Human Resource Turnover: A Comprehensive Desk Review on the Causes, Consequences and Strategies

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ABSTRACT
Although much has been studied on human resource management in general and employees’ turnover in particle, most of the studies focused on the negative consequences of employee turnover, but little study have been conducted to systematically investigate the concept from its root causes up to various strategies which can be used by managers to curb turnover. Understanding this problem this article examines the causes, effects, measures and theories of employee turnover. Moreover, By way of comprehensive desk review, the paper attempts to point out some strategies to tackle the problem of human resource turnover so as to enhance organizations productivity and performance.

Key Words: Human resource, employee, turnover, causes, consequences, strategies.

1. INTRODUCTION

Employee turnover is a cause for concern when the best and brightest employees are leaving organizations for another, and there may be something that could be done to retain those employees. Turnover is costly for organizations. Direct costs such as recruitment, selection, and training of new employees, as well as indirect costs, such as stress on remaining workers, reduced productivity, and low morale for organizations, can cost as much as two year’s pay and benefits (Ramlall, 2004).

Although, there is no standard framework for understanding the employees turnover process as whole, a wide range of factors have been found useful in interpreting employee turnover. Hence having an all encompassing understanding of human resource turnover is vial, more especially, the causes or determinants of employee turnover, consequences and strategies that
managers can apply to minimize turnover are the core ones. It is generally accepted that of all resources of organization, human resource (HR) is the most critical one that makes a difference in an organization’s performance. For employees to work for an organization with interest and commitment, it is true that organizations should place an effective HR management system in practice. According to Martin (2011), among other HR activities reducing employee turnover through retention practices is an area of great interest to employers who depend on a highly skilled workforce.

This comprehensive literature review includes the meaning, nature and measures of turnover; the causes and consequences of turnover; and strategies that are recommended to be used by managers so as to tackle turnover.

2. OBJECTIVES OF THE REVIEW
The general objective of the review is to systematically outline causes, consequences and strategies of human resource turnover. More specifically:

- To look into the definition, concepts and measures of turnover;
- To outline the major causes and effects of human resource turnover;
- To critically examine different theories explaining the voluntary turnover process;
- To present strategies that can be used to reduce human resource turnover.

3. MATERIALS AND METHODS
By way of comprehensive desk review (relays on secondary sources) this article tried to portray the full-fledged picture of human resource turnover. Accordingly, the article utilized different publications on academic and science journals. In addition, the author reviewed books written by different scholars in the area. The data collected from the aforementioned sources is then analyzed and interpreted through narration.

4. RESULTS AND DISCUSSIONS
4.1 Definitions and Measures of Turnover
It is generally accepted that understanding what employee turnover exactly is and knowing the techniques of measurement should be the first step before any turnover related inquiry. Accordingly, the view of different scholars on definition and measures...
of employee turnover are discussed as follows.

A) Definitions and Concepts of Turnover
Robbins (2003) defines turnover as the voluntary and involuntary permanent withdrawal from an organization, and a high turnover rate results in increased recruiting, selection, and training costs. In an organizational context, turnover can be defined as the termination of an employee’s intra-organizational career trajectory, which is composed of a sequence of job changes from job entry to exit (Zhao and Zhou, 2008). Employee turnover could refer to a situation whereby employees exit the organization voluntarily for various reasons, and thereby affecting the organization negatively in terms of costs and the capacity to deliver the minimum required services.

In words of Price (2001) employee turnover

.... is individual movement across the membership boundary of an organization[...] The concept “individual” refers to the employees within an organization and the notion of movement can be interpreted either as an accession or a separation of the company. In turnover literature, authors also used other labels for turnover, such as quits, attrition, exits, mobility, migration or succession (Price, 2001:600).

Beam (2009) also defined employee turnover as a ratio-comparison of the number of employees a company must replace in a given time period to the average number of total employees. A huge concern to most companies, employee turnover is a costly expense especially in lower paying job roles, for which the employee turnover rate is highest. Companies take a deep interest in their employee turnover rate because it is a costly part of doing business (Beam, 2009).

