

EMPLOYEE TURNOVER- CAUSES AND REMEDIES

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ABSTRACT

Employee turnover is expensive. While some turnover can be expected. Poor management can cause the normal turnover to climb to an excessive level. It is important for the organization to reduce the turnover. The main objective of the study is to find the impact of employees' turnover on the performance of an organization. This research study supports the argument that organization's inefficiency is the main reason of turnover. The measures for analysis are employee turnover work load, stress, job dissatisfaction and low salary. The results confirm that the performance of an organization is negatively associated with employees' turnover. The study provide an insight to see that level of turnover which has effect on the performance and what are the variables that may address to handle these issues. Two types of questionnaires are used for collection of data. Internet is also used as source of information.

KEYWORDS

Turnover, Operations, Productivity, Wage rate, Production

INTRODUCTION

For every organization it is important task to manage employee turnover because Today is competitive world. Every person wants some kind of expansion in his/her life. In their everyday life they seek for new challenges and good working conditions and environment. It is very difficult to provide these things to the employees in economic way. Every organization wish that there should be high productivity and low turnover and company should run for profits. In order to achieve this goal it is necessary to manage turnover successfully. Managing turnover successfully is must for both government and non-government sector. Turnover rate is high in private sector because security of job is less though salary and benefits are high. There is difference in rate of turnover from manufacturing to service sector. The reasons for employee

turnover can be divided in two parts 1.voluntarily; 2.involuntarily. In human resource, term employee turnover is a measurement of how long your labour stay with your company, and how often you have to replace them. The specific impact of replacing a labour varies based on many factors 1) it is difficult to fill the position 2) increase the cost of training 3) increase the cost of advertisement. The importance of this research is to find the actual reason of turnover and to examine how turnover affects productivity. Section -2 presents a brief literature review on turnover, Section-3 provides the research methodology whereas Section-4 presents causes and factors of turnover and Section-5 presents the relationship among turnover and productivity.

LITERATURE REVIEW

The rate of turnover is different from company to company. The rate of turnover is normally high in private sectors. The rate of turnover is high when rate of unemployment is low. Some time employee turnover gives positive benefits to the organization where person with poor performance is replaced by more skilled employee. Sometimes retired employee replaced by a younger one has positive impact. Employee turnover is sometime costly when company spends on cost of recruitment, cost of covering and training cost. There are many different reasons for turnover like new job attractions and sometimes dissatisfaction in their present job and may be some family reasons. The most important reason for turnover is poor relationship with the management. Improper training and development can also cause for voluntary turnover. Turnover can be minimized through adopting different preventive measures like providing trainings, providing security of jobs, good working environment, maximization of opportunities; regular appraisals. Increase rate of employee turnover makes the employers difficult to maintain regular and successful operations. Loss of a single key worker can reduce investors' confidence in the firm. Turnover is an index of organizational efficiency. Information relating to turnover can help in the planning and controlling of human resources. In OECD countries something like 10-15% of workers leave their job every year. The levels of turnover also vary from sector to sector. The highest rates are found where unemployment rate is lower and where it is easy for people to get alternative employment [1]. Employee turnover may be also high as it requires different cost such as administrative costs of recruitment, cost of covering during the period in 65 which there is a vacancy, training cost for the new employee etc. [2]. Turnover occurs for many different reasons. Sometimes new job attracts employees and pull them to leave the old one. In contrary employee also pushed to leave job due to the dissatisfaction in their present workplace or by domestic circumstances when someone reallocates with their spouse or partner [3]. A poor relationship with the management can be a major reason for the employees to leave their jobs. It is relatively tough for people to leave jobs in which they are happy even

offered by higher salary elsewhere [4]. Average turnover rates over the next five years are predicted to rise from 20.6% to 23.4% and number of global departures in 2018.

OBJECTIVES OF STUDY:

- 1) To find factors responsible for employee turnover.
- 2) To find impact of turnover on productivity.

RESEARCH MEHODOLOGY

This research was conducted by taking interview of the employers and employee to find out the causes of turnover. During the time of interview the main concern was why an employee leaves the job. For interview two types of questionnaire were prepared. First one for the employees, related to the view of the employee turnover, cause of turnover and impact of turnover on productivity. Second one for employees, consist of questionnaire about employee personal information, their view about turnover. Data is collected from 25 employees of different organization. Information from internet is also used

Turnover Causes-

When employees are unhappy from the job place it gives rise to turnover. But it is important to know and recognize the difference between the employees who leave the job because they are unhappy and those who leave for other reasons. There are number of factors that lead to employees' turnover.

