

ORGANIZATION, JOB, PERKS AND EMPLOYEE TURNOVER INTENTIONS

Dr. Riyaz Rainayee

Associate Professor, Department of Business and Financial Studies,
University of Kashmir, Kashmir
Email: rizrainayee@yahoo.com

ABSTRACT

Employee turnover has been studied extensively. A wide range of factors have been found useful in interpreting employee turnover (Kevin et al., 2004). However, conclusive evidence explaining why people leave organisations is still lacking. And therefore, a thorough understanding of the employee turnover phenomenon, as well as of the factors causing it, needs to be developed more specifically. This study attempts to investigate employee turnover intentions with a manageable number of its presumed antecedents. These antecedents include organization, job, and economy. The study concludes that the antecedent of organization has a significant impact on employee turnover intention.

INTRODUCTION

Turnover intention may be defined as an employee's cognitive response to the working conditions of an organization, in fact to the economic condition of a nation as a whole, which stimulates him to leave an organization voluntarily and search for an alternative better job. It has been described as the last in a sequence of withdrawal cognitions including thinking of quitting and the intent to search for alternative employment (Tett & Meyer, 1993).

Employee turnover intention has become one major challenge for all organizations in all sectors of world economy. In order to gauge the understanding of this complex phenomenon, researchers across the world have developed various models of employee turnover; however, they are inconsistent in their findings. This is partly due to the diversity in the samples taken for study. The psychological, organizational, and economic consequences of employee turnover are indicative of the complexity and significance of the issue. And so organizations of all kinds are giving more and more attention to this problem because they know that high level turnover hampers performance of an organization and also inflates the costs associated with recruiting and training new employees (Chen et al., 2010).

REVIEW OF LITERATURE

The available literature discusses diverse factors affecting turnover intentions and bears out that these factors are not independent of each other. These factors are distinctly related to the organisation, job, and perks.

As regards the organizational factors, Tor et al. (1997) found that heavy job pressures, insufficient expertise on how to perform the job well, unclear expectations of peers and supervisors, ambiguity of performance evaluation methods, and lack of consensus on job functions or duties do render employees less involved and less satisfied with their jobs and

careers; consequently, they are less committed to their organizations: which hence they wish to leave.

As regards the job-related factors, Fith (2004) found that job stress and job dissatisfaction prompt employees to quit. Aaron and Ronit (2007) plead that behaviours are often influenced by a host of other variables such as company policies, economic conditions, etc., also – these cannot be controlled by investigators but can influence their findings. Some other factors which make employees quit from organisations are: poor hiring practices, managerial style, lack of recognition, lack of competitive compensation system, and toxic workplace environment (Abassi et al. 2000). It must also be noted that all employees have a strong desire to be kept informed, and organisation with strong communication systems have enjoyed lower turnover of staff (Labov, 1997).

But then Manu et al. (2004) uphold that employees quit from organizations due to **poor** perks. Zuber (2001) found that the higher the organisational instability the higher is the degree of turnover; Alexander et al. (1994) found that the higher the level of organisational inefficiency the higher is the level of turnover; Griffeth et al. (2000) noted that salary and salary-related variables do have a modest effect on turnover. More importantly, their analyses also included studies that examined the relationship between a person's performance, perks (salary mainly), and turnover: they had but to conclude that when high performers are rewarded insufficiently they quit, and when rewarded well they stay.

Here in this study, not the actual turnover, but turnover intentions will be the dependent variable. That is because turnover research has shown that a person's self-expressed intentions are the best predictor of turnover (Steel and Ovalle, 1984); because, as Price and Mueller (1981) noted, expressed intentions of leaving a job are an expression of an emotional response toward the work or profession; and also because behaviours are often influenced by a host of other variables – company policies, economic conditions, etc., that cannot be controlled by the investigator but influence the findings (Aaron and Ronit, 2007).

OBJECTIVES

This study is aimed at investigating the relative influence of the organisation, job, and perks as affecting employee turnover intentions among call centre employees.

HYPOTHESIS

It stands hypothesised that employee turnover intention is a negative attitude; that its controllable causative factors can be adjusted to turn the employees' negative attitude positive; and that the employees can thus be retained in organisations.

