees' perceived of strong social support within the work place. Supervision is crucial to the organization since supervisors have extensive knowledge of job requirement and adequate opportunity to observe their employees. It is related to senses of power and control, which may constructs of self-efficacy, senses of being in relationships and having a positive self evaluation. Within the work place concepts of employee empowerment are thought to create employees more satisfied with their jobs, which not only reduces employee turnover but also creates better staff-client relationships and hence satisfied clientele who are likely to become repeat customers [fast food]. There are some studies explained the relationship among human resource practices, job satisfaction and turnover. A study of chef turnover has founded that high level of job satisfaction does not come from wages. Instead, respect, recognition, and supervision support seems to be the main reason hospitality employees stay longer in the organization. [chefturnover inMsia] Amah (2009) founded that job satisfaction has direct negative relationship with turnover intention and those effect of job satisfaction on turnover can be enhanced by increase

employee's self identify and their involvement on work. Keashly and Jagatic (2000) give an idea about poor of supervision lead the dissatisfaction of workers or employees. They argued that poor supervision lead to employee's dissatisfaction to work and effect on turnover. Harmon et al., (2007) clarifies the control overwork practices which is supervision significantly correlated with increased job satisfaction and lower turnover rates among the workers. (Hamdia Mudor1 Phadett Tooksoon, 2011)

Work-life conflict

In the hospitality industry, especially for women, poor work-family balance is a reason to leave the hospitality industry (Walsh and Taylor, 2007; Blomme et al, 2008). http://goliath.ecnext.com/coms2/gi_0198-701169/Work-family-conflict-as-a.html Work life conflict can be described as a form of interrole conflict in which the role pressures from the work and family domain are mutually incompatible (Bellavia and Frone, 2005, p. 115).

It is about the growing sense of work pressure being experienced by employees that makes them difficult to striking a balance between work and non-work aspect of life. (Beardwell J., Claydon T., 2007). Turnover intention is one of the most studied job related outcomes in the work-family conflict literature. Bellavia and Frone (2005) stipulate that one specific occupational stress responsible for turnover is work family conflict. [perception of job&hospitality] In other words, work-life conflict is related to occupational stress. Although work can be a source of challenge that giving opportunities to high performance and self-actualization, work is more often indicated as one of the most intense forms of negative stress. Employees may perform well under a certain level however when the work pressure continue for a <https://assignbuster.com/literature-review-on-employee-turnover-management-essay/>

long time and there is lack of time to rest, people might go into the stress stage of exhaustion. High occupational stress and the individual's emotional and physical reactions can lead to high levels of work-family conflict and their intention to leave the organization. The importance job characteristics which are positively related to high stress level are jobs that require unpredictable scheduling, nontraditional working hours and minimal control over work hours. These job characteristics are all applicable in Tourism and Hospitality Industry. According to ILO (2003), the occupational stress experienced by employee within T&H industry is excessive compared to other job. The work environment in hospitality industry is historically characterized by long working hours, excessive workload, and antisocial working time. [fast food] identified the conflict between hours spent at work and family commitments as one such source of role conflict.(fastfood) [] also suggested that the absence of workplace flexibility is one of the important stressors leading to work family conflict. In their research, they also founded that gender has positive relationship to work family conflict and turnover intention. Female employees when dissatisfied with workplace flexibility are experience more family-work conflict and heightened turnover intentions. Several studies shown that woman exhibits a greater tendency to leave because they are more committed to family. Studies also indicated that such organizationally expected emotions are close related to occupational stress and burnout. Service sector is involving lots of daily face time and customer related activities. Frontline employees who play a critical role in the delivery of quality services, however, are faced with a number of problems associated with work and family domains (Deery & Jago, 2009; Karatepe & Kilic, 2007).

When hospitality employees confront demanding and difficult customers,
<https://assignbuster.com/literature-review-on-employee-turnover-management-essay/>

they are usually expected to face with customers with a smile and friendliness in order to satisfy customers. Reluctant to perform such expected service would result burnout and effect on poor work life balance.

Perceived support for work-family support programmes provided by employers (such as paid parental leave, flexible work practices, domestic leave) has been found to reduce turnover intention. [http://www. questia. com/googleScholar. qst? docId= 5002649712](http://www.questia.com/googleScholar.qst?docId=5002649712)

Work-life conflict occurs in two form, they are family can interfere with work and work can interfere with family.