Chapter - I

INTRODUCTION

The main purpose of my study is to set out a situation on the fundamental issues that are frequently argued by the corporate houses when topics related to manpower turnover and retention is elevated. In each case the main outline of the discussion are explained and substantiation are given to rationalize the study.

The first issue is all about the extent to which staff turnover is or should be seen as a noteworthy corporate problem at all. For some employer, turnover is simply an unnecessary cost, and for others it can accumulate from a self-effacing level.

The next question is associated to job-term drift in the financial state as in one piece. There is also discussion that revolutionizes in the scenery of the money-making environment which also means that loss in manpower is bound to increase no matter what a higher management does, and that mounting toll should not therefore worry corporate houses unduly. Others disagree, consider that assert made about normal changes in this world of hard job are overstated and that there is no apparent lasting drift directed towards the higher staff loss or turnover rates.
In the next situation, we scrutinize the argue that staff turnover is predictable for most corporate houses and that there is very less practiced to control.

1.1 Staff Loss/Turnover: Depletion or Prospect?

The majority discussions that corporate houses have about employee retention or turnover are really alarming; the degree to which the issue has been increased is a matter of concern. While everyone whether a manager or a employee would accept the fact that more the level of turnover it has a very pessimistic approach towards the downfall or declination of the organization, there are still some dissimilarity about these thinking while some management guru’s still on their toes to find out the fact that how an employee leaving the organization have a negative effect. In other hands many HR professional, rising staff loss is seen as an important organizational setback. It is also implemented that to increase the retention rates one should give more important to individual than a single employee. Higher management should have this on the management agenda, and that it is correct, which will motivate all the assets to be faithful in achieving their aim. Many others in the same field disagree. For them staff loss is at most a frustration, they also consider that, a assured amount of turnover is keenly greeted by many corporate houses. There are no accurate or incorrect findings about the above discussion. At last, the level to which staff loss represents an important managerial setback varies
wholly on the organization characteristics and its main business conditions.

The observation that staff loss has fundamentally unenthusiastic allegation develop primary from a pleasure of the overheads that are connected with the turnover/loss. One times out of 100 when someone quits, an opportunity is created that is consequently filled by the recruitment process and generally someone from outside the organization. A variety of expenses are essentially connected with the recruitment process. In all the situations the important element is the expenses of recruiting a person or to fill-up the vacancy. It may be essential to put a classified ad in the press, to consultant agencies, or both. At the very slightest there is a expenses in terms of managers time involved in checking out the recruitment process, short listing the deserve candidates and decide upon the most fittest replacement for the position. For some critical positions several interviews may be lined up. Interview expenses are often more which also includes all the hidden cost of an interviewee and also of the interviewer. Then there are also expenses on induction, placement and training of the new recruiters, the administrative cost of the new entry on payroll, personnel records, offer letters, issuing contracts, etc. are very high. In addition, while all this is going on there is a vacancy. This may mean that the There are several hidden reasons why employee leaves an organization, these hidden reasons are to identify and to work upon those as to overcome the situation and in the same time retain the most
important talent or the asset of the organization. The warning signs are to be understood first and then it should be taken care to be get rid of immediately in a very impressive way rather than looking at the matter in a very critic way.

Highest frequency of employee turnover in an organization reflects the factor that the employer and employee travels two separate boats heading in a opposite direction instead of jointly achieving the goal of the organization. The incomplete strategies of the company or any department have a very negative effect on the productivity of the organization. Organizations are supposed to be more employee centric rather than organization centric while taking the strategic decisions. Incomplete talent strategies also lead to a serious problem of job mismatch, which in long run leads to a job dissatisfaction or demotivation in an employee.

The organization not having a proper job description may have to face consequences of losing the most important employee of the organization. Job description should not be a only properly maintained documents rather than a document which is an introductory and also the reflects the organizations transparency to the employee when he or she joins the organization. The job description of the company should excite the employee when he or she is assigned to the job. The first impression of the organization on an employee lasts long employee has feeling of security and has a feeling of belongingness towards the
organization. Job and person mismatch has a several signs, like employee allotted to a job and not able to perform it may be an important sign for the job and person mismatch.