Companies incur direct and indirect expenses, which include the cost of advertising, headhunting fees, human resource costs, loss of productivity, new hire training, and customer retention, every time they have to replace an employee. These expenses can add up to anywhere from 30 to 200 percent of a single employee's annual wages or salary, depending on the industry and the job role being filled. While lower paying job roles experience an overall higher average of employee turnover, they tend to cost companies less per replacement employee than do higher paying job roles
(Beam, 2009). However, they incur the cost more often. For these reasons, companies should focus on employee retention strategies regardless of pay levels.

Most of the above mentioned scholars have defined and conceptualized staff turnover in terms of the indefinite period (permanent) employment contract made between employer and employee. As a result they have assumed the in and out movement of all staffs without considering the type of employment.

**B) Measures of Turnover**

There are a number of ways to measure the employee turnover rate that can serve as a useful management tool. It can be used as a tool of monitoring and evaluating human resource management performance and as an input for future decision and human resource plans.

- **Crude Turnover Rate**

Typically, organizations use the crude wastage rate for measuring turnover. This calculates the number of leavers in a given period as a percentage of the average number of employees during the same period. Most organizations simply track their crude turnover rates on a month by month or year by year basis. The formula is simply:

\[
\text{Total number of leavers over a period} / \text{Average number employed over a period} \times 100
\]

The total figure includes all leavers, even people who left involuntarily due to dismissal, redundancy or retirement. It also makes no distinction between functional (i.e. beneficial) turnover and that which is dysfunctional (Loquercio, 2006).

Though crude turnover figures are necessary for effective benchmarking purposes, it is also useful to calculate a separate figure for voluntary turnover and to consider some of the more complex employee turnover indices which take account of characteristics such as seniority and experience. A single measure of turnover that does not distinguish between cases where people left because they were dissatisfied and where people left because of ill health or retirement will be inadequate because it treats leavers as a homogeneous group.

- **Stability Index**

This measure gives an indication of the extent to which experienced employees are being retained. It can be used to calculate
the stability of the whole organization or of a particular group of employees. A stability index indicates the retention rate of experienced employ (NMITAC, 2012). The usual calculation for the stability index is:

\[
\text{Number of staff with one/more year service} \times 100
\]

\[
\text{Number of employed a year ago}
\]

This formula can be varied according to circumstances (e.g. basing it on a longer period of service). A rise in the stability index indicates the company is improving retention of more experienced staff. Normally, a wastage rate would be expected alongside a low level of stability. If both percentages are high, this indicates the organization is experiencing problems (NMITAC, 2012).

- **Resignation Rates**

Another way of measuring turnover is to base turnover rates on voluntary leavers or resignation rates only, thus excluding employees who have left for other reasons such as retirement, redundancy, dismissal or redeployment to another part of the organization (Morrell.et al, 2004). However, basing turnover rates on voluntary leavers can also have its drawbacks because it does not indicate how many staff needs recruiting to cover those employees who have left because of retirement or voluntary internal transfers. One solution is to record separate turnover rates for voluntary and involuntary leavers.

- **Vacancy Rate**

Another approach is to place a greater emphasis on the number of vacancies that need to be filled. The vacancy rate is based on the number of positions an organization actively wishes to recruit to as a percentage of the number of overall employees (NMITAC, 2012).

- **Cohort Analysis**

This technique enables an organization to understand service-related leaving patterns by taking the leaving rates of a (usually homogeneous) group of employees who joined at the same time. Cohort analysis is a useful tool for organizations concerned about turnover costs due to high expenditure on recruitment, induction and training (NMITAC, 2012).

4.2 Types of Turnover

Since turnover is often associated with variables, such as job satisfaction and pay level, it is important to distinguish voluntary from involuntary turnover, otherwise the
estimation of such a relationship in terms of all leavers will be inaccurate. Most of the researches’ attention was concentrated on the members, which voluntarily leave the organization, since most of the turnovers are voluntary and subject to control by managers (Perez, 2008).

