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A literature review on why employee turnover is high in the organizations

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Cover Letter



To: Management of WIS International Company

Re: Employee turnover project

I am writing this report about the potential employee turnover project of WIT International Company. I value the time you went through with me sharing data about your association, current circumstance, and plans for what is to come. I comprehend the numerous difficulties your association presently faces. The ongoing cutting back and redesign of your administration workforce straightforwardly influence your representatives and expands the danger of spirit, maintenance, and execution issues.

Following the conservative thought of our conversations and your present circumstance, I am satisfied to present the joined proposition to assist you with tending to difficulties with your employee turnover program. The proposal explains the sources of employee turnover, the effects of employee turnover, and strategies to reduce employee turnover. As an MBA student, and human resources professional, I have professional encounters and interests that line up with your need to improve the presentation of your staff workforce as you work through huge hierarchical change.

I appreciate your review and thought of this proposition. I would invite another chance to meet with you to additionally examine the subtleties of the administrations I have to bring to the table and answer any questions you may have.

For further discussion, we will talk over the call.

Sincerely,

Jasmeet Singh (MBA student)

Abstract

Employee turnover is very disruptive for the company as the cost of the employees exceed the annual salary of the vacated position. The paper aims to find a relationship between the causes that led to major employee turnover rate and the most common reasons of rising employee turnover. The research will analyse that what is the significance of the retention of employee in the organization. In this research, it will be checked from whom the employees of the company are getting affected, due to which the job quitting is increasing. The research will check whether it is advantageous and cost effective for the firms to recruit new employees again and again, and after hiring of the employee whether new employee will perform better than the old employee or not. This paper has adopted mixed method. This paper will be helpful for leader , entrepreneur, and stakeholders those are working in organization

Introduction



"Employee turnover" as a term is prevalent around the globe in the business sectors. Moreover, many studies related to this topic have been done by several individuals, and the main emphasis of the individuals was on the cause of employee turnover and not on the usage of different strategies for the retention of the employee in the company. Employee turnover is costly as the replacement fees, training fees, hidden costs, for example, productivity loss, workplace safety issues, and lack of morale of workers at the workplace. This paper examines the selection process that assesses the candidate's turnover risk, and it will check whether a person morale is fit for the company or not. Further, it will discuss about the methodology, scales, hypothesis.

Literature review on employee turnover

Companies invest their time and money for the retention, training, development, and recruitment of the employee in the organization. Therefore, the management of the company always tries to minimize the cost of employee turnover. Moreover, it is quite difficult for management to understand the standard framework of worker's turnover (M.K. Morrell, 2004). Employee turnover peril remains one of the most frustrating perils among businesses. These turnovers can be voluntary, like resignation or involuntary termination of the worker due to poor performance at work. The EBN reports that replacement cost is \$15,000 per individual for an employee earning a salary of \$45,000 a year (Barrett. Valerie Bolden, 2017). Thus, understanding employee turnover is necessary for every organization as the value of the employee is intangible, and this cannot be cloned (M.K. Mutuma, 2013). Hence, supervisors must perceive that workers as significant supporters of the effective accomplishment of the association's victory. Management of the firm must have to retain the employee in the firm so that the cost which they bear on turnover should get reduce. This literature is divided into three groups, which are as follows, what are the sources of employee turnover, what are the effects of turnover, and what are the different strategies to reduce the turnover.

Reasons for Employee Turnover

Many researchers tried to answer this question of why employees of the company want to quit the job. What are the reasons for turnover in the workplace? Hence, there are many reasons like a lack of trust in the employees by the employer at the workplace. Workers do not get appreciated and recognized for their work; workers do not get treated respectfully at the workplace; workers find less growth and development opportunities at the workplace (Kununu,

2018). There is job-related stress like long-lasting work hours with minimal breaks, insecurity of the job, conflicts with superiors and subordinates, lack of commitment at the workplace, job dissatisfaction, and heavy workload. As per turnover survey conducted by NII Company, there was a 40% employees quit rate, if the workers get their jobs from the hiring company, and about 30 percent in newspaper advertisements as compared with other employment hiring process like reemployment, employment referred by high school, work referred by present employees (M. J. Gannon, 1971). Furthermore, workers feel less satisfied with their jobs as the company does not evaluate the performance of the employees adequately, companies do not provide proper job-related training to employees (JE Owen. Tor Guinmaraes 1997). Additionally, if the work is not stated clearly to employees by the management then employee turnover will increase.

Voluntary and Involuntary Turnover

When workers of the firm willingly choose to leave the organization, it is term as voluntary turnover . Then their can be a variety of reasons of turnover like employee receives better job, which is good then their previous job, the worker wants to retire from the job. Voluntary turnover is beyond the control of the company. Although there are other reasons for voluntary turnover like workers, want to give care to youngsters or mature family members. On the contrary, involuntary turnover occurs when a worker gets terminated from the job because of the following reasons, employee of the company do not complete task of the firm within the given standard time, due to poor performance at the workplace or unethical behavior in the organization. Today such elements ought not to be viewed as automatic turnover as both

government guidelines and friends' strategies make the possibility for such staff to return to work or to keep on taking a shot at a more adaptable premise (Hamer. Kristian2007).

Organizational factors

Operational instabilities in the firm has led to increase the number of employee turnover. Workers are found to be more loyal to the companies where they get to work in the suitable working place environment (A. Zuber, 2001). Due to this, employees try to find those jobs in which there is a stability in terms of the workplace environment, growth in business, and high salary opportunities. The imposition of a quantitative approach to managing the employees led to the disenchantment of staff, and hence it leads to labor turnover. Moreover, from the past several years, the work process of companies changed due to high competition in the market. Due to this, businesses demand their employees to perform tasks more efficiently, and effectively than ever before. However, due to this, the productiveness of the employee reduces which in turns leads to increase in stress faced by the employees, this forces employees to quit there jobs, and it eventually results in increase turnover rate (I. Bourini, 2018).

