

Employee's Turnover Intentions: Is this HR Failure or Employee's better employment opportunity?

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Abstract. All over the globe organizations have realized that skilled labor and technocrat people exploit the organization for better incentives. How to reduce employee's turnover intention is a very pivotal challenge for today's HR managers. Pay better incentives and employee's motivational techniques have been useless and old practices of the human resource management. To analyze employee's turnover intention and its impact on organizational outcomes 277 questionnaires were distributed in hundred organizations from 5 major industries i.e. Manufacturing, Higher Education, Banking, Telecommunication and Hospitality industry of Pakistan. Two hundred complete surveys were received at response rate 72%. This study provides favorable results and directions for HR directors to reduce employee's turnover intentions. Future directions and major limitations are also discussed in this study.

Keywords: Turnover intention, Managerial Attitude, Job Satisfaction, Job Involvement, Working Environment,

1. Introduction

Managing employee's behavior, work schedules, performance reports, employee's training, motivational activities, "right person at the right place," hiring and firing are common practices by the department of human resource management of any developed organizations. All over the globe organizations have realized that skilled labor and technocrat people exploit the organization for better pay incentives at least amount of workload because they know human resource is a big competitive advantage for the organizations. In developing countries skilled labor and technocrat people are psychologically and economically kidnapped from their competitors with two plus two packages to compete the market and many times they succeeded to harness the organizations with the stakeholders. Such practices encourage the employees to get better employment opportunities. How employee's turnover intention can be reduced is a big challenge for the directors of human resource management. The objective of this study is to analyze the impact of job satisfaction, job involvement, job stress and organizational commitment on employee's turnover intention. This study is an endeavor to formulate strategies for behavioral intention of the employees towards job turnover to cope with the current pace of the world.

2. Literature Review

Organizational culture, goal orientation and performance are predicted as career satisfaction while career satisfaction is a prominent predictor of organizational commitment and organizational commitment is the predictor of employee's turnover intentions [1]. Employees turnover intentions have negative and directly relationship with leadership behavior and also satisfaction as a mediated have negative impact on leadership

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behavior and employee's turnover intentions [2]. Perceived service quality of employees have negatively and significantly impact on employee's turnover rate while the effect of coaching, role clarity and empowerment plays positive mediating role between perceived service quality and employee's turnover rate [3].

[4] pointed out that organizational culture, promotions, training practices and hiring of the personnels have directly influence on employee's retention where as organizational goals, missions, rewards, compensations and recognitions positively decrease turnover rate of the employees. [5] demonstrated that employee's commitment influence turnover rate of the employees and effective communication, shared vision among leadership and employees enhance employee's commitment. [6] indicated that intrinsic and extrinsic satisfaction of employees significantly influence normative and effective organizational commitment. [7] suggested that various employee's turnover indicators can achieve single-item employee's satisfaction. [8] explained that performance standards should be persistently delivered and variation in employee's satisfaction must cross threshold levels. [9] explained that employee's status, gender, marriage, relative pay, economic cycle, recognition and speed of promotion had contingent impact while employee's performance and education level had no contingent impact on organizational and job satisfaction and level of employee's turnover. [10] found that in collaborative cultural environment both extrinsic and intrinsic factors of job satisfaction and dissatisfaction of employees can be affected.

[5] demonstrated that employee's turnover rate affected by organizational commitment and organizational commitment can be enhanced through effective management and communication while the association of turnover rate and job satisfaction was not supported. [11] stated that consensual and rational are two different forms of culture which have strong impact on job satisfaction where as consensual culture shows negative and strong correlation with turnover rate of employees while rational form of culture has positive association with employee's turnover rate. [12] suggested that mentoring is most prominent factor that reduce employee's turnover rate and increase job commitment and organizational support.

[13] found that job security is the most prominent factor for reducing employee's turnover rate and in recruitment processes of employees while incentives in form of money has low impact on employee's turnover intentions. Min suggested that job experience of employees also a considerable factor for employee's retention and employee's turnover intentions. These factors have direct relationship with employee's job experience it means with increasing level of experience employee's retention will increase employee's turnover rate will decrease.