MEASUREMENT

For achieving the objective and testing the hypothesis, Pearson coefficient of correlation and simple regression were done to evaluate the relative influences of the organization, job, and economic factor. Data was collected from 78 employees working in call centres of Kashmir Valley, on a 5-point Likert type agreement-disagreement scale. Turnover intentions were measured by 4-item Camman et al. (1979) scale. To gauge the perception of employees towards organizational factors, the following scales were used: Organizational fit (Netemeyel et al., 1997); Organizational commitment (Mowday et al., 1979); Organizational leadership (Bass & Avolio, 1990 and Hartog et al., 1997); Organizational policies (O'Reilly, 1991 and Broabfoot, 1994); and, Organizational environment (Broabfoot, 1994). In order to

assess the attitudes of employees towards factors affecting the job itself, the following instruments were adopted: Training & development (Broabfoot, 1994); Team relationship (Bass & Avolio, 1990); Communication (Sims et al., 1976); and finally, satisfaction with the salary was measured by the scale adopted by Cammann et al., 1979.

RESEARCH FINDINGS

The correlation coefficients show that employee turnover intention shares a negative relationship with organisational factors (-0.711**), job factors (-0.542**), and economic or perks factors (-0.351*). Thus the results are in line with the above hypothesis. Among organizational factors, employee turnover intentions were significantly found negatively associated with organizational leadership and organizational fit. Although all job factors exhibit significantly negative association with turnover intentions, challenging assignments and team relationship exhibit a highly significant negative relationship with employee turnover intentions. Economic factor too exhibits a negative relationship with employee turnover intentions, which implies that employees hinge their retention on perks/salary satisfaction relatively to a lesser extent.

Correlations

	1	2	3	4	5	6	7	8	9	10	11	12	13
Turnover intention	1												
Organizational factors	-.711**												
Organizational Fit	-.477*	.666**	1										
Organizational Commitment	-.577**	.688**	.663**	1									
Organizational leadership	-.411	.747**	.207	.290	1								
Organizational Policies	-.509*	.454**	.434**	.491**	.217	1							
Organizational environment	-.377	.369*	.096	.107	.020	-.246	1						
Job factors	-.542*												
Training	-.473	.635**	.680**	.620**	.381*	.540**	.039	.623**	1				
Team relationship	-.489	.420**	.523**	.546**	.203	.689**	.244	.666**	.629**	1			
Communication	-.118	.453**	.769**	.437**	.061	.273	.138	.703**	.376*	.387*	1		
Challenging assignments	-.562*	.275	.369*	.174	.107	.156	.100	.763**	.231	.273	.213	1	
Economic factor (Salary)	-.351*	.527**	.436**	.430**	.325*	.389*	.125	.398*	.637**	.461**	-.039	.333*	1

Note: * Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

These regression coefficients reveal that the organizational factors have a relatively high influence on employee turnover ($\beta=.504$): next come the job-related factors ($\beta=.291$): and next the perks or economic factor ($\beta=.122$) with the least influence.

	R	R ²
Organizational Factors	.71	.504
Job Related Factors	.54	.291
Economic Factors	.35	.122

DISCUSSION AND CONCLUSIONS

This study examines the extent of importance of various factors which contribute to employee turnover intentions of call centre employees of Kashmir Valley. Among job factors, it was found that employees who perceive lack of challenging assignments and vague team relationships were more prone to leaving their organizations. The study further reveals that training is an important complementary to the retention of call centre employees. The overall results exhibit an association between job factors and turnover intentions ($R=.54$), which explains a variance of 29% on employee turnover intentions. In relation to their retention, employees attach high importance, among organisational variables, to organisational fit, organisational commitment, organisational policies, organisational environment, and effective leadership. These variables were found to share a negative relationship with turnover intentions. The data analyses also reveals that attitudes like person-organization fit and organizational commitment determine high voluntary retention or attrition intentions. Effective leadership, supportive organizational polices, and flexible organizational environment however predict low voluntary turnover. Organizational factors, overall, contribute a high variance of 50% to employee turnover intentions. This explains the importance of organizational factors in respect of employee retention. Finally, it was demonstrated that the perks/economic factor, that is salary mainly, influences to the extent of 12% only in employees turnover intentions. This is partly because employees working in these call centres are young, part time workers, not highly qualified, pursuing their studies, seldom under economic pressures, above all, perceive lack of external opportunities.

