



“I often think about Leaving my organization” –

A conceptual overview on exploring the factors leading to Intention Turnover and preventive actions to help reduce employee turnover.

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Abstract:

Hiring the best talent in the industry comes with a cost, nurturing them, developing them and keeping them motivated and happy doesn't guarantee that an employee would stay in the organization for years to come. The competition is never ending putting pressure on the organizations to match the global standard, which puts undue pressure and expectation to perform above and beyond their KRAs. Which leads to job dissatisfaction because of work stress and performance pressure. Also, when the employee is skilled and talented, His expectation from the job increases and He starts looking for better salary, better designation, location, higher responsibility, bigger team, benefits and perks and the list go on. Other reasons can be work environment, organization culture, organizational conflict etc. It becomes imperative for an organization to investigate the causes and design strategies to reduce Turnover Intention. The purpose of the study is an attempt to summarize factors causing intention turnover and suggesting strategies to handle turnover and to determine and suggest various possible strategies that can help to minimize the employee turnover.

Hence, the paper has proposed a conceptual framework that shows the major variables that contributes to employee turnover and strategies that can help to retain an employee.

Keywords: Turnover Intention, Employee Retention, Compensation Management

Introduction:

Any organization big or small has to deal with employee turnover and come up with strategies to retain them in the organization. Moreover, it's the 21st century, everything is constantly changing at a high pace, organizations all around the world, different industries are changing and adapting as well, there is rapid change of Technology, culture, competition, diversity in workforce, organizations are continuously restructuring. Organizations recognize the need of having motivated, committed, creative, productive workforce to achieve profitable goals and to have advantage over the competitors. Easier said than done, to retain the best talents is one of the most difficult challenges organizations face.

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Organizations do everything in their power to retain the best talent. Hundreds of studies prove that it is a very difficult task for an organization to keep their employees motivated and committed for longer period of time.

The manpower of an organization is its asset. An organization invest so much in terms of hiring the best in the market and also developing the employee within organization to have an edge over its competitors, there is a huge cost involved in recruitment and selection process, induction and training and development of a new joinee, it become crucial for an organization to retain its employee as they depend on its manpower in achieve its goals and to become profitable.

When an employee decides to leave an organization, it impacts the overall performance and image of an organization and it also affect the motivation of other employees', as they too start thinking of leaving. When a skilled and talented employee decides to leave it cost an organization and affect its efficiency.

When an employee intends to willingly change job or leave his organization, it is known as "Turnover intention". **Tett and Meyer (1993)** defined Turnover intention as a "conscious and deliberate willingness to leave the organization". It is crucial to handle this issue with great precautions because it impacts overall organization goals. It is thinking and planning to leave their job and organization which can stems from various factors and can be multiple reasons, why an employee is thinking of leaving his organization, it can be related to compensation & benefits, job satisfaction, workload, interpersonal relation, culture and poor management, work stress, unsupportive supervisor, work environment, better opportunity etc.

Literature Review:

Over the years many Researchers have tried to investigate and establish the factors that cause turnover intention, studied its relation to various job factors to pin point the reasons, why an employee leave his organization.

Turnover intention is when an employee intent to quit the organization and it is an immediate predecessor of actual turnover. Thus, it is a mediator between attitudes triggering intention to leave and leaving an organization (**Glissmeyer, Bishop & Fass, 2007**).

Employees' turnover intention is the ability of the employee to quit the work, which is classified as voluntary and involuntary discrimination, in addition to its dysfunction in the job that led to quitting the work, and that each type of employee turnover affects the organization to varying and different degrees (**Long et al., 2012**)

Employees' turnover intention is formed when the individuals feel their job does not meet their ambitions and expectations (**Zeffane & Bani Melhem, 2017**). Strong turnover intention signals job attitude and morale change mirrored by absenteeism, low productivity, and customer service quality (Kang et al., 2018).