[14] explained that loyalty and commitment with workplace leads the employees towards job satisfaction and positively correlate with job satisfaction of employee's. Lee also suggested that less than expected level of organizational physical environment of employees switch the employees towards job dissatisfaction or increase the level of employee's turnover rate. [15] suggested that intrinsic motivation is considered a significant predictor of employee's turnover whereas mastery approaches moderately and positively related with intrinsic motivation and employee's turnover rate. [16] suggested that relationship between employee's turnover and work demands partially mediates with job satisfaction of employees and organizational commitment.

From the above literature review understated hypotheses were derived to analyze employee's turnover intention.

H1: Strong negative association of employee's turnover intention and organizational outcomes.

H2: Negative association of managerial attitude and employee's turnover intention and positive association with organizational outcomes.

H3: Strong negative association of job satisfaction and employee's turnover intention and positive association with organizational outcomes.

H4: Strong negative association of job involvement and employee's turnover intention and positive association with organizational outcomes.

H5: Strong negative association of communication level and employee's turnover intention and positive association with organizational outcomes.

H6: Strong negative association of training consistency and employee's turnover intension and positive association with organizational outcomes.

H7: Strong negative association of working environment and employee's turnover intension and positive association with organizational outcomes.

H8: Strong negative association of employee's priorities and employee's turnover intension and positive association with organizational outcomes.

3. Methodology:

To analyze and conclude employee's turnover intension and its impact on organizational outcome, a questionnaire was adopted. 277 questionnaires were distributed out of 200 complete questionnaire were received to analyze the data. These questionnaires were distributed among private and public organizations of Gujranwala, Daska and Sialkot region of Pakistan. A non probability convenient random sampling technique was used to address the responses at the rate of 72%. Questionnaire was further classified into two major sections, 1st one was Demographic section and other was subjective section.

3.1 Demographic Section:

Demographic section of this questionnaire present information about the employee's Gender, Age, Marital status, Sector, Industrial composition sector, Establishment size, job tenure in organization and position at which they are working. Total respondent were 200 out of that 127 were male and female respondents were 73 in numbers while the age of majority of employees were in the range of 30-39 years and their frequency was 53. In marital status of the employees 127 were married rest of the employees were single. Majority employees were from private sector. Majority employees belong to education industry which is 57 in number and having cumulative percentage 84.7, while the establishment size of the majority of employees were between in the range of 100-199. Job tenure in organization of the majority of employees was in the range of 3-5 years and position at which employees were working, the majority of employees were at managerial / supervisory position

3. Analysis and Discussion

To determine the impact of employee's turnover intension and its impact on organizational outcome organizational outcomes descriptive statistics and Pearson moment correlation is applied while Cronbach's alpha is also mention regarding each question and results are shown in table 4.1. To test the hypotheses and to determine the association of each variable, Pearson's Correlation Coefficient and descriptive statistics was determined and analyzed to compute mean and standard deviation of the variables. 5 point Likert scale was used to get the responses while Cronbach's alpha was also computed to test the reliability of each variable as shown in table 4.1.

Table 4.1: Correlation among variables

Table 4.1												
Variables	Mean	SD	Alpha	1	2	3	4	5	6	7	8	9
Turnover intension	3.32	.69	.82									
Managerial attitude	3.31	.46	.79	.099								
Job Satisfaction	3.36	.94	.93	-.334**	.384**							
Job Involvement	3.23	.54	.87	-.087	.333**	.537**						
Comm. Levels	2.58	.92	.77	-.280**	.249*	.611**	.486**					
Working Environment	3.47	.60	.74	.028	.296**	.084	.037	.147				
Training Consistency	3.25	.73	.70	-.248*	.173	.451**	.340**	.520**	.100			
Employee Priorities	3.88	.58	.86	-.115	.007	.231*	.111	.237*	.244*	.288**		
Organizational Outcome	3.82	.07	.83	-.246*	.443**	.891**	.774**	.634**	.119	.447**	.281**	1.00
**. Correlation is significant at the 0.01 level (2-tailed).												
*. Correlation is significant at the 0.05 level (2-tailed).												

Nine variables employee's turnover intension, managerial attitude, job satisfaction, job involvement, communication levels, flexible work environment, training consistency, employee priorities and organizational outcomes are considered to measure employee's turnover intension and its impact on organizational outcomes. In table 4.1 each variable shows mean value of the given responses that represents overall population tendency and each variable represents standard deviation which represents total variation of each respondent against each variable and Cronbach's alpha was also determine against each variable for the reliability of analysis. The Pearson's Correlation Coefficient "r" expresses the relationship between variables which are shown in table 4.1. Each variable describes strong positive significant correlation with organizational outcomes excluding yellow shaded variables in table 4.1 that depicts negative strong correlation among each variable and two hypotheses **H2** and **H7** of this study do not support while others have significantly supported this study.