Effects of Employee Turnover

Employee turnover tends to be expensive problem to overcome to companies. The effects of employee turnover could be delay in work, company loosing status in the market, rise in the cost of training and development, loss of skilled employees, decline in employee productivity, increase in issues among team members, low customer satisfaction rate, the needs of the clients will not get fulfilled due to turnover (Thomas, J, 2015). The human capital of the business would also get affected by the turnover as the company has to bear the replacement process cost

like finding substitutes of employees, training expenses of the new individual, wastage of resources, time, and profits of the business(JJ. Hogan, 1992). The organization bears costs of the resources as they fails to utilize full potential of the resources, decrease in work productivity, losing goodwill, and sales. Hence, the research demonstrated that these are the adverse effects that affect the profits and position of the firm in the competition. There are certain costs which firms have to bear voluntary costs like direct cost (recruitment of the worker, selection of the staff), and indirect cost (cost of learning, the quality of the goods and services, level of motivation, stress on the management of the company).



Problem statement



According to study from the Work Institute about twenty seven out of hundred people quit there jobs yearly (Merhar, C 2020). Around globe, retail and technology industries are having highest employee turnover rates i.e around thirteen percent (Petrone.Paul, 2018). If the companies wants to survive in the market then they must retain the employees in the company, by fulfilling the needs of the employees. Organizations should have to find different ways, to decrease the turnover in the company, so that goodwill of the company should get increase, and company can grow in the market.

If the company wants to avoid the downfall, then the management of the company must have to identify the possible employee turnover sources in the company. Through this, company can find out what factors were influencing to increase in turnover, and through that turnover of the employees can be reduce.

Purpose of research 6

The purpose of the study is to understand the employee turnover in the organization. The research studies the voluntary and involuntary turnover in the organization. The research checks what are the major causes for the downfall of the company in relation to non-retention of the employees in the companies. It checks what are the reasons for decline in the work satisfaction of the employees in the company.

Research questions

There are not many questions which comes into one's brain while examining the workers retention as ,

1. For what reason is worker retention significant?
2. Is it advantageous and cost - powerful to recruit new representatives every now and again?
3. What is the job of old and stable representatives in an association?
4. What is the evidence that a firm would get a better performer in the next hiring?

Methodology 7

A study was comprised of IT firms located in Mumbai, India. Total 40 firms were approached for the study. Questionnaire was administered to 500 employees and out of these 450 responses were received. The middle level of employees, and managers were selected. The data was collected with the help of the convenience sampling method.

Scale

The questionnaire was having retention of the employees' section, welfare of employees, personal satisfaction, and organization environment. The scale was based on the numbers like 5 points will be equivalent of very important, 4 points was equivalent to important, 3 points was equivalent to minimal important, 2 was equivalent to not very important, and 1 was equivalent to not important. The study was done on the employee turnover. In the survey it was checked that for what reasons employee wants to stay in the company. Hence, folks provided the answers based on the scale.

Statistical tools

In the questionnaire frequencies and grading number was used. The calculation of the mean and standard deviations were done. Pearson correlation and regression analysis were used to establish the relationship among the variables.



Hypotheses

Based on the literature review, following hypotheses were formulated :

H₀₁ = The companies which are using different retention strategies have no significant impact on the employees to stay in the organization

H₀₂ = Personal satisfaction plays a vital role in employee retention in the organization.

H₀₃ = Business environment plays a significant role in retention of the employees.

H₀₄ = Incentives and bonuses can enhance the performance of the employees at workplace.



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Appendix



FINAL GRADE

/100

GENERAL COMMENTS

Instructor

PAGE 1



Comment 1

You are writing a proposal containing literature review.

PAGE 2

PAGE 3



Comment 2

It was a good idea to have a cover letter. However, this is not your idea. You copied directly from another student's work submitted to UCW. Don't try to do such a mistake again!!

PAGE 4



Comment 3

This introduction doesn't provide a brief description of what the proposed research topic is about, why is it important and how you came to be interested in it.

Please remember the 5 components of Introduction, and please re-write it accordingly.

PAGE 5

PAGE 6

PAGE 7

PAGE 8



Comment 4

You were expected to review 15 articles, however, this review included only 11 articles, of which only 7 of them are peer reviewed.

You were expected to write at least 5 pages of review.

Literature gap, the most important part of literature review, is missing.



Comment 5

Not a complete statement of the problem. Please re-write using the guideline:

Statement of the Problem

Detail the problem that you are considering. Explain:

- How are you defining and delimiting the specific area of the research?
- What is the gap that will be addressed by this research?
- What it is that you hope to learn by conducting this research?

Discuss the anticipated outcomes and benefits to the researcher, the organization, or society

PAGE 9



Comment 6

This should be at the end of the introduction.



Comment 7

Why you jumped to Term Paper Two?

Please remove all listed down.

PAGE 10



Comment 8

So, where is the result? This doesn't make sense.



Comment 9

These are alternative hypothesis. Please change to null hypothesis.



Comment 10

Series problem in following the APA Style

- the 15 peer reviewed articles is not achieved.
- Irrelevant parts are included.

PAGE 11



Comment 11

References should be listed alphabetically.

- some of them listed here are not found in the in-text

- wrong way of citation

Strikethrough.

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Comment 14

what is the journal name?

PAGE 12



Comment 15

This can not be an author. Research gate is a database or plat form to get peer reviewed articles

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PAGE 13

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Comment 19

where is it?