According to **Zeffane (2003)** there are several factors that influence turnover, including external factors such as intelligence, attitudes, past, types gender, interests, age, and length of work.

In view of workforce trends, such as shifting demographics, global supply chains, the aging workforce and increasing global mobility, forward-looking organizational leaders must rethink their approach to talent management to best harness talent (**Frank & Taylor, 2004**). By doing so, leaders will be positively positioned to succeed in a highly competitive marketplace. In addition, organizational culture, employee engagement and leadership development have a significant impact on talent retention (**Frank & Taylor, 2004**).

Factors leading to turnover intention:

Work Stress:

Organizations expect so much more from an employee other than their defined KRA's, they want employees to perform efficiently and productive. Job stress is so common these days which occurs when employees are continuously working under pressure are unable to achieve Targets. Organizations today are forced to keep up with the globalization, in order to sustain themselves they put huge levels of stress on their employees'. Huge work overload, unable to match employers' expectation. performance pressure, being continuously demanded to give their best, conflicts within the organization put an individual in a lot of strain and tension resulting into stress. Increased stress at work leads to higher levels of dissatisfaction, low productivity and demotivation, evidently leading to higher turnover.

Compensation:

Right compensation plays the most important part in retaining an employee. One of the major reasons of an employee leaving his organization is for better compensation. An organization's expectation from an employee is to perform the best, to give more than 100%. Today an employee is well connected and aware, and is continuously comparing the compensation for his job with other employee in the similar job and in the similar industries. Any dissatisfaction in this aspect leads to employee turnover

Right Balance Rewards and Recognition:

Any employee feels valuable when he is rewarded for his performance, He becomes more committed and loyal to the Organization when he is recognized for his efforts. Finding the right balance to keep the employee motivated to perform better and at the same time making him feel that his contribution is major part in achieving the overall organization goals, plays an important part. Recognizing and rewarding right can push the employee to perform beyond their KRA's, it fosters creativity and initiative. Some examples are Bonuses, incentives and perks, letter of appreciation, verbal public recognition, awards and so on. Not having proper Rewards and Recognition in place demotivates an employee and hampers his performance, leading to look for more rewarding job opportunities.

Work Environment:

Work environment comprises of work ambience, organizational culture, inter personnel relationship within an organization. An organization that has friendly atmosphere, fair and stable management, good work ethics, where an employee is involved in decision making, there is space for open dialogue and proper communication channel. If employees are not being contented with the culture, work environment, organizational structure, the probability is that they will quit the job (**Mowday et al., 1982**). Basic amenities like proper lighting, restrooms, ventilation, clean work space, safe work environment to name a few are necessities. Supportive Bosses and Supervisor. Quality of work place influence an individual work quality; conducive environment is very important for to feel comfortable. Absence of any of the above can cause and employee to leave the organization and look for better prospects.

Low Job Satisfaction:

Job Satisfaction comes from job well done, by performing beyond expectation and by finally being fairly paid, rewarded or recognized for it. Job dissatisfaction is linked to various aspects like pay structure, work environment, superior and colleagues, no promotion and career growth.

Work Life Balance:

Various retention problems can be avoided if, the organization finds a solution to help employees to effectively control their commitment at home and at work (Tser-Yieth et al., 2004). There has to be balance between Work life and personal life, if not there will be conflict and stress which will directly influence the productivity. Social exchange theory suggests that employee assessments of the quality of their interchange relationships with their organizations are related to their well-being and commitment to the organization (Avanzi et al. 2014). Any disturbance in work or personal life will start to overlap other, and pose undue stress, In the present that is why employee are looking joining any organization that has strategies that focus on personal and social wellbeing.

Job Promotion:

If an employee doesn't see his growth within then organization, if the career path is not clear and it is not sure if a promotion is going to happen after putting few years of work in an organization, he/she will not feel valuable to the organization and can decide to leave for better designation and bigger responsibilities. Employees are more likely to stay in an organization where they can see career growth opportunities and timely promotions.

