

Employee Turnover Reduction Strategies in Service Sectors

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Abstract: Now a days, in Service Sectors there are huge Challenges faced by the Human Resource managers to reduce the attrition rate of the employees. Because, this creates increases in instability of many organisations. So, the organisation needs more human resources in order to continue there business. This article summarizes the results from personal factors, organization and work factors, Social and economic factors which influences on the turnover rate of the employees. From an employee point of view there are various reasons for them to leave their job and search for an alternatives. So that, we studied various studies and researches on this employee turnover problem and pointed out the major reasons for the increase in attrition rate. Also, with some important strategies to be followed from the side of an organisation to reduce the Employee turnover. The reasons and strategies are purely based on the employee mindset on workplace.

Keywords: Attrition rate, Reason, Strategies, Human Resource Management and Employees.

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I. Introduction

Employee turnover refers to the number or percentage of workers who leave an organization and are replaced by new employees. Measuring employee turnover can be helpful to employers that want to examine reasons for turnover or estimate the cost-to-hire for budget purposes. Employees are the backbone of any organization, and as you might expect, studies show that happy employees are more motivated, productive and committed. While considerable recent researches explored that, now a days the turnover rate becoming a major challenge for Human resource management. It shows that there is a general consensus that there exist a managerial problem of finding successful mechanism of retaining employees especially in a service sectors.

In India, it was lead the region in turnover rates at 13.2% in the 2019. In 2014, the turnover as for about 27.15%. In 2015, the research conducted by Willis Towers Watson from the Global workforce study in Talent management and reward study from Global professional services firm, the employee turnover can be reduced by increasing the job satisfaction of an employees. Likewise, employee turnover is the topic that is increasingly being discussed conjunction with the human resource management practices and an employee satisfaction. By observing this, the employee turnover reduction can be done with some strategies, because there is a consideration for the employee value and his perception on the personal growth can aid a healthy managerial building and creating a work environment. It helps the organization to be with strong and consistent workforce even at a difficult times. Hence, there is a some recommended ways of sustaining and improving the company's retention strategy. This study would help in mapping out strategies and methods that would foster objective conclusions.

II. Review of literature

Collin Lye Chin(2018) published an article in the Journal of Arts & Social Sciences entitled that "The Influence of Job Satisfaction on Employee Turnover Intention in the Manufacturing Industry of Malaysia". The research objectives are splits into two, which include to test the relationship between the factors of job satisfaction and turnover ideas of the employees, which influences the less job satisfaction be a significant reason to an employee turnover intention.

Dr.evendra.S.Verma, Dr.RajdeepChaurasia(2016) published an article in the International Journal of Engineering and Technology entitled that "A study to identify the factors affecting employee turnover in small scale industries". This study aims in order to build-up effective and healthy environment for people in the organization and engage them to participate with the organization with full of satisfaction and involvement. This concludes that, this is the most significant factor influencing the job satisfaction. Besides that top management's appreciation recorded largest. Also, the significant factor influencing turnover intention is fair compensation. Then, it is followed by job security, team work, training program, fringe and welfare benefits and work stress.

HidayatiArshad&FadilahPuteh(2015) published an article in the Journal of Administrative science entitled that “Determination of Turnover Intention among Employees” conducted a survey by collecting the data through the questionnaires to 106 employees from different sectors and found that this study revealed that only two factors namely available job alternatives and work-life balance have a significant impact on the employee turnover intention.

Mir SohrabHossain, S.M.TowhidurRahman and Sabrina Sultana Labony(2015) published an article in the European Journal of Business and Management entitled that “Effects of Recruitment and Selection Process on Employee Turnover and its Consequence on Organization’s Profitability- A Study on Financial Sector of Bangladesh”. This study aims to focus on the effects of recruitment and selection process on turnover rate of an employee and its consequence faced on the organization’s profitability. It conclude that the fair and unbiased recruitment and selection process can reduce turnover slightly.

Mr.Govand Anwar &InjiShukar (2006) published an article in International Journal of Social Science and Educational Studies of HRM entitled that “Job satisfaction and Employee turnover intention: A case study of Private Hospital in Erbil” Conducted a questionnaire based demographic analysis and factor analysis and found that the job satisfaction has a significant, but weak influence in the turnover intention of the employees. Finally, on the turnover intention of private hospital personnel in Erbil, most of them would quit in case if they have a better opportunities.