Corporate are less effective temporarily for some weeks, or it may yield some more expenditure on temporary employment. Whatever the case may be there may be a change in productivity; the changes are always in negative. The total loss is difficult to calculate perfectly as it always varies substantially from work to job and department to job, but has to be captivated by the entity in practically in each case of employee loss. Eventually, the expenses are not so especially high for a single employee leaving the organization. However, at the time of evaluation across an organization, the total expenses connected with staff loss can be to in lakhs or may be millions each year. All large savings can only be gained by reducing employee loss at all the levels of the company.

After totaling to straight expenses such as these, a resignation also characterizes a ravage of managerial capital in many ways. This is chiefly, so when an employee is sent for some rigorous or widespread training at the company’s cost and then resigns before an appropriate ROI is achieved. The circumstances are prepared to be shoddier, when one of the employees quit in classifying to occupy a post with a competitor entity. The experience that is imparted to the employee at organization expense is not only just a loss but can aggressively be
installed in competition with the ex-boss. If it is widespread and positively useful in profit making then the knowledge that the employee takes with them when they go and the more noteworthy is the probable smash up that is done by the departing employee.

Another pessimistic upshot of voluntary turnover is the effect from its blow on the employees who are still inside the organization and adding value to the system. The resignation of a colleague is a way to work more as they must have left behind some important files that has to look into. Additional responsibility has to be taken on and day to day work has to be taken up. Some employee takes this as an opportunity, but many of them find it difficult to adjust and become indignant. In the other hand they are also classically expected to help and give some essential training to the new recruiters in addition to their present work load. Delightfully accepting this kind of unwanted burden is not a quandary if it is only occasionally. The result may be in terms of lost self-esteem and obligations, demotivation etc which can be a more harmful where there is high rate of staff turnover/loss and where there is a frequent shortage of staff. High staff loss or turnover is also dreadful from the position where labor market is more competitive. A status for not keeping people hastily transforms into a poor status as a company generally. The result is reluctant on the part of reputed and efficient employee searching for job hopping even to think of applying to that company. These have a negative result where an employer depends largely upon the external recruitment.
Lastly it can be concluded that at any point to the negative perceptions of staff loss can be upon the internal and external customers or stakeholders of the organization. The shock here is in jobs where expertise is with the persons needs or inclination of stakeholders on the part of employees is centered to the organizations reputation. This is the case wherever professional services are being provided on an ongoing basis – at a salon and hotels. High number of cutting and altering of human resources in such job places be liable to very slightest of moderate customer faithfulness. At nastiest it guides to a bona fide decrease in professed principles of customer repair, which in future converts into the bad status in important sectors of business.

The example of staff loss and retention scheme is always tough and has general quality in all type of job place. However, this can also build a substitute dispute which can be dole out to inflection of pessimistic blow of turnover from management point of view. First, it is important to accept that a good employee retention record is not necessarily needed in order to achieve substantial commercial success. Some company like Xerox's, for example, is by only its principles and ethics it is truly a highly successful worldwide company. Yet it has seemingly handled to nurture amazingly despite having a huge staff turnover rate. Even if the normal span of duty for few months was never great an obstacle as to create a bottleneck for the company becoming the leading business player in its industry. The reverse is also true. Some public sector corporations in the India, which by
common approval provide a terrible service but have some of the highest rates of staff retention in the country. They must be thus praised for the initiate the other variables of motivation and very often have a more significant role to play in determining business success.