There are some factors that are, in part, beyond the control of management, such as the death or incapacity of a member of staff. Other factors have been classed as involuntary turnover in the past such as the need to provide care for children or aged relatives. Today such factors should not be seen as involuntary turnover as both government regulation and company policies create the chance for such staff to come back to work, or to continue to work on a more flexible basis (Simon et al., 2007 cited in Yared, 2007). Therefore turnover can broadly be sub-divided in to two-voluntary and involuntary turnover.

...involuntary turnover is turnover initiated by the organization (often among people who would prefer to stay). On the other hand voluntary turnover is initiated by employees (often whom the company would prefer to keep). Although both types of turnover reflect employee separation, they are clearly deferent phenomena that need to be examined separately (Noe et al., 2010:461).

In general, all resignations not formally initiated by employers are voluntary resignations. Voluntary turnovers are further distinguished between functional and dysfunctional turnovers. Functional turnovers are the resignation of substandard performers and dysfunctional turnovers are refers to the exit of effective performers. They also classified dysfunctional turnover, which is the most concern of management due to its negative impact on the organization’s general performance, into avoidable turnover (caused by lower compensation, poor working condition, etc) and unavoidable turnovers (like family moves, serious illness, death, etc) over which the organization has little or no influence. Therefore, management should give special attention to avoidable turnover over which it has control and improves the situation (Loquercio et al., 2006:2). The following chart gives a clear picture of staff turnover ladder.
Voluntary Turnover Decision Process

It is believed by most literatures that employees make turnover decision after some analysis and there is a very wide variety of possible explanations for their voluntary turnover. According to Taylor et al (1998) the following nine steps are the decision process for voluntary turnover.

a) Evaluate existing job,
b) Experience job dissatisfaction,
c) Think of quitting
d) Evaluate expected utility of search for a new job and the cost of quitting,
e) Decide to search for alternatives,
f) Search for alternatives,
g) Evaluate alternatives,
h) Decide whether to stay or quit

It is therefore important, when assessing the reasons for turnover and devising remedial plans, to take account not just of employee dissatisfaction, but also of the possible alternatives open to employees, as well as the relative ease with which any such opportunities can be taken up.

4.3 Causes and Effects of Turnover

A) Causes of Turnover

There are several reasons why people leave organizations. However, the causes of turnover can be broadly categorized into two-organizational factors and personal factors (Bastian, 2011). These causes of turnover are discussed hereunder.

Source: Adapted from Loquercio et al (2006)
Organizational Factors

The most common reason for employee turnover rate being so high is related to organizational factors. Though there are several organizational factors that are causes for employee turnover, the most common ones are administrative policies, salary level, working condition and supervision, and organizational size and unionism.

Administrative Policies: Policies are written guidelines that indicate the integrity of the organization’s intentions. It is therefore the responsibility of management to ensure that the policies are revived periodically in order to be consistent with the current situations within the organization. A sense of belongingness could develop if policies are applied consistently among employees and in a participatory manner; otherwise dissatisfaction could occur and/or escalate (Marriner, 1996:153).

Employees have a strong need to be informed. Organization with strong communication systems enjoyed lower turnover of staff. Employees feel comfortable to stay longer, in positions where they are involved in some level of the decision-making process. That is employees should fully understand about issues that affect their working atmosphere (Magner and Welker, 1996). Similarly, Tang (2003) indicated that workers should be encouraged to participate in decision making regarding the formulation of policies and the implementation of changes in a specific unit.

Poor organizational policy and instability has been shown to have a high degree of high turnover. Employees are more likely to stay when there is a predictable work environment and vice versa. In organizations where there was a high level of inefficiency there was also a high level of staff turnover (Magner and Welker, 1996). Therefore, in situations where organizations are not stable employees tend to quit and look for stable organizations because with stable organizations they would be able to predict their career advancement.

