

Employee turnover: literature review



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‘ Employee turnover’ refers to the number of incoming and outgoing workers from an organization or company. The turnover of employees can occur following a myriad of factors, such as an excessive workload, not having sufficient authority, low salary, or the inefficient facilities of the organization.

This study refers to the problems of employee turnover. Suggested causes of employee turnover include:

- Job dissatisfaction
- A lack of employee rights
- Management gives the workload of two people to an individual (excessive workload)
- A lack of decision making power
- Poor leadership
- A lack of allowances, bounces or fringe benefits
- Preferential treatment of employees
- No future in the company (i. e. repeatedly not being promoted)

LITERATURE SEARCH

Now we will search about the literature we are required for the study of Employee turnover, I referred to different articles, books, online databases and found the following researches previously done on the Employee turnover.

From a study I found that causal relationship is if and then statement for example If price increase then demand will be decrease. In other words we can say causal relationship explore the effect of one thing upon other. From the study four models which show the causal relationship between job

satisfaction and organizational commitment of employee turnover. We study that satisfaction build commitment in employees. And commitment creates satisfaction in employees. We understand that there is a positive relationship between job satisfaction and employee turnover. If employees are satisfied by their jobs it will leads commitment in employees towards organization

- (Magid Igbaria, Tor Guimaraes, Journal of Management Information Systems, Volume 16 Issue 1, June 1999 table of contents)

From another study we understand that the attitude and behavior of employees affect the organization outcomes and profit. We can see if the organization is not encouraging the employees according to their rights then there will be higher rate of employee turnover. We can say that organization behavior, employee turnover, employee satisfaction can affect profitability and buyer satisfaction. We collect data from different sources like employee survey, manager survey, and customer survey and from the record of company for showing that how employee attitude and behavior can affect the company objective. From collected data we can observe that if human resources works well then there will be fewer turnovers in employees and business results will be better.

- (Daniel J. Koys, Personnel Psychology, Volume 54, Issue 1, pages 101-114, March 2001)

From this study we understand that satisfaction level and perception of employees about jobs can be examined by checking the behavior of employees and organization. We examined that if employees are treated well they have good image of organization and satisfied with their jobs. If

employees are satisfied with the behavior of organization that organization treat them fair attitude then satisfaction level about jobs of employees will be higher and turnover will be low.

- (John E. Ditttrich and Michael R. Carrell 1978, University of Colorado, USA, Organizational Behavior and Human Performance, Volume 24, Issue 1, August 1979, Pages 29-40)

From another study we understand that mental understanding, economic conditions and concepts about jobs of employees are the reasons of employee turnover. There is need to develop a structure or system in the organization for making policies to build the positive image about job in the minds of employees that will reduced the thinking of employees about economic conditions and satisfied the employees to continue their jobs that will cause the results low turnover of employees.

- (Baysinger, Barry D, Mobley, William H (APR 1982), Employee Turnover: Individual and Organizational Analyses).

From this another study we get understanding that employee turnover is a big problem and it is a difficult task for human resources manager to reduced employee turnover in asia. we study that the attitude of employees are not positive, employees having negative attitude, because they think there is shortage of labour and it is not a difficult task for them to find a new job that's why employee turnover rate is very high that is a big issue for human resurces manager in asia. we study that the employee turnover rate in singapore is highest among asia. singapore companies developed a good setup to reduced the employee turnover rate in their home companies. from the abstarct we find that there are reasons of employee turnover like low

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organization commitment, lack of justice for employees, and hope of new job in the mind of employees.

- (Naresh Khatri, Chong Tze Fern, Pawan Budhwar, Human Resource Management Journal, Volume 11, Issue 1, pages 54-74, January 2001)

From this study we examined that there is high employee turnover rate in private clubs and industries. It is said by management that the reason for this is that employees are leaving their jobs on hourly basis that leads to high rate of employee turnover. Managers of private clubs and industries are appointed to find the reasons of employee turnover. Because manager having vast experience in their relevant field they can easily suggest that what are the reasons of employee turnover. We find that it is difficult for a team manager to create positive environment in industry to build the image of clubs and industries in the mind of employees to control the employee turnover rate.

- (Naresh Khatri, Chong Tze Fern, Pawan Budhwar, Human Resource Management Journal, Volume 11, Issue 1, pages 54-74, January 2001)

We do another study we get understanding that how employee turnover can be controlled. Here 153 New Zealand companies are selected to determine their employee turnover rates. 153 companies of New Zealand use the skilled based and grouped based compensation plan to control the employee turnover rate. It means that they compensate their employees according to their skills, experience and qualifications. We observed that if employees are compensated according to their rights, that are provided bonuses, incentives then the employee turnover can be reduced.

