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The paper “ Optimal Ways to Control Staff Turnover in a Company" is a forceful example of a term paper on human resources. Turnover in a company is inevitable.  It’s not a question of if but when.  Studies of employees located within Silicon Valley were conducted to explore the reasons why staff members leave their position and what companies are doing to retain quality employees as reported by the Silicon Valley/San Jose Business Journal.

Employee retention is a major concern of businesses but retaining quality staff is a more important issue.  Ten years ago, Silicon Valley experienced just 10 percent turnover per year.  By the year 2000, one employee in seven changed jobs.  Today, the average person will have had nine different employers by age 30.  The challenge is how to slow the mass departure of talent that has been trained at great expense to the company.  A recent Harvard Business Review article suggests, “ If managing employees in the past was akin to tending a dam that keeps a reservoir in place, then today it is more like managing a river.  The object is not to prevent water from flowing out, but how to control the direction and speed” (Ruhmann, 2000).

With its high-tech industrial base, the Silicon Valley area of California is widely acknowledged as being notorious for elevated levels of employee turnover.  Job-hopping was common during the tech boom-times.  Even in the coastal community of Santa Cruz, twenty-five miles southwest of Silicon Valley, the workforce is not nearly as stable as many employers would prefer.  This area often loses well-trained employees to higher-paying counterparts in Silicon Valley.  “ We always feel that pull,” says Dinah Phillips, Santa Cruz County spokeswoman (Pittman, 2002).  Following the boom of prosperity in the late 1980s and early 1990s, poor economic conditions have prevailed causing fewer employees to change jobs.  This has also caused companies to allocate less capital to effectively train their employees and put more towards security which has become a larger concern.
According to the study, employees listed five major reasons as to why they abandoned their previous job.  They include “ career growth and development; earnings potential with the company; fairness of salary increases; timeliness of increases; and company loyalty to employees” (Pittman, 2002).  The study showed that few companies’ organizations really put some muscle, thinking, and resources into developing people as if they were real assets.  “ If you had a sack of money sitting in the bank at two percent, you would be considered a poor manager.  Yet if you’re managing a dozen people who haven’t learned a thing in five years, you’re not” (Pittman, 2002).  During downturns in the economy, companies have been forced to recognize quality employees and attempt to retain them without offering money as an incentive.  It’s the kind of thing government agencies have tried to offer for years.  “ When asking what companies are doing to retain the most valued employees, the answer most frequently given is stock options,” said Arya Coopersmith, co-founder of High Tech HR Forum.  “ In exit interviews, when employees left the company, the most frequently given answer for leaving was ‘ better career opportunities.’” (Pittman, 2002).  According to the study, however, there’s clearly a disparity between what employees want and what employers are offering.  Stock options were somewhere close to the bottom of the list of incentives to stay and money is never at the top of the list.
The time it took employers to fill a job position in the latter part of 1999 was, on average, 10 days.  This number has increased to 51 days in 2005 according to a Saratoga Institute study.  This reality alone accounts for lost employee days which results in decreased sales, service and, more importantly, a decline in overall morale.  Initial employment interviews have been found to be less than 50 percent effective in hiring qualified candidates because you haven’t determined who you are hiring.  “ The interview is a data-gathering process to assess the ‘ fit’ of the individual to the position and organization” (Ruhmann, 2000).  Job candidates today are more skilled at the interviewing process than is the interviewer.  Employers are beginning to catch up though.  As of last year, 65 percent of all corporations were utilizing better assessment tools and profiling positions when hiring their employees.
3Dlabs, located in the heart of the Silicon Valley and elsewhere throughout the world allocates 15 percent of its profits to retain employees according to the study.  General Manager Raj Singh understands that keeping employees loyal to the company has little to do with money.  “ Japan is really easy,” Singh explained.  The employees working for 3Dlabs in Tokyo “ are not going anywhere.”  To some extent, the same can be said for his employees located in the United Kingdom and even in parts of the United States.  According to Singh, employee loyalty and retention have been “ extremely challenging” issues in recent years.  “ We’ve faced this head-on.  Free sodas and weekly lunches have to be backed up with evidence of real caring for employees (or) it’s a meaningless thing.  If you don’t lose an employee but the employee is unhappy, you still haven’t achieved your objective” (Pittman, 2002).  No one at 3Dlabs has a secretary and the company prides itself on its open-door policy in much the same way Japanese companies have operated for many years with great success.  Singh claims that solidarity and trust are the most important issues.  Even though “ California is just in a constant jumble,” the California-based company has focused on health-care issues, job training, and company communication to encourage worker commitment.  This has shown to be the best way to retain employees.