Salary Level: Shamsuzzooha and Sumon, (2005), argue that employees quit from organization due economic reasons. Using economic model they showed that people quit from organization due to economic reasons and these can be used to predict the labor turnover in the market. Pay and pay-related variables have a modest effect on
turnover. Their analysis also included studies that examined the relationship between pay, a person’s performance and turnover. When high performers are insufficiently rewarded, then employees quit. If jobs provide adequate financial incentives the more likely employees remain with organization and vice versa (Shamsuzzoha and Sumon, 2005).

In several exit interviews, one of the most common reasons given for leaving the job is the availability of higher paying jobs. Some minimum wage workers reported for leaving one job to another that pays only 50 cents an hour more. Obviously, in a better economy the availability of alternative jobs plays a role in turnover (Shamsuzzoha and Sumon, 2005).

Apart from the amount of salary the equity of pay structure also matters. An unequal or substandard wage structure (inequity in pay) causes dissatisfaction and can drive some employees to quit. Again, a new worker may wonder why the person next to him is receiving a higher wage for what is perceived to be the same work.

Despite the importance of salaries, many professionals stated that other factors, such as job satisfaction and working conditions, were more important and the salary on its own would not retain them (Dormael et al., 2008). However, a study conducted by Tetty (2005) has indicated that dissatisfaction with salaries is a key factor undermining the commitment of academic and medical professionals to their institutions and careers, and consequently their decision or intent to leave. Therefore, this suggests that employers need to realize that if incentives and working conditions are not improved and exit may become one of the options for them. The employees will look for another job that is going to better their salaries.

**Working Conditions and Supervision:**

There are also working condition and supervision related factors which make employees to quit from organizations and these are poor hiring practices, managerial style in the organization, and toxic workplace environment (Abassi et al, 2000). Some employees jump from company to company because they prefer a working environment that is suitable for them. If working conditions are substandard or the workplace lacks important facilities, such as proper lighting, furniture, clean restrooms,
and other health and safety provisions, employees won't be willing to put up with the inconvenience for long. If an employee finds an appropriate work environment which is suitable for them in a specific company, they may work in that same organization for several years (Handelsman, 2009).

Therefore, based on this a high professional turnover may mean poor supervisory practices, poor grievance procedures, or lack of motivation or generally poor human resource management. These factors contribute to employee turnover in the sense that there is no proper management practices and policies on HR means employees are not recruited scientifically, promotions of employees are not based on clear out principles, no grievance procedures in place and thus employees decides to quit.

**Organizational Size and Unionization:**

Turnover is affected by organizational size, with size being the key mediator of an organization’s internal labor market. Organizational size determines employee turnover primarily through wage rates but also through career progression path. Developed internal organizational labor market produce lower departure rate since promotion opportunity have a strong negative influence on departure for carrier related reasons (Kirschenbaum and Mano-Negrin, 1999).

Martin (2003) on the other hand looked at the effect of unions on labor turnover and found clear evidence that unionism is associated with lower turnover. Turnover is a result of the ability of unions to secure better working condition thus increasing the attractiveness of workers of staying in their current job. The relationship between labor turnover and unionization has been well established by researchers using both industry-level and individual data (Martin, 2003).

- **Personal Factors**

Some of the important factors which result in employees quitting their job are personal including better prospects in other hospitals, transport and housing problems, marriage, health and family circumstances, further studies, maltreatment and relationship with colleagues, the attraction of going back to one’s native place and brain drain.

**Work Itself:** The characteristic of the job is one of the determinant factors in turnover.
Some jobs are intrinsically more attractive than others. A job's attractiveness will be affected by many characteristics, including its repetitiveness, challenges, danger, perceived importance and capacity to elicit a sense of accomplishment (Shamsuzzoha and Sumon, 2005).