Mr.Rajan(2017) published an article in the MedCrave entitled that “Employee turnover and employee performance: A comparative study among the nurses”. The study has sampled 120 nurses (60 from multi and 60 from single speciality hospitals) qualified with Diploma in General Nursing and Midwifery (DGNM) and Bachelor in Nursing (B.Sc Nursing) courses using judgement sampling technique. The analysed primary data collected through a constructed questionnaire has found that nurses working in single speciality hospitals have shown higher perception towards work load, work time, loss of interest, work stress and inability to provide information than multi-speciality hospitals. Nurses working in both kinds of hospitals have shown equal perception towards health related problems, conflict and dispute, sense of commitment and morale.

Munish, RachnaAgarwal(2017) published an article in the International Journal of BRIC Business Research (IJBBR) entitled that “Employee engagement & retention: A review of literature”. This paper analyse the critical factors which cannot be active to the level of retention & engagement of employees. This study will restoring and pilot further future research and establish the significance Human Resource of practices and align them strategically for employee engagement & retention.

Samuel EmekaMbah, C.O.Ikemefuna(2012) published an article in the International Journal of Humanities and Social Science entitled that “Job Satisfaction and Employees Turnover Intentions in total Nigeria plc.in Lagos”. This paper examines job satisfaction and employees’ turnover intentions in Total Nigeria PLC in Lagos State. This paper found that the job satisfaction reduces the turnover intention of the employee.

Scot Brum (2007) published an article in Schmidt Labour Research Centre entitled that “What Impact Does Training Have on Employee Commitment and Employee Turnover?”Conducted a research on the determinants of the employee commitments and established as social support with the access of the training plays a significant role into the level of commitments. Also, he found that when the organization using the training as a mechanism to reduce the employee turnover the training should be more relevant, are communicated effectively, and are able to meet the expectations of employee participating.

Zhang.Y.J(2016) published an article in the Journal of Human Resource and Sustainability Studies entitled that “A Review of Employee Turnover Influence Factor and Countermeasure” proposed some factors which are the reason for the turnover rate of the employees in the organization and also provided the relevant methods to reduce the effects of turnover. The factors are the Personal and Organizational work factor which predominantly covers the Work-Life balance, also the external factors such as Social and economic factors. The counter measures suggested is employee personal management and constructing excellent enterprise culture.

III. Reason of Employee Turnover

3.1 Rude Behaviour

Rude behaviour affect on productivity and result in good employees quitting. Rudeness, assigning blame, back-biting, playing favourites and retaliations are among reasons that aggravate employee turnover. Feeling resentful and mistreated. It is not an enticement for a good work environment. It make people to get more stress and divert from their normal behaviour in an organization. It reduces their peace of mind in the workplace environment. Because, people are social animals they have feelings, self-respect from others. It makes the people to move away from the people and they get mentally affected. If there is any absence of these things, it make them to search for the place where they have a recognitions. These things will make the people to lose there routine productivity and changes in their behaviours. Increased stress impact on the workplace environment and the employee retention. This type of behaviours that causes a hurt feelings and distresses,

disturb or offend. Also, for this rude behaviour the negative body language is the most enhancing sign for the person.

3.2 Work-Life Balance

Always There Is An Increasing With Pressures, Because Organizations Continue To Demand That One Person Do The Work Of Two Or More People. This Is Especially True When An Organization Downsizes Or Restructures, Resulting In Longer Hours And Weekend Work. People Are Really Life Dependents, There Ultimate Objective Of Their Profession Is To Lead A Good And Peace Life In Their Society. But, Sometimes The Pressure Of Work Make Them To Get Away From There Real Life. Organization Should Insists There Goals On People And Should Interfere With There Personal Space With Professional Works. Employees Are Forced To Choose Between A Personal Life And A Work Life. This Does Not Sit Well With The Current, Younger Workforce, And This Is Compounded When Both Spouses Or Significant Others Work.

