

## **Exploring Factors of Employee Turnover Intention – An Overview**

**\*Sonica Rautela and Sushil Mavale**

\*Assistant Professor, SCMS, Pune

### **Abstract**

Management thinkers have widely researched and discussed about employee turnover. As the turnover has a direct impact on productivity and organizational competitiveness, organizations are also concerned about avoiding the same. However as the saying goes, prevention is better than cure, it's important to diagnose the antecedents of turnover. This paper examines one of such antecedents – turnover intention. Turnover intention is about an employee's possibility of leaving the organization sooner or later. Researchers have adopted systematic literature review to build up a conceptual framework by studying distinct factors of employee turnover intention.

Researchers have attempted to compile various research works on turnover intention and to discuss various factors affecting employee turnover intention.

Studying turnover intention is pretty much relevant as it can help organizations tackle turnover related problems. The result of study helps to determine variables that can predict turnover intention.

Keywords: Turnover intention, job satisfaction, Turnover Behavior

### **Introduction**

For an employee to be efficient, organizations invest heavily on training and development of employees. Such employees become most important assets. Hence, it becomes essential to reduce the turnover of employees in organization. As stated by Price, (Ongori, 2007) defined turnover as the ratio of number of employees who left the organization during certain period divided by average number of people in that organization. Tett and Meyer (1993) defined turnover intention as a cognitive response to the working condition of an organization which compels him to switch the organization and move to some other alternative organization for his/her job.(P.Meyer, 1993)

Another view on turnover is about the process of filling a vacancy. Whenever a position is vacated voluntarily or involuntarily, that position needs to be filled by hiring a new employee and training him (Ongori, 2007).

An extensive research is done by Griffeth and Hom(R.W. Griffeth, 2000). The authors talk about the importance of managerial interventions to discourage the quits. With industries booming and developments in economy, talented employees have many options open and have better job prospects. At the same time, for organizations retaining this talent pool is definitely a big challenge as the companies spent significant amount of time and money on developing their employees. Retaining such employees can help organizations in their long-term growth and also adds to the goodwill. Increased sales, effective succession planning and such organizational performance indicators as well as customer satisfaction are found to be dependent on the ability to retain best employees in the organization (Bidisha Lahkar Das, 2013). Employee retention is about encouraging employees to stay in the organization for longer period of time. Understanding human resources is challenging. Employee retention is closely linked with compensation practices, supervision, working conditions, work schedule, employee development, job satisfaction, job security, work-life balance, etc.

Moreover, an extensive research on job embeddedness is also done. Job embeddedness can help organizations by giving directions on ways to improving attachment to the organization (Ramesh, 2007). Job embeddedness is different than organizational commitment. It is about building an attachment because of which employee may stay with the organization. Compared to organizational commitment, job embeddedness has particular dimensions and provides clear direction on how to develop bonding with the organization. Surprisingly, the authors found out that family embeddedness also has an impact on turnover. Family opinions have shown to impact the employee decisions. Such studies indicate that family opinion can also be one of the factors influencing turnover.

### **Objectives of the study**

This study on review of literature on turnover intention undertakes the following objectives:

- I. To compile various research work on turnover intention.
- II. To discuss various factors affecting turnover intention.
- III. To explore relationship between various factors associated with turnover intention.

### **Methodology**

Present study is descriptive in nature. Only the secondary data has been used. The secondary data consist of various research papers from journals, theses and books.

The study is based on the secondary sources collected from different sources like EBSCO, Emerald, Scopus, JSTOR, Thomson Reuters and Google Scholar. Information has also been gathered from secondary data sources from books, articles that aid the study. Researchers opted for systematic literature review (SLR) for the same.

### **Literature Review on Turnover Intention**

Human Being is an important resource for any organization being it in any part of the whole world. Every organization tries to select, recruit and retain the best employees because the best people make the best organization. Firms especially in developing countries always try to get the best fit for their organization. The resources which are employed or invested in selection, recruitment, training and socialization of their employees are colossal and therefore the firm's aversion to turnover is obvious. Some of the perturb of managers and organization stakeholders are the ramification of employee turnover which often gets reflected in the products and services offered by the organization, consistency and stability of services exchanged for finances with the customers and clients (Nyberg, 2008). Other consequences could be the increased level of client dissatisfaction with the products or services offered by the organization with more turnover ratio (Chang, 2005). Morell et al (2004) also identifies direct as well as indirect cost related to the increased rate of employee turnover.

Turnover can be categorized broadly as voluntary and involuntary. A turnover is said as voluntary if the individual decides to leave the organization on his own while when the employee is asked to do so it is known as involuntary turnover. Individuals working in an organization may consider turnover because he or she may not be happy with the present organization or may be looking for better working environment or financial benefits (Mulky). Further according to Avinash Mulky certain level of employee attrition is normal in a healthy economy.