**Recognition:** Since employees generally want to do a good job, it follows that they also want to be appreciated and recognized for their works. Even the most seasoned employee needs to be told what he or she is doing right once in a while. Hence, feeling of not being supervised is another potential cause for staff turnover (Shamsuzzoha and Sumon, 2005).

Lack of appreciation for good performance by supervisors and the organization, this could against employee morale and leads to lower levels of job satisfaction and motivation. Particularly for health professional’s recognition from patients and family members might be psychologically helpful in motivating them.

**Responsibility:** As Mryyan (2005) cited in Bastian (2011), health practitioners working in hospitals require autonomy, responsibility and they would have prefer to led by a medical director with a participative leadership style. It has been found that professional autonomy was directly related to the grade of specific post and to the health workers years of experience and indirectly related to workload.

**Advancement:** Career advancement may affect turnover decision through several different channels such as the current level of career attainments, recent upward mobility, and the future prospect of career advancement along the job ladder in an organization. Managers have a responsibility to ensure that there is career management of employees exists in the organization (Zhao and Zhou, 2008).

Lack of opportunity for advancement or growth is cause for employee turnover. If the job is basically a dead-end proposition, this should be explained before hiring so as not to mislead the employee. The job should be described precisely, without raising false hopes for growth and advancement in the position. Therefore, opportunities such as promotions and training should be made available to employees in an organization. Since job status may play an important role in reducing turnover, organizations should
use it as a career reward and incentive to retain qualified employees.

B) Effects of Employee Turnover
Turnover of employees can have both positive and negative impacts on an organization. When the turnover is of an employee that is struggling in their work, or is a low performer, voluntary turnover may be a positive thing for the organization. However, when an organization loses a high performing employee through their resignation, the costs to the organization can be many. Financial costs incurred due to turnover will be as much as two times their annual salary on average (Kaye & Jordan-Evans, 2005 cited in Martin, 2011:34). Other costs are not necessarily financial in nature. These can be described as indirect costs and include impacts such as reduced service to clientele, lost business to competitors, reduced employee morale and increased turnover by remaining employees, and potential loss of future leadership (Griffith & Hom, 2001).

✓ Turnover Benefits
In words of Glebbeek and Bax (2002) the following potential advantages of functional turnover could be listed:

1. Leave of relatively expensive and less productive employees. This applies especially in case a firm uses a compensation system based on seniority or if the premiums for social security are age related. If the rise of labor costs exceeds the increase of productivity of an employee, replacement of the latter becomes profitable. In addition workers who lose productivity due to aging, physical and mental wear or who they cannot cope with rising work pressures (less productive employees) may leave the organization.

2. Leave of bad matches. Even under the conditions of careful recruitment and selection procedures, some matches turn out to be better than others. This holds especially when productivity and performance do not so much depend on technology as well as on social relations and contextual skills (McEvoy & Cascio, 1987 cited in Glebbeek and Bax, 2002).

3. Innovation. Labor turnover creates possibilities for replacing employees and therefore enables firms to eject new blood and import new types of knowledge, ideas, experience and skills.
4. Adjust to market condition. The personnel demand of a firm is dependent on external conditions of which the market and the business cycle are important ones. Hence, some variation in the number of staff employed is inevitable. Compulsory redundancies may lead to substantial costs because of severance pays and may weaken the psychological contract with those workers who leave behind. A sufficient amount of ‘natural’ labor turnover may facilitate these adjustments.

6. Facilitating internal labor market. Internal labor markets provide the opportunities for career development of employees and are therefore an important instrument for motivation, the more if productivity is not easy to measure in the short run. Turnover creates the vacancies required for the internal labor market to function properly.

7. The price of quality. Labor turnover is the price organizations have to pay for the employment of young highly skilled and well-educated professionals. Although these ‘job hoppers’ will leave the organization inevitably, during their stay they contribute significantly to the organization’s success. Prevention of this kind of turnover would be the employment of more ‘average’ employees who are less attracted by the external labor market (Cappelli, 2000 cited in Glebbeek and Bax, 2002).