1. One of the most common reasons is that there is availability of higher pay.
2. A bad match between the employee's skill and the job.
3. Lack of opportunities for advancement.
4. Improper training and supervision.
5. More work load.
6. Less extra benefits.

Relationship among Turnover and Productivity:

Turnover is very much related with the productivity of an organization. Employees' turnover has negative impact on the overall productivity of an organization. It is also the symbol of other difficulties. Large rate of turnover can give rise to many problems. Production of manufacturing units is hampered due to employee turnover. Production and productivity of every organization is directly affected by turnover. Replacement caused by turnover is very costly and time consuming. There are some drawbacks during the replacement.

1. New worker may or may not be efficient like previous one.
2. Sometimes co-workers have to spend time for helping new one at his job.
3. There is need of some training for new employee for settle down.

RESULT - ANALYSIS AND INTERPRETATION

The causes and remedies of turnover are discussed with the view point of the respondents. The effect of turnover to the productivity is also discussed. The data collected have been analyzed and required calculations have been done. In total 25 workers were interviewed to measure turnover effects and remedies. The analyses of data based on questionnaire are as follows:

TABLE-1 GENDER DISTRIBUTION OF RESPONDENTS:

Gender	Frequency	%age
Male	20	80
Female	5	20
Total	25	100

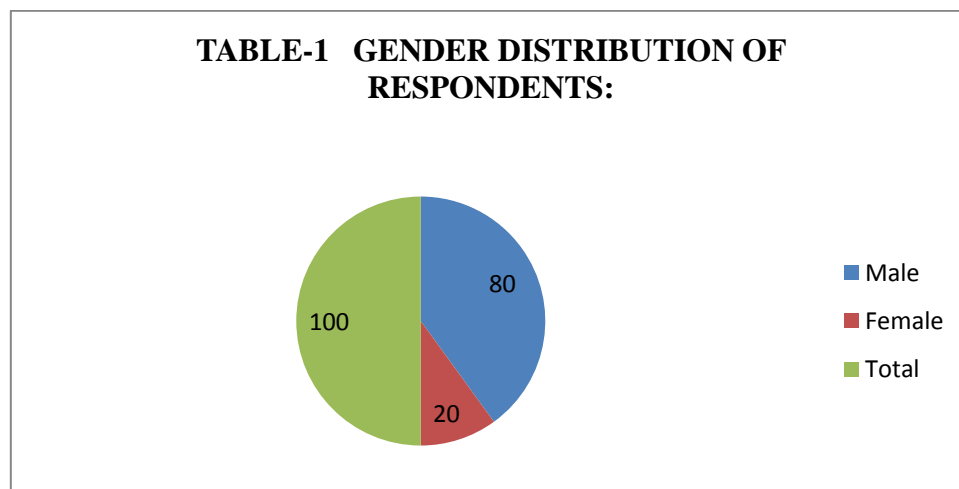


TABLE-2 AGE GROUP OF RESPONDENTS:

Age	Frequency	%age
Up to 30 Years	5	20
30-50Years	15	60
More than 50Years	5	20

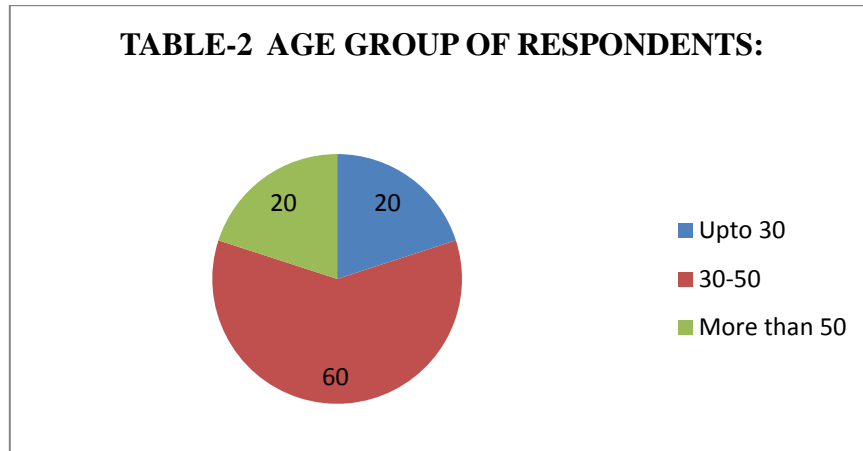


TABLE-3 QUALIFICATION OF RESPONDENTS:

Qualification	Frequency	%age
Up to high school	22	88
Bachelor's degree	3	12
Master's degree	-	0

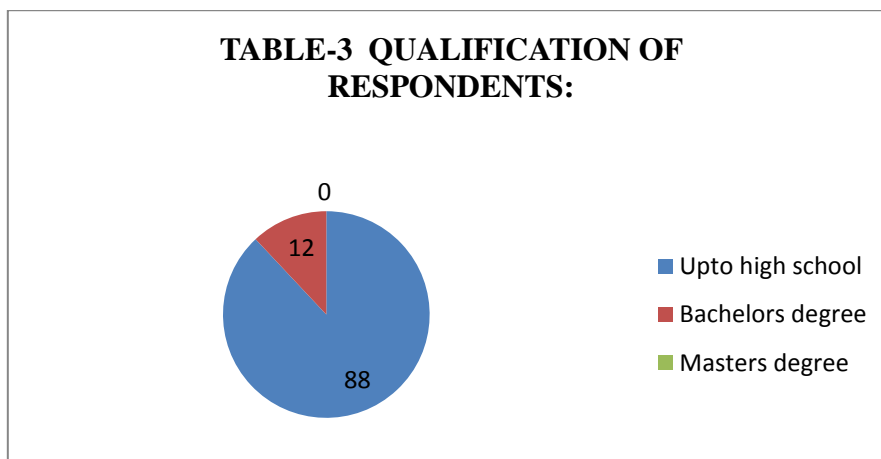


TABLE-4 RESPONDENT VIEW ON EFFECTS OF TURNOVER PRODUCTIVITY:

Response	Frequency	%age
S.A	18	72
Disagree	3	12
Undecided	4	16

TABLE-4 RESPONDENT VIEW ON EFFECTS OF TURNOVER PRODUCTIVITY:



TABLE-5 INSUFFICIENT WAGE PAYMENT IS THE REASON FOR EMPLOYEE TURNOVER:

Response	Frequency	%age
S.A	15	60
Disagree	5	20
Undecided	5	20

TABLE-5 INSUFFICIENT WAGE PAYMENT IS THE REASON FOR EMPLOYEE TURNOVER:

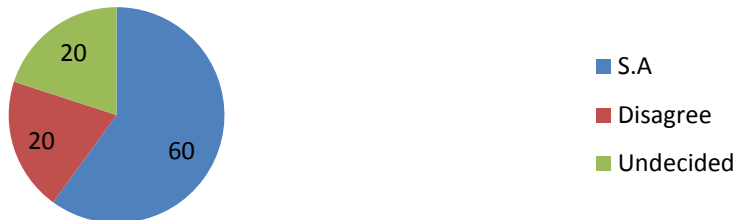


TABLE-6 MUCH WORK LOAD AS THE REASON FOR LEAVE:

Response	Frequency	%age
S.A	6	24
Disagree	18	72
Undecided	1	4

TABLE-6 MUCH WORK LOAD AS THE REASON FOR LEAVE:



TABLE-7 LACK OF BENEFITS AS THE REASON FOR LEAVE:

Response	Frequency	%age
S.A	7	28
Disagree	17	68
Undecided	1	4

TABLE-7 LACK OF BENEFITS AS THE REASON FOR LEAVE:



TABLE-8 WORK ENVIROMENT AS A REASON FOR LEAVE:

Response	Frequency	%age
S.A	12	48
Disagree	3	12
Undecided	10	40

TABLE-8 WORK ENVIROMENT AS A REASON FOR LEAVE:



TABLE-9 STRESS OR JOB INSECURITIES AS A REASON FOR LEAVE:

Response	Frequency	%age
S.A	17	68
Disagree	8	32
Undecided	0	0

Table 9 STRESS OR JOB INSECURITIES AS A REASON FOR LEAVE:



TABLE-10 LOSS OF EXPERIENCED STAFF AS A RESULT OF TURNOVER:

Response	Frequency	%age
S.A	19	76
Disagree	4	16
Undecided	2	8

TABLE-10 LOSS OF EXPERIENCED STAFF AS A RESULT OF TURNOVER:



TABLE-11 EVERYTIME EMPLOYEE TURNOVER INCREASES THE RATE OF UNEXPERIENCED STAFF:

Response	Frequency	%age
S.A	12	48
Disagree	12	48
Undecided	1	4

TABLE-11 EVERYTIME EMPLOYEE TURNOVER INCREASES THE RATE OF UNEXPERIENCED STAFF:



TABLE-12 TURNOVER INCREASES THE COST OF ORGANIZATION:

Response	Frequency	%age
S.A	18	72
Disagree	4	16
Undecided	3	12

TABLE-12 TURNOVER INCREASE THE COST OF ORGANIZATION:



TABLE-13 MORE TURNOVER LEAD TO MORE COST OF TRAINING:

Response	Frequency	%age
S.A	20	80
Disagree	3	12
Undecided	2	8

TABLE-13 MORE TURNOVER LEAD TO MORE COST OF TRAINING:



TABLE-14 MORE TURNOVER HAS NEGATIVE IMPACT ON GOODWILL:

Response	Frequency	%age
S.A	22	88
Disagree	1	4
Undecided	2	8

TABLE-14 MORE TURNOVER HAS NEGATIVE IMPACT ON GOODWILL:



FINDINGS:

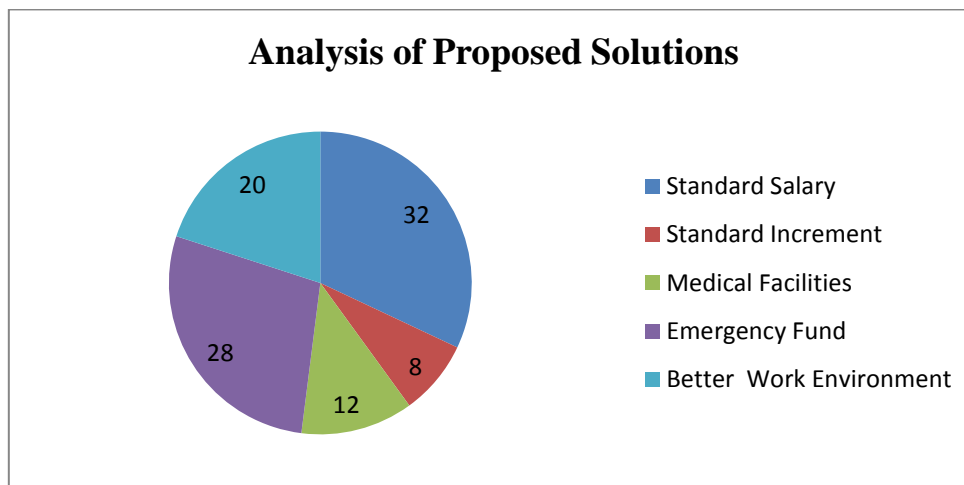
Based on analyses of data collected from workers of Jagdambayconcast, Rajiv industries respectively. The respondents demographic distribution shows that majority of respondents are male and most of the workers are from the age group of 30-50years. It was reveal that majority of respondents are qualified up to senior secondary. 72% of respondents view that turnover has effect on productivity. 76% said that it increases the rate of loss experienced staff and 80% of respondents said that it increases the cost of training and also have impact goodwill. 60% are saying that insufficient wage payment is the main reason for turnover. 72% of respondents disagreed that more work load can be the reason for turnover. 76% are saying that more turnovers will lead to more loss of experienced staff.

SUGGESTIONS:

As it was revealed that more turnover lead to increase in overall cost and reduce the production. In order to improve production and reduce cost the organization should give importance on regular and sufficient wage payments. Work load must be given according to capability and interest and more efforts should be put on training and development program to retain workers. Organization can be provide extra benefits like insurance, safe conditions, good management relations to improve retention. Company can conduct regular meetings to know about labors expectations.

Analysis of Proposed Solutions

S. No	Proposed Solutions	No. Of Respondents	Percentage%
1	Standard Salary	8	32
2	Training & Development	2	8
3	Insurance Facilities	3	12
5	Management Relations	7	28
6	Better Work Environment	5	20



CONCLUSION:

Main objective of the organization is to gain. But to achieve this objective company should pay attention towards employee and ways to retain them. More employee turnover has negative effect on productivity. That's why organization should take steps to reduce turnover rate by creating more opportunities for growth.

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