Another point of concerns is the need for companies to have regular pushing of fresh blood to the organization from time to time. Very high a retention rate can lead to organizational death because new ideas are debarred from inflowing and mingling. New people carry with them different viewpoint and diverse style of experience on which organizations can draw its cash. New comers also regularly bring to their jobs an explode of eagerness which can be reliable upon the baby boomers. The fresh blood always fights in favor of employee turnover as principally true for the people at the senior position in the organization. Generally there are many exceptions, as a normal rule there is little more harmful to the common vested interests of the company than the so called high players who do not have any new ideas or have overstay in their position on the same company for many years in other ways. If senior players do not get sporadically re-energized with good or experienced people from outside, they can very easily become languish or become essentially expedient. Moreover, it is only because of turnover rates are too low, not only can fresh blood not get in but existing blood cannot be physically and mentally or professionally strong.
The next thread of the discussion in favor of a assess of staff loss is simply reveal the hidden fact that some resignations are received heartily by managers because this outcome is in a very positive way that means in the replacement of a comparatively weedy performer with a improved one. This is the most common example of a resignation which is practical rather than impractical. Many includes the going away people who not well in job, whose attendance was pitiable, who passed time at the workplace, or who had developed negative relationships with colleagues peers, superior, juniors etc. Griffith and Horn (2001, pp6-7) quote research evidence gathered in a US bank which showed that over 40 per cent of voluntary turnover was appropriately classed as 'functional'. The defined parts vary from job place to job place, but it is sensible to assume that 40 per cent is a good estimate for most workplaces. This is because a all the number of all resignees quit because they are dissatisfied with some aspect of their work, which in turn is likely to be reflected in their relative work performance prior to the resignation.

Finally, we must acknowledge the fact that in some situations relatively high staff turnover allows managers to exercise greater control than would otherwise be the case over their wage bills. This is particularly true of organizations whose business levels are subject to regular fluctuation. It means that when the level of income drops for a few weeks or months, wage costs can be made simultaneously and painlessly to fall simply by holding back from recruiting
replacements. Profitability is thus maintained without the need to lay people off at a cost to the organization.

With strong arguments on either side of the issue is so equitable to terminate that the importance of taking employee loss always varies from job place to job place. There are different states of affairs in which the theme of turnover has a great deal of involvement and also can have a factual blow on the owner’s market position, but there are situations or companies in which the impact is neutral or even negative. A third type of situation is one in which staff loss is agreed as a destructive cause as heavy financial loss is associated with its effect if the rate of turnover in the organization is very high.

By and large, if the following apply it is fair to argue that you should be concerned about turnover levels which are higher than those of your competitors or which are rising significantly:

- Labor markets are unyielding, making it hard to take the people with the experience that will match the organization needs.
- Recruitment costs are sizeable
- Training and development programme are to be arranged for the new joiners at some reasonable cost to the organization.
- New joinees take a very slow move to reach full an efficiency level in the job.
When employee leaving the job the organization not only faces the issue of

Brain drain but the same knowledge is also utilized by the competitor to make their business competitive or in a negative sense to take away the market share of other competitors.

The organization which is in a growing state or already in maturity stage does not expect a need to make required changes in the foreseeable future in terms of turnover.

In these types of circumstances staff loss over and above 10 per cent per is taken correctly by the management that must be handled properly. It is likely that considerable resource which is presently being wasted as a direct result of undue resignations.

On the contrary, company follow the following situations when there are any relatively high rates of turnover are more likely to sustain:

- Labor markets are free, easy to find replacement staff of the required experience when someone resigns.
- Relatively low cost can be incurred at the time of hiring new staff.
- Selection process can be more easy and cheap
- Training costs can be cut down for the new comers.
➢ The processes are to be so fragile that the new comers can easily become fully effective in their jobs within a few days.

➢ Patterns of business are reasonably unstable or unpredictable on a week-by-week or month-by-month basis.

➢ It is likely that compulsory redundancies will have to be made in the coming months.

➢ Leavers do not generally walk out of the door in possession of knowledge that would be of use to a competitor.

Of course, it is quite possible for different groups of employees to fit into each of the above two categories. Some are readily and cheaply replaced when they leave, others hard to substitute with effective successors. Some are highly skilled knowledge workers, others relatively low-skilled employees whose replacements are trainable to a good standard within a week or two of starting. For these reasons there is a good case for treating each major staff group differently as far as employee retention is concerned. Hard effort should be taken seriously on those whose resignations are the most challenging or costly; the turnover rate is not the peak in an organization.