3.3 Organizational Instability

Management's constant reorganization, changing direction and shuffling people around disconnects employees from the organization's purpose. Employees don't know what's going on, what the priorities are or what they should be doing. This causes frustration leading to confusion and inefficiencies. Restructuring and re-engineering process of the organization in a very short time period led to the destabilization of the organization. Mostly, the instability happening because of the active and reactive needs. If it is a reactive need the change will spread inside the organization frame in a rapid manner, for that people should co-ordinate and support. But, in sometimes people itself need some time-space to adapt for that. Many organizations are not supporting like that employees. Also, there is a lack of communication, understanding and the strategy led to the change in the organizational culture. This will create a turnover intention among the employees.

3.4 Feeling Undervalued

Everyone wants to be recognized and rewarded for a job well done. It's part of our nature. Recognition does not have to be monetary. But, the monetary benefits will make them happy, also they need some psychological happiness through the recognition. Two of the valuable human desires are validation and appreciation. Unappreciated employees will cost the company more and more. It will make them to work with their jobs well- satisfied. The most effective recognition is sincere appreciation. Recognizing employees is not simply a nice thing to do but an effective way to communicate appreciation for positive effort, while also reinforcing those actions and behaviours. It will create psychological impact on the employees mentality and make them search for a better place for them.

3.5 Raises And Promotion Frozen

Over the years, studies have shown that money isn't usually the primary reason people leave an organization, but it does rank high when an employee can find a job earning 20 to 25 percent more elsewhere. Though people are working for the organization, at end of the monetary benefit that they attained will create a significance in their thoughts. Raises and promotions are often frozen for economic reasons but are slow to be resumed after the crisis has passed. Organizations may not have a goal to offer the best compensation in their area, but if they don't, they better pay competitive wages and benefits while making their employees feels undervalued. This is a critical combination. It makes the employee to be mentality unsatisfied about their job that they are performing.

3.6 Faith And Confidence

When employees are asked to do more and more, they see less evidence that they will ultimately share in the fruits of their labour. When revenues and profits increase along with workload, organizations should take another look at their overall compensation packages. Employees know when a company is doing well, and they expect to be considered as critical enablers of that success. Organizations need to stop talking about employees being their most important asset while treating them as consumables or something less than valuable. If an organization wants empowered employees putting out quality products at a pace that meets customer demand, they need to demonstrate appreciation through actions.

3.7 Lack Of Growth Opportunities

A lot of good talent can be lost if the employees feel trapped in dead-end positions. Often talented individuals are forced to job-hop from one company to another in order to grow in status and compensation. Providing the opportunities for growth and development makes to improve the quality of the organization. For this, the organization should make a professional development plans, appointing the mentors to the employee and make challenging assignments to employee to show their capability. The organization should encourage the

talent of the people and they should concentrate on their individual career in order to make their mindset as the loyal employee to the organisation. The most successful organizations find ways to help employees develop new skills and responsibilities in their current positions and position them for future advancement within the enterprise. The future growth of the employee should be utilised for the advancements of the organization. Employees who can see a potential for growth and comparable compensation are more inclined to stay with an organization.

IV. Strategies for Employee Retention

4.1 Be Flexible With The Employee

By this way, an employee maintain a work-life balance and it can help the employer to improve the productivity and efficiency of their business, Flexibility on the job includes the willingness and ability to readily respond the change in the circumstance and the expectations. It makes the employee who ever approaches their job with flexible mindset are typically more highly valued by the employers. Today's employees crave a flexible life/work balance. That impacts retention directly. In fact, a Boston College Centre for Work & Family study found that 76% of managers and 80% of employees indicated that flexible work arrangements had positive effects on retention. And more and more companies know it. That means, if you're not offering employees flexibility around work hours and locations, they might easily leave you for someone who will.

4.2 Encourage Generosity And Gratitude

Encourage pro-social behaviour in your employees. When they are given the opportunity to connect with one another through acts of generosity and the expression of gratitude, employees will be healthier, happier, and less likely to fly the coop. And by encouraging them to be on the lookout for good behaviours to command, you give people a sense of ownership of the company. Simple emails of praise at the completion of a project, monthly memos outlining achievements of your team to the wider division, and peer-recognition programs are all ways to inject some positive feedback into a workforce. Also, consider reporting accomplishments up the chain. A thank you note to the employee is good.