✓ Costs of Labor Turnover
Despite the costs of labor turnover being significant it remains a measure that is rarely calculated. Costing turnover is complex and will need to be tailored to the organization. Some of the costs are organization-specific costs which may be relevant for the particular organization or the post being filled. However, according to Pilbeam and Corbridge (2008: 100) the most common costs may include:

- **The management and administration of voluntary resignations:** the processing of the resignation including responding to the letter, notification of payroll, exit interviewing.
- **Recruitment of replacements:** job analysis, review and preparation of job description and person specification, advertising costs, corresponding with applicants.
- **Selection of replacements:** short listing, administration of the
selection process, management and administration time spent in applying the selection methods.

- **Administration associated with starting employees**: the letter of appointment, drawing up the contract of employment, preparation of new starter pack.
- **Induction of new employees**: the costs of central, departmental and job-specific induction.
- **Training of new employees**: on-the-job and off-the-job training, mentoring, appraisal, review, monitoring required until the new employee reaches acceptable performance standards.
- **Cover for the job while positions are unfilled**: the costs of temporary employees, the administration of the acquisition of temporary workers, the management of the temporary workers.

In addition to these basic costs it is also important to identify organization-specific costs which may be relevant for the particular organization or the post being filled. Indicative factors which can be considered here are the nature of the business, the contractual obligations and the impact on market share. If the nature of the business requires the provision of a 24/7 service and at any one time a defined number of staff to be fully operational, for example in the health and residential social services, education and emergency services, there will be no alternative to covering the post either through the allocation of overtime or through incurring the costs associated with acquiring temporary workers (Pilbeam and Corbridge, 2008: 101).

### 4.4. Theories Explaining Voluntary Turnover Behavior

In everyday usage, theory sometimes lacks the prestige that it possesses in scientific disciplines. For example, the common expression, “that may work in theory, but not in practice” tends to dismiss theory as overly idealistic, speculative, or abstract. Other times theory is used as if it is synonymous with terms such as guess and utopian. However in academic terms “theory” is:

"...set of coherent and consistent propositions (hypotheses) pertaining to a particular phenomenon of interest (dependent variable). Not all theories are created alike. Some theories are better than others. Three criteria, sometimes
called the three ‘‘Ps,’’ are standard for judging the usefulness of theories: Predictability, pervasiveness, and parsimony (Miller, 2008).

Based on this, various scholars and researchers attempted to develop theories that explain voluntary turnover. Accordingly the following six theories are presented hereunder.

I. Social Exchange Theory
Social exchange theory is based on the idea that social behavior is the result of an exchange process, whose purpose it is to maximize benefits and minimize costs. The exchange can be understood in terms of material and non-material goods, such as the symbols of approval or prestige. According to this theory, individuals consider potential reward and risks of social relationships. Further it implies that all human relationships are shaped by using a subjective reward-cost analysis and the comparison of alternatives. Someone who gives much will expect to get at least the same amount back from others and in return persons that receive a lot from others will be under pressure to give much back to them. People will terminate or abandon the relationship as soon as the costs outweigh the benefits (Farmer & Fedor, 1999).

The viability of social exchange theory is based on the assumption that individuals recognize one’s life situations and notice each one’s needs. It also refers to the principal of reciprocity, whereby privileges granted by one are returned by the other. The interaction between humans will be noticed consciously and in some way reciprocated. The willingness to generate an advance performance will be responded with a payback, either soon or with a time delay (Perez, 2008:18).

II. Human Capital Theory
The concept of human capital claims that not all work is equal and that the employees’ quality can be increased by investing in them (Becker, 1993 cited in Perez, 2008). Education and training are the most important investment in human capital. Learning capacity is closely related to earning level, thus it can raise a person’s income. The earnings of more educated people are mostly above average. The education, experience and skills of a worker have an economic value for employers and for the economy as a whole. It emphasized
that effective employees have to be constant learners in order to compete in an increasingly globally competitive enterprise environment. Hence occupational wage differentials refer to the amount of investment in human capital (Henneberger & Sousa-Poza, 2007 cited in Perez, 2008: 19).