1.2 Steel Sectors in India Turnover Trends: Up or Down?

The second commonly held view worth subjecting to critical analysis derives from a belief that employees are steadily becoming less loyal to their employers and vice versa. Once upon a time, it is argued,
employers offered something known as 'lifetime employment' - an offer which employees happily took up. The unpredictability of today's business environment means that long-term relationships of this kind are no longer possible. The result is a more fickle type of association which both parties view, from the start, as being of a temporary nature. Whereas we used to view our employment relationships as something akin to marriages (entered into with a view to permanence), we now see them as being more like one-night stands (short-term and liable to be ended as soon as one of the parties has no more to gain). In some quarters this 'new' world of impermanent employment is welcomed. Our labour markets are now more flexible, it is said, making the economy more dynamic. Employers gain because they become more efficient and better able to compete in changing times, while employees have the opportunity to trade dull old 'employment' for the more exciting concept of 'employability'.

Management gurus who make a good living out of predicting the 'future of work' sometimes go a great deal further in anticipating with some excitement the imminent 'death of the job'. As the twenty-first century unfolds, they argue, the twin forces of globalization and information technology will create a business environment in which we all become 'portfolio workers'. Instead of occupying jobs, we will undertake a series of short-term assignments for different employers on a self-employed or temporary basis as and when required. To survive we will all need to reinvent our working personas every few
years, leading to a situation in which we will have several different careers during our working lives.

It is possible to make a number of assertions about employee turnover and retention from this kind of analysis:

- Rising staff turnover rates are inevitable, given the nature of the changing world of the work.
- Staff turnover rates are going to raise a great deal more as the 'new world of work' unfolds in the years ahead.
- General staff turnover should not concern employers too much - it is the price that has to be paid in order to gain the flexibility needed to achieve competitive advantage.
- Employers should focus their efforts on retaining the services of those top performers and key personnel who add considerable value and whose resignations constitute a loss of competitive advantage.

All this would make perfect sense if the assumptions on which the analysis was based were reliable. Unfortunately, the evidence does not stack up. Important trends are discernible, but they tend to be hugely overstated by commentators peddling a 'change now or die' message in books, in articles and in speeches from conference platforms.
First, let's look at the historical trends. Were we to be fast entering a new world of short-term working, we would expect to see this reflected in the staff turnover figures reported in the major annual surveys. We would also expect to see evidence of a decline in the average length of job tenure among UK workers. What we actually find is evidence of rather modest trends for which other explanations are readily available.

The truth is that for most people working in the India there never has been anything approaching 'a job for life', and where one was on offer, the vast majority chose not to take the offer up. In other hand the most authoritative recent analysis of UK trends in staff turnover and job tenure is provided by Gregg and Wadsworth (1999). Their analysis of data from the General Household and Labour Force surveys shows clearly that the average length of job tenure has changed only modestly over the past quarter of a century. It stood at four years and nine months in 1975, and at four years and 10 months in 1998. In between these dates the figure rose during economic recessions and fell during the booms. Throughout the period, between 45 per cent and 54 per cent of employees had over five years' tenure in their jobs, while the proportion who had served for less than a year fluctuated between 18 per cent and 20 per cent. There was some decline in the number of people with more than 10 years' service in the one job during the 1980s and 1990s, but this was modest. Moreover, it appears to have begun to reverse again over the last few years. In 2000 32 per cent of
employees fell into this category, as many as 12 per cent of us having stayed with our employers for more than 20 years. The same story is reflected in the staff turnover figures produced in annual surveys commissioned by the government, the CBI and the CIPD. Here too we see rates changeable according to financial conditions but there are no strong data of any extensive period in which the primary drift towards high rate of turnover. The Skill Needs in Britain Survey (which has now stopped including turnover data in its reports) reported annual average staff turnover in 1990/1991 to be 16 per cent. This then slipped to 10 per cent in 1992 before climbing steadily over the next two years. Since 1995 the annual figure has been 20 per cent or 21 per cent in all but one of the years. A similar story is told in the figures derived each year from data submitted to the CIPD survey, although caution is required here because in its first years no overall national average turnover figure was calculated. As the UK came out of recession in the mid-1990s, turnover rates increased from around 14 per cent in 1994 up towards 19 per cent or 20 per cent in the late 1990s. The CIPD survey reported a substantial leap up to 26 per cent in 2000. This could be a statistical blip (the sample sizes being relatively small) or it could simply reflect the tightest labour market conditions in decades. Unemployment in 2000 fell below its 1975 level, creating a situation in which there were more job vacancies than there were people claiming unemployment benefit (IRS, 2001). Rather lower figures were reported by the 2001 CBI survey, suggesting a
more modest increase from 17.3 per cent in 1999 to 17.9 per cent in 2000 (CBI, 2001, p31). Further evidence of a close link between staff turnover rates and economic conditions is provided by the regional breakdown included in the Skill Needs in Britain Survey series. This shows that turnover tends to be lowest in those parts of the country which suffer the highest rates of unemployment and highest where there are most job opportunities.9