4.3 Prioritize Employee Happiness

Happiness may sound a bit soft and squishy to many execs, but the numbers behind it are anything but. Employee happiness are becoming imperative in business. One study found that the happy employee are 20% more productive than the unhappy employees. These prioritization of the employee happiness can be done by eliminating the friction in the organisation and also consider their feedback and hear it for them to treat them as a preferable one. Employee happiness is a key indicator of job satisfaction, absenteeism and alignment with values—just for starters. Investing in the happiness of your employees will pay dividends in engagement, productivity and yes, retention. Give prioritized attention to the employees personal needs and offer more flexibility where you can. Consider offering telecommuting, compressed schedules or on-site or back-up day care.

4.4 Compensation And Benefits

Be sure that you are paying employees the fair going wage for their work (or better) and offer them competitive benefits, or really who can blame them for troubling you? This might seem like a no brain but you'd be surprised how few companies offer raises that keep up with an employee's development and actual rising worth. Also, in this we have to consider about the pay which can be given by the competitor. Because, at last people are move toward the money. The most effective way to reduce the employee turnover is by improving the compensation strategy. Review compensation and benefits packages at least annually. Pay attention to trends in the marketplace and have HR should updated on it.

5.5 Hire Right People

The best way to ensure employees don't leave you is to make sure you are hiring the right employees to begin with. Define the role clearly both to yourself and to the candidates. And then be absolutely sure the candidate is a fit not only for it, but for your company culture. This involves in paying extra attention to the application of the candidate and also do more than a asking questions in the interview that is analysing their Psychological abilities. It should consider that the understanding how the candidate's aspiration fits with the job. Also, consider the evaluation strategies beyond the face to face interview. The major thing is always trust your instincts.

6.6 Make Clarity On Their Goals

Outline challenging, clear career paths. Employees want to know where they could be headed and how they can get there. Annual reviews or midyear check-ins are one obvious venue for these discussion, but you

should also encourage workers to come to you with career questions and wishes throughout the year. The primary purpose is to develop the individual career goals strategically and then make them to achieve success by utilizing the available opportunities.

6.7 Make Work Fun

This is the last strategy, this may not be applied at all work place. But it is definitely be a greater trend now a days. Like the theme Play hard and Work hard, engage the people to as well as well as to work on their performance. This can make people to reduce there their work pressure and tensions. Also, it will makes the people to feel the company as there own family. It makes the employee to get more affection and close relation to the company.

V. Conclusion

The high employee turnover leads to a more costlier the organisation, because people are the greatest assets of the organisation. The techniques, strategies and the methods to reduce the employee turnover is very different for the small and larger organisation. Because, people have their own reasons, commitment for leaving the organisation. But, the critical and the important factor that we are gone through is that management's attitude on the employee.

From this, we classified that the active elements for the employee turnover is that Job Dissatisfaction, Workload, Less monetary benefits, Stress, Psychological factors, Socio-Economic Factors, Employee Demographics. This factors are the reason which are creating a major impact for a Common turnover, beyond this they are many reasons are there for some critical cases. But considering for the common people these are creating the turnover intention for them. In order to avoid this, Managers should analyse the source of the reasons for this turnover and they have to recommend the best and suitable way to fulfil the desirable gaps between the employee and the organisation. People are the great asset to the company, every organisation should realize that in order to make the employee to be satisfied and soulfully happy on their workplace surroundings. For the turnover of the employee, the reduction technique should be designed mainly on the frame of the employee favour. Some fundamental things that they have to concentrate is promoting the effectiveness, reputation, values and ethics. Also, it is very much important to provide a clear path to advancements and the growth. The important thing is that the organization should find out what motivates the employee to stay in the organization for the long time. All efforts should be focused on the job satisfaction and the managing controllable causes of the employees. In conclusion, the assessment of the workplace is crucial, but the basic framework of the system of the organization should be captured and it's feedback must be in place in order to maintain a healthy work environment.

Along with these framing the principle the employee commitment is very much important and also it will be sign of good health for running an organisation as well as reduce the turnover mindset. These commitment can achieved only when the organisation start to think for the people.

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