It can be distinguished between general and specific training. Training can be seen as general, if the acquired skill can also be used in another company. For example, a doctor trained in one hospital finds his skills also beneficial at other hospitals whereas specific training is defined as training that has no effect on the productivity of trainees that would be useful in other firms. The development of capability requires both specialization and experience and can be gained partly from schools and partly from companies (Becker, 1993: 40).

Employees with high amount of company specific training will hardly find alternatives that meet their expectations. Based on this theory, it can be assumed that company specific training has an inverse relationship to turnover intent.

### III. Search Theory

The search theory can be traced back to George Stigler’s analysis how buyers (sellers) acquire information as an investment. He argued that a buyer (seller) who wishes to ascertain the most favorable price must canvass various sellers (buyers). A special concern in this study is the worker’s optimal strategy when choosing from various potential opportunities in the labor market. The individual imperfect knowledge of labor market variables requires the usage of a reservation price for the search of employment various alternatives (Morrell et al, 2001: 23).

Reservation price is defined as the lowest salary or wage at which a person will consider accepting a job and can be thought of as a short-hand heuristic which people use to decide whether to accept / reject a job offer in the face of little other information from the labor market. It is seen as endogenously determined, suggesting that it depends on opportunities in the labor market (Holt and David, 1966 cited in Morrell et al., 2001: 23). For employees, search generates alternative positions or workplace outside the present organization, which can lead to actual turnover. Therefore job search
was detected as an important precursor to quitting in several studies. Job search can also lead to the appreciation of one’s present job after comparing it with the alternatives.

IV. Matching Theory
Matching Theory describes a process where humans or other organisms distribute their behavior in relation to the rate of reinforcement for response alternatives (Mace, 1990: 197). Employees strive for those positions which match best with their capabilities that correlate with appropriate wages. Employers tend to fill positions, so that they can maximize their benefit. Employee’s productivity in a particular job is not known in advance but rather appears precisely as the worker’s job tenure increases. The benevolence of a “match” reveals in the course of the employment relationship. Therefore younger employees launch an experimental stage at the beginning of their professional life, where they gain experiences and diminish lack of information. In this context, job mobility can be understood as a mechanism for correcting matching failures (Henneberger & Sousa-Poza, 2002: 28 cited in Perez, 2008: 20).

V. Equity Theory
In organization, the equity theory of employee motivation describes the fair balance to be struck between an employee’s inputs, such as hard work, skill level, tolerance or enthusiasm and an employee’s outputs, such as salary, benefits or intangibles issues. Justice is existent, when inputs and outputs are fairly distributed among the participants, whereas the impartial criteria of the situation are less important than the way, how individuals estimate the value and the relevance of the inputs and outputs of the different participants. Thus a highly motivated employee perceives his rewards to be equal to his contributions. He will judge to be treated fairly, when he feels that he is working and being rewarded at about the same rate as his peers. It should be emphasized that factors can affect each person’s assessment and perception of their relationship with their relational partners differently; hence every employee does not measure his contributions in the same way (Brinkmann&Stapf, 2005 cited in Perez, 2008:22). According to the same author, employees evaluate the fairness of the procedural justice regarding following criteria:
• The procedure must not contradict ethical standards.
• The allocation has to be applied consistently over time and people.
• Decisions have to consider the interest of everyone.
• The person, who uses the procedural method, should not be influenced by self-interest.
• The procedural method should contain correction possibility in order to revise decisions, for instance through objection.

Based on the equity theory, if an employee perceives the distribution of resources as unfair, then turnover intent will emerge.

VI. Organizational Equilibrium Theory
The equilibrium of an organization means the capacity to maintain efficiency of an organization. Organizations are dependent on the continuity of participants’ contributions and in order to maintain this, organizations have to offer equitable inducements. Thus balancing of burdens by satisfactions which results in continuance is vital in reducing employee turnover. If the personal sacrifice is bigger than the inducements he gets, then the person will withdraw his contributions and will leave the company (Barnard, 1938: 57 cited in Perez, 2008: 22).