**Figure 1**

(Mowday, Koberg, & McArthur, 1984; Tett & Meyer, 1993; Steele & Ovalle, 1984) has emphasized employee intent to quit for actual turnover is very essential. It is one of the best indicators for job satisfaction and it truly reflects organizational commitment. Porter, Steers, Mowday, and Boulian (1974) have classified organizational commitment as one of the very strong variables for the attainment of organizational goals and creating a sense of belonging to maintain organizational membership. Figure 1 reflects that the job satisfaction and organizational commitment are the predictors of Intention to Quit. Reaction of an employee to these facets is the base for the level of job satisfaction. The nine facets are pay, promotion, supervision, fringe benefits, contingent rewards, coworkers, nature of work, and communication (Martin & Kaufman, 2013).

There are other reasons of employees leaving the job which includes low satisfaction with their jobs, low satisfaction with their organization, limited opportunity for growth and promotion, better opportunity in some other organization or disapprobation of organizational changes or restructuring. Intention is about a specific behavior of interest. Turnover intent can be defined as the probability that an individual will change or quit his/her job and organization within a certain period of time (for example-6 months and so on) and will lead to actual turnover. In other words, turnover intention is predictor of actual turnover and as the intention increases the likelihood that the actual turnover will happen also increases (Bandhanpreet Kaur, 2013). The available literature also shows the significant correlation between turnover intention and demographical variables such as age, qualification, designation etc. and it was found that there exist a negative correlation between turnover intention and age, designation and experience (Randhawa, 2007).

In their paper titled “Organizational change and employee turnover” Morell, Clarke and Wilkinson discussed a model and the underlying premise of the model is that there are different ways to leave the organizations by the employees. They included five prototypical pathways describing different kinds of decision to quit. Each of these pathways describes a different decision process which an employee goes through before it quit the former organization. This multi-route model has improved the practicality in comparison to the other theories where it is understood that all people decision are based on and are influenced by the same category of

factors(Kevin M. Morell, 2004). According to Hurley and Estelami the higher employee satisfaction level lead to high customer satisfaction and ultimately this affects the customer loyalty and profitability. According to them employee turnover can act as a predictor of sentiments of employee and customer satisfaction (Estelami, 2007). Schneider and Bowen (1993) has also concluded that stores which have lower rates of employee turnover have higher level of customer satisfaction (Bowen, 1993).

Salespeople of various industry and there turnout intention is extensively studied topic as these are the people who act as a boundary spanners. In other words, they act as an intermediate between the organization on one hand and customers on the other. They accomplish two critical functions- first they typify organization to outside parties and form a perception, image in their mind. Secondly, they generally show those emotion which are expected by the organization irrespective of their true emotions(Bhatnagar, 2010).This leads to emotional dissonance which is one of the important factors contributing to turnover intention and is one of the major problem in service organization.

Irrespective of the skill or job, most of the boundary spanners often go through high stressful situation. They are required to handle inter personal and inter organizational conflict. The term “emotional labor” is used to describe the labor which goes beyond the mental and physical skill needed to deliver a quality service. The term was coined by Arlie Hochschild(Valarie A Zeithaml).

The real beginning of an attempt to explain why people leave job was first initiated by March and Simons. They discussed two factors which determine whether the employee will leave her or his job. The first is the perceived desirability of leaving the employing firm which is viewed as satisfaction derived from job and organizational commitment and secondly the comfort of leaving the job which is related to the opportunities present of other quality jobs(Simon, 1958).

From the viewpoint of Oluwaferi, from the practical perspective, actual turnover becomes dysfunctional when an employee leaves voluntarily and the organization’s valuation of this employee remains positive. Another form when actual turnover is considered functional because it leaves the organization in a better condition and often it is referred as “good riddance to bad rubbish”(Oluwafemi, 2013).

In one of the studies done by Rainayee (2012) which includes the call center employees the most important factor among the identified factor was organizational factors. In relation to retention of the employee, the employees attach high importance to organization commitment, policies, environment and effective leadership. Further, it was found that organizational variable has negative relationship with turnover intention (Rainayee R. , 2012).

According to LadelskyLimor Kessler in his research paper titled “The Effect of Job Satisfaction on I.T. employee’s turnover intention in Israel”, when a broad analysis of the literature is done it leads to the following important causes affecting voluntary turnover (Kessler):

Organizational causes – Human resource Management related, organizational culture, job related, leadership and internal marketing related.

Extra Organizational Causes – Individual and labor market related causes.

Further there research finding also conclude that the job satisfaction is negatively related to turnover intention.

## Conclusion

Turnover behavior can even lead to negative consequences which can be a hurdle for organizational success. It's very important for organization to ensure employees are retained for a long tenure and to restrict the turnover intentions.

Employee engagement is the powerful driving force and the most valuable organizational asset. It is must to inculcate the feeling of enthusiasm and pride amongst employees to meet challenging tasks instead of becoming exhausted and reducing their productivity. Avoidance of stressful work situations will result into employee retention.

Constant job satisfaction and positive work culture have both theoretical and practical implications on employee engagement and retention. The independent variables are Job characteristics, organizational culture, decision making and development which are positively correlated to turnover intention and employee engagement.

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