As shown in table 4.1 employee's turnover intension is significantly negatively correlate at value -.246 with employee's organizational outcomes and highly negatively correlate with job satisfaction at value of -.334 and highly significantly correlate with communicate level at value of -.28 at 0.01 level of significance and poorly negatively correlate with employee priorities and insignificant with managerial attitude and flexible working environment while 3.3 mean value shows average response of employees and represents neutral response about employee's turnover intension and total variation among respondents is .69.

The mean value of managerial attitude is 3.3 which is near to 3 that shows employees are neither dissatisfied and not satisfied from managerial attitude in employee's turnover intension and variation among responses is .46 and reliability of this variable is 79 % while correlation between managerial attitude and employee's turnover intension is .099 highly insignificant and also strongly correlated at .443 as shown in table with organizational outcomes. The mean value of job satisfaction is 3.4 which is near to 3 that shows employees are neither dissatisfied and not satisfied from job satisfaction in employee's turnover intension and variation among responses is .94 and reliability of this variable is 93 % while correlation between job satisfaction and employee's turnover intension is -.334 highly negatively significant and also strongly correlated at .891 as shown in table with organizational outcomes. The mean value of Job involvement is 3.2 which is near to 3 that shows employees are neither dissatisfied and not satisfied from job involvement in employee's turnover intension and variation among responses is .54 and reliability of this variable is 88 % while correlation between job involvement and employee's turnover intension is -.087 while highly significant and strongly correlated at .774 as shown in table with organizational outcomes. The mean value of communication level is 2.6 which is near to 3 that shows employees are neither dissatisfied and not satisfied from communication level in employee's turnover intension and variation among responses is .92 and reliability of this variable is 77 % while correlation between communication level and employee's turnover intension is -.280 highly negatively correlate and also strongly correlated at .634 as shown in table with organizational outcomes.

The mean value of flexible work environment is 3.5 which is near to 4 that shows employees are satisfied from flexible work environment in employee's turnover intension and variation among responses is .60 and reliability of this variable is 74 % while correlation between flexible work environment and employee's turnover intension is .028 highly insignificant. The mean value of training consistency is 3.3 which is near to 3 that shows employees are neither dissatisfied and not satisfied from training consistency in employee's turnover intension and variation among responses is .73 and reliability of this variable is 70 % while correlation between training consistency and employee's turnover intension is -.248 highly negatively correlated as shown in table with employee's turnover intension

The mean value of employee priorities is 3.9 which is near to 4 that shows employees are satisfied from employee priorities in employee's turnover intension and variation among responses is .58 and reliability of this variable is 86 % while correlation between employee priorities and employee's turnover intension is -.115 negatively insignificant and strongly correlated at .447 as shown in table with organizational outcomes. The mean value of organizational outcome is 3.8 and variation among responses is .07 and reliability of this variable is 83 % while correlation between organizational outcome and employee's turnover intension is -.246 negatively correlate at significance level of 0.05 as shown in table which shows that employees turnover intension has negative impact on organizational outcome.

4. Practical Implications:

To reduce employee's turnover intention is the major organizational challenge for human resource department in almost every country, for this purpose human resource department engages employees in fair motivational activities. To analyze employee's turnover intention 9 positive and negative determinants are observed through statistical tests. This study strongly indicate that less job satisfaction, less communication level among employees and management and lack of training consistency are important factors which may be the cause of employee's turnover intention while managerial attitude and flexible working environment are observed insignificant or less important factors for employee's turnover intentions. So directors of human resource department should take significant measures for employees satisfaction, inter communication level of employees and management and for consistent training activities. Lack of training consistency also indicates HR management failure.

5. Limitation and Future Indications:

This study is cross-sectional and co-relational in nature while the generalisability of this study is very broad and should be conducted in form of longitudinal and more statistical tests should be applied for more concrete analysis. Time is also a major limitation of this study. Employee's participative behavior and its impact on employee's turnover intention is the future directions for scholars to determine inter communication level of employees and management and its further impact on employee's turnover intentions.

6. References

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