Precisely, this study highlights some key factors for effective retention of call centre employees. However, among the three factors identified, organizational factors were found most influencing the employee turnover intentions. Furthermore, it has to be acknowledged that among the variables studied, organizational commitment, organizational policies, challenging assignments, and salary are the important tools of employee retention.

LIMITATIONS

In this study a comprehensive attempt was made to evolve a profound understanding of the complex issue of turnover intentions of call centre employees. However, this study is not claimed to be free from weaknesses. Demographic variables, which can influence findings, have not been studied. The sample size also is a limitation of this study. Lastly, the findings of this study need be applied with caution because turnover is a complex phenomenon and the factors affecting it may vary from organization to organization.

REFERENCES

1. Abassi SM, Hollman KW (2000). "Turnover: the real bottom line", *Public Personnel Management*, 2 (3) :333-342.

2. Alexander J, Bloom J, Nuchols B (1994). "Nursing turnover and hospital efficiency: an organization-level analysis", *Industrial Relations*, 33 (4): 505-520.
3. Aaron Cohen and Ronit Golan” Predicting absenteeism and turnover intentions by past absenteeism and work attitudes” *Career Development International*, Vol. 12 No. 5, 2007.
4. Accenture,2001, the high performance workforce; separating the digital economy’s winner from the loser.In the battle of retention Accenture’s study,pp1-5.
5. Borda, R.G. and Norman, I.J. (1997), “Factors influencing turnover and absence of nurses:a research review”, *International Journal of Nursing Studies.*, Vol. 34, pp. 385-94.
6. Chen, M-F., Lin, C-P., & Lien, G-Y. (2010). Modeling job stress as a mediating role in predicting turnover intention. *The Service Industries Journal*, 1743-9507.
7. Foon, Y. S., Leong, L. C., & Osman, S. (2010). An exploratory on turnover intention among private sector employees. *International Journal of Business and Management*, 5, 57-64.
8. Griffeth RW, Hom PW, Gaertner S (2000). "A meta-analysis of antecedents and correlates of employee turnover: update, moderator tests, and research implications for the next millennium", *J. Manage.* 26 (3): 463-88.
9. Jardine, E and Amig, S (2001), *Managing human capital*, In the behavioural human mgt. Mar/ April vol.22,i2.
10. Kevin MM, Joan LC, Adrian JW (2004). “Organizational change and employee turnover” *Personnel Rev.* 33 (2):161-166.
11. Labov B (1997). "Inspiring employees the easy way", *Incentive*, 171(10): 114-18.
12. Liu, B.C., Liu, J.X., &Hu, J. (2010). Person-organization fit, Job satisfaction and turnover intention: A empirical study in the Chinese Public Sector. *Social behavior and Personality*, 38(5), 615-626.
13. Mitra, A., Jenkins, G.D. Jr. and Gupta, N. (1992), “A meta-analysis review of the relationship between absence and turnover”, *Journal of Applied Psychology*, Vol. 77, pp. 879-89.
14. Price, J.L. and Mueller, C.W. (1981a), *Professional Turnover: The Case of Nurses*, SP Medical and Scientific Books, New York, NY.
15. Steel, R.P. and Ovalle, N.K. (1984), “A review and meta-analysis of research on the relationship between behavioral intentions and employee turnover”, *Journal of Applied Psychology*, Vol. 69, pp. 673-86.
16. Tett, R. P. & Meyer, J.P. (1993). Job satisfaction, organizational commitment, turnover intention, and turnover: Path analyses based on meta-analytic findings. *Personnel Psychology*, 46(2),259-293.
17. Tor Guinmaraes JE Owen (1997). “Assessing employee turnover intentions before and after TQM” *International J. Qual. Reliability manage.* 14 (1): 46-63.
18. Zuber A (2001). "A career in food service cons: high turnover", *Nations Restaurant News*, 35 (21):147-148.