The data sheet on turnover in the employees as a whole thus suggests that very tiny change has occurred over the past 20 years. However, the overall figures for the Indian mask. The incidence of two separate drift that function in resistance to one another in India(can be concluded by taking the USA report as platform to study the trend in India) are:

- A noticeable decrease in male average job tenure, especially among the baby boomer.
- A counter-trend among female, whose average job tenure has increased.

In a whole a major trend, as is shown by Gregg and Wadsworth (1999, pi 16) is in the position of women with dependent kids. Job tenure among women without children is not far short of that of men and has followed a similar trend pattern over the years, but the average length of time that women with children remain with each employer has increased quite dramatically. In last decades their average tenure was
only 20 months, since when it has more than doubled to 46 months. Over the same period, average male job tenure fell from 78 months (six years, six months) to 69 months (five years, nine months). So the figures reflect widely observed and important social trends. Career jobs are no longer the preserve of men, while the majority of women are taking up the rights extended to them in law to return to the same employment following a period of maternity leave.

We also see the increased propensity to take early retirement reflected in these figures, job tenure rates among men over the age of 50 falling by 14 per cent between 1985 and 1998.

What we do not see in the statistics is any evidence of a paradigm shift, or indeed any evidence at all to support the view that we are entering a 'new world of work' in which people move from job to job or career to career more readily than they have in the past. The picture portrayed is overwhelmingly one of continuity in respect of turnover rates and average job tenure.

Moreover, far from falling dramatically, there are actually good grounds for expecting job tenure to increase in the future. Three strands come together to make up this case:

We can expect to see a continuation of the trend towards higher average female job tenure as maternity rights are further extended after April 2003.
Because tenure is considerably higher among older people than younger colleagues, we can expect to see reduced turnover rates as the workforce ages in years to come.

We can reasonably surmise that economic conditions were close to a cyclical Peak in 2001, and that average tenure will start to increase again as the economy weakens again in years to come.

Only time will tell whether or not these factors turn out to affect future turnover and tenure statistics in this way. Either way, we can conclude this section by rebutting the four common assertions listed a paragraph or two above. Rising staff turnover rates are not inevitable, and will not be in the future. If the turnover rates have increased rapidly than the national trends, company should not be convinced to discharge the matter as an unpreventable issue of the work. Apart from the certain industries which have seen a new reformation, the beginning of this reformation is greatly overstated.

High turnover rates are consequently possible to indicate either the high amount of de-motivation on the part of the star employees or a malfunction to compete efficiently in the competitive market vis-a-vis the tight labour market situation and it should be therefore be a matter of management concern.
1.3 Voluntary Turnover: Avoidable or Unavoidable?