Job Training:

An employee has to be given proper training for new advancement in the industry to be up to date with the trends, so his work performance is not affected and also for higher career growth. In absence of training and development initiatives from the organization, he lacks the right skills for getting his work done, which leads to poor performance. An employee might decide to switch for a profile which is closer to his skill set.

Strategies to reduce Employee Turnover:

Organizations have to continuously work on identifying the causes of turnover with good system and processes in place, like by having an exit interview, grievance redressal system etc. and take proactive and strategic steps to reduce the turnover intentions of the employees. It is prerequisite for an organization to analyze these factors and design systems and processes to curb the intention to turnover. An organization have to design strategies to deal with employee retention and have to have a well – defined policies to for the skill they want to retain. (Farley, 2005).

By Designing strategies to improve Job Satisfaction level, reducing work stress, increasing organizational commitment, focusing on employees' overall happiness will definitely help in reducing turnover intention.

Organizations have to focus on increasing Job Satisfaction by providing meaningful and challenging work by utilizing their talent and skill set. By encouraging them to have work life balance. By providing a pleasant and hygienic work place, Timely promotion and career growth opportunities. Being involved in decision making process create a sense of belongingness which increases commitment towards the organization. Retention is improved when employees are satisfied with their compensation and benefits, work culture and work life balance (Messmer, 2006)

Poor Income is one of major cause why an employee decides to leave, Salary structure should be such which is similar to the other industries for the similar job, It should be equal to the talent, qualification and skills he is bringing into the organization. An employee pay should show his value to the organization.

Ensuring a proper recruitment and selection process, proper employee assessment and then hiring right candidate who is most suitable for the position will increase the chances of him staying in the organization for longer period of time.

Good hiring practices will ensure effective retention, most qualified person for the position stay longer. If hiring practices are poor, if the person is less qualified soon, he will lose motivation and look for another job and if the person is more experienced and qualified than the position, soon he will get frustrated which will affect his performance and it will increase turnover. (Branham, 2005)

Fair management systems, Sound work ethics. Stable work environment, good interpersonal relationships within the organization increases efficiency. Having a bad boss is considered one of the major reasons of employee turnover. Open Communication, Cooperative, Supportive and encouraging supervisors will play a major role in keeping the employee morale high. Managers should be given proper behavioral and leadership training to handle their juniors and teams better which will definitely improve employee retention.

The organization needs to design strategies that are more employee central, by providing flexible working hours, social gathering, just by being more supporting and listening to their personal & family needs. This will create a positive outlook towards and strengthen employees' loyalty towards his organization, and will increase his commitment.

Proper Reward systems in place followed up recognition keeps employee motivated and encourage him work harder. Training and development will provide an employee with the skill set required for the job, being up to date will make him feel useful to the organization and He will not have Job Insecurities.

An organization culture which is friendly, encouraging and transparent have an overall positive impact on the employee performance.

Work Life balance has come to fore front with a rise of mental stress nowadays an individual goes through. One will never perform to his optimum if he not 100% present and is disturbed with family issues. For example, current pandemic situation required employees to work from home or have flexible working hours. Proper working hours which allow an employee to spend time with the family, can relax and have fun will help him deal with work pressure much better, which will indirectly lead to Job satisfaction.

Conclusion:

Management should invest more time and resources in identifying the underlying causes that contribute towards employee turnover, and develop new systems, work environment that attract, motivate and retain the best talent in the organization. Having more customized and individualistic approach of rewarding and recognizing an employee will make him feel more valuable in the organization. Workforce of an organization is a vital resource and asset, implementing above strategies will definitely ensure Job satisfaction, his well-being and performance. Organizations should prefer to spend on retaining a trained employee then to spend on recruiting a new employee. Therefore, the purpose of this paper synthesis to right balance of Compensation, Reward and Recognition that increases Job satisfaction, employee Performance and keeps them motivated that curbs Turnover Intention.

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