4.5 Strategies to Curb Human Resource Turnover
Curbing turnover or retention refers to the ability of an organization to keep its valuable employees through various methods or strategies such as offering competitive remuneration or benefits, appropriate recruitment and selection, good management or leadership, as well as the availability of training and development opportunities. As people continue to desire to work for an organization, then it can be said that it’s succeeding to manage employee retention. Employee retention is a systematic effort by employers to create and foster environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs (Purcell, 2005).

Turnover reduction (retention) strategies strengthen the ability of businesses to attract and retain their workforce. Once the right staff persons have been recruited, retention practices provide the tools necessary to support staff. Approaches to employee retention may include adopting effective
methods of engagement, safe and healthy workplaces and creating flexible work arrangements. Retention practices help create an inclusive and diverse workforce where barriers are reduced and individuals can participate in the workplace (Labor Market Framework for Ukraine, 2010).

Workplaces that demonstrate the value they place in their employees and that put into place policies and practices that reflect effective retention practices will benefit, in turn, from worker commitment and productivity. Creative strategies that go beyond pay and benefits can be employed to attract and retain employees. Recognition, flexible work arrangements, work-life balance, employee engagement, health and safety, communication, workplace diversity, formal wellness programs, inclusion and employee development are some examples of approaches that can become a part of the mix when developing retention strategies (Ibid, 2010).

To effectively retain workers, employers must know what factors motivate their employees to stay in the field and what factors cause them to leave. It is always important to keep key people in an organization. The best organizations design, implement and leverage systems that detect warning signals projected by employees and therefore, managers and organizations should try by all means to be ahead of their competitors in retaining their employees by learning how to focus on key employee satisfiers and dissatisfies (Harkins, 1998).

Firstly, employees should be willing to cooperate and support one another. They should be willing to work as a team for the benefit of their organization. Nel et al (2001), state that groups and teamwork allow for greater participation and increased performance, and ultimately influence the motivation and satisfaction of employees. According to Luthans (1995), there is empirical research evidence indicating that participants in communication networks are generally more satisfied with their jobs, are more committed to their organizations, and are better performers than those who are not involved in the communication process.

Secondly, employees should know what is expected of them, with their roles clearly defined, and take responsibility for their own actions. By creating a culture of responsibility, an organization can improve the morale and productivity of its workers
and at the same time boost recruitment and retention. Doug (2006) states that as corporate culture becomes more positive and productive; employee turnover, recruiting expenditures, and training expenses are decreased, and those changes in turn, positively affect the workload attitude of committed, productive employees. Doug (2006) further indicates that a corporate culture that nurtures enthusiastic, productive employees becomes a recruiting tool itself, as word of mouth spreads among both current and prospective employees.

Thirdly, the employer should try by all means to recruit appropriately qualified staff and accommodate their needs. The organization must take care of its employees by demonstrating or including in its plans, a way of balancing the work and family life. For example, as Robbins (2003) cited in Mara (2010) recent studies suggest that employees want jobs that give them flexibility in their work schedules so they can better manage work/life conflicts.

5. CONCLUSIONS

Reliance on financial incentives or extrinsic motivators as a sole motivator and retention mechanism is very erroneous. Therefore, managers should create good working environment and encourage employees through the application of different incentive mechanisms both financially and non-financially with the support of the employees and their union. In other words organizations should design strategies so as to provide quality and needs-based compensation in the form of access to further training, career development opportunities, and professional guidance can help in motivating employees to better performance and organizational development.

Organization should also give due attention for equal pay for equal job or result oriented compensation system. Managers should pay employees based on their performance. Moreover, they should given employees incentives like individual bonus, lump sum bonus, sharing of profits and other benefits. Hence, if these are put in place they would minimize employee turnover.

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