- (James P. Guthrie, University of Kansas, Group Organization Management December 2000 vol. 25 no. 4 419-439)

From this another study we find that there is problem of employee turnover is discussed. We can find here how employee turnover can be measured in different situations and importance of employees in organization. employee is the backbone of organization. It is discussed here how turnover rate can affect the organization effectiveness to chieve its objectives. there is need to reduced the employee turnover rate to prevent organization cost.

- (Kevin Morrell, John Loan-Clarke, Adrian Wilkinson (DEC 2002), International Journal of Management Reviews, Volume 3, Issue 3, pages 219-244, September 2001)

From this study we can find what the relationship between organizational change and employee turnover is. Organizational change means the environments are not suitable for employees and employees are not compensating according to their rights that's why employee turnover rate is higher. If the organizational changes are in favor of employees then turnover can be reduced and it is also important for manager that the turnover can be controlled.

- (Kevin M. Morrell, John Loan-Clarke, Adrian J. Wilkinson, (2004) “ Organisational change and employee turnover”, Personnel Review, Vol. 33 Iss: 2, pp. 161 - 173)

From this study we get understanding 353 nurse leavers the hospital in the national health and service of England nad Wales. it describe why the nursing turnover rate is so higher in hospital of national health and service.

its reason is that the understanding and image of hospital is not good in the minds of nurses that's why their turnover rate is so high. the analysis of this research is that how employee turnover rate can be reduced. it can be reduced by improving the understanding of image of hospital in the minds of employees. it is also beneficial for management and organization that their nursing turnover can reduced and it will be cost effective for hospital.

- (Kevin Morrell, John Loan-Clarke, Adrian Wilkinson(NOV 2004), British Journal of Management, Volume 15, Issue 4, pages 335-349, December 2004)

We do another study Here we find what kinds of expensess and how much expensess can be faced to an organization due to the high employee turnover. here we study that if any employee leaves the organization then organization have to face expensess like recruitment, selection and training again. and it will be time consuming for organization. if employee leaves the organization then it will be difficult for management to hire suitable and productive employees and trained him easily and guide him.

- (J. Bruce Tracey, Ph. D, Cornell University School of Hotel Administration Timothy R. Hinkin, Cornell Hospitality Quarterly February 2008 vol. 49 no. 11)

From this another study we observe that how salaried employees having share in development activities of organization. here we study conducted analysis of a survey through this we understand that 667 employees think that on job traing which is providing to employees positively increased the commitment of employees towards organization and create positive image about organization and will result in reducing the rate of employee turnover.

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so the employee turnover can be reduced through providing them job related training and prepared them for marketable place and improve their skills. promoted the employees and build good relationship to reduced the turnover rate.

- (George S. Benson, MAR 2006, Human Resource Management Journal, Volume 16, Issue 2, pages 173-192)

Here in this study we find that salaries issues and incentives are the reasons of employee turnover and low productivity. For this we collected data from 400 retail shop of UK. here in UK all the 400 shops compensate their employees on hourly basis, and there is no reward for workers on their productivity basis. When there is no productivity reward for workers then it create negative image. The employees who are productive will leave the firm and only low productive employees remains with the firm. When employees are satisfied with their jobs then productivity will increased.

- (Chevalier, Arnaud, Siebert, W. S, Viitanen Tarja, May 2003 University College Dublin. Institute for the Study of Social Change (Geary Institute)

In this study we find that when the top management or leaders of an organization change the policies or structure at grand scale without proper planning or the frequency of these changes is high this results in high employee turn over and also cause senior employees to leave as it becomes difficult for them to cope with these changes as they have practiced old policies for a long time and are not able to change themselves quickly.

- (Baron, J. N. and Hannan, M. T. and Burton, M. D. (2001) ' Labor pains : change in organizational models and employee turnover in young, high-tech firms.', American journal of sociology., 106 (4). pp. 960-1012.)

According to integrative and expanded contextual model there are different variable which lead an employee to make the decision to stay or leave in an organization, it divides these variables in the following manner.

Structural/Process Variables: Career growth opportunities, Rewards according to individual's performance, ease of communication, and finally the challenge involve in performing the duty.

Environmental Variable: One environmental variable is that how much better opportunities are available in the market.

Mediating Variable: What methods are adopted to keep the employee interested in there job.

Demographic Variables: Finally the social (occupation, age, education, and sex) variables and there fulfillment.

- (THOMAS N. MARTIN, JR. Southern illinois University-Carbondale)

This study discusses employee engagement behavior, according to it racial base pairing of supervisor and junior in an organization shows this result. At low levels where supervisor and junior are of same race tend to stay together in an organization for longer period as compare to supervisor and junior of different race, but at the higher levels of management members of different race tend to remain for longer period in the same organization.