We may also debate on the extent to which an organization’s management can take action which serves to reduce staff turnover rates. It is common for the issue to be identified as a concern by those working in an HR function or by the line managers whose staff are hardest to retain, but for little action to be taken in practice. This often occurs because other managers see employee turnover as something of an occupational hazard about which little can actually be done. The attitude is particularly prevalent in the sectors which suffer from the highest rates of turnover (i.e IT, retailing, sales, pubs, leisure, call centres and hotels). Here it is typical for poor retention rates simply to be accepted as forming part of the business environment in which the organization operates.

Linked is the widely held belief that it is all a question of money. Turnover rates could be reduced, it is argued, but only by increasing pay rates to a higher level than is paid by competitors. Because this would result in reduced profit margins it is not considered worthy of discussion. The organizations concerned thus continue to 'live with' high turnover rather than focusing on what they might do to reduce it.

This book is based on the premise that such views are profoundly mistaken. Of course, some staff turnover is always going to occur, but a sizeable proportion of voluntary resignations are avoidable. In addition, in the case of a large number, pay is either an irrelevant
factor or a secondary consideration in explaining voluntary resignations. Most people are not naturally inclined to move jobs all the time. Indeed, their preference is for stability. Those employed in roles which they find boring will move from time to time in search of change, while others will not wished to get 'trapped' in one job for too long for fear that this may hold back their career development. People who are genuinely underpaid will be inclined to move in search of a higher rate, but this situation is relatively uncommon. The same is true of resignations that originate in a desire to relocate to another part of the country. In fact, most voluntary resignations occur when the following two conditions are in place.

When an employee is dissatisfied or de-motivated with his/her work, with his/her job, with his/her boss or with his/her social group, or not being accepted by the subordinates, His/ Her family issues and other personal obligations.

When an employee comes to know that ample number of opportunities’ are available in the market which matches his/her experience and hence makes an assumption that the job will give her/him a long-term job satisfaction.

It follows not only that managers by their actions can improve staff turnover rates but that management actions (or in-actions) are frequently a major cause of voluntary departures.
There is a natural reluctance to recognize these truths because we all have a tendency to want to convince ourselves that we are not primarily responsible for an organizational failure. We are thus inclined to blame the business environment, or factors outside our control, or even the employees themselves. In the case of staff turnover our sense of blamelessness is often bolstered by the presence of the statistics. We collect on 'reasons for leaving' in our organizations.

Few employees, when asked at an exit interview, state that they have been unhappy in their jobs, and even fewer admit to dissatisfaction with management. Most cite their pay as their reason for leaving or simply state that they are 'ready for a change'. Unfortunately, the research evidence suggests that reasons for leaving given by employees at the time of their departure are highly inaccurate in very many cases. There is a strong tendency for staff to avoid giving full and honest answers about their true reasons for resigning. The result is a situation in which managers genuinely perceive staff turnover to be a phenomenon that is largely unavoidable and outside their control.

Various types of research evidence can be marshaled to back up the assertion that most turnover is avoidable. First, we can draw attention to the now sizeable volume of 'good practice' research which has been published in recent years on both sides of the Atlantic. This principally comprises large-scale questionnaire-based studies that seek
statistically significant correlations between different types of management practice and defined business outcomes. The aim is to prove or disprove hypotheses about links between human resource activities and business success. The results of most studies suggest that organizations which have in place 'best practice' human resource policies are more likely to be successful against a range of commercial indicators than those that do not. What is more interesting for our purposes is the use, in many such studies, of employee turnover as a key variable in the analysis. We can now therefore point to robust research evidence which backs up the long-held view that good people management practice is associated with low rates of employee attrition. The most frequently quoted study from the reviewed articles it was established that tough evidence is required to suggest that Indian organizations which are having excellent job place ethics, turnover rates that were substantially below. Other studies have reached broadly similar conclusions. An article form Albertho (2004) in another American study found that 'the commitment model' of HR practice was associated with relatively low staff turnover, while in another article from Fredrick and Swank (2000) concluded that turnover rates averaged 5 per cent below the mean in organizations which had 'investment-oriented' HR systems. In Indian based studies Mathur and Metcalf (2006) found that employee participation in management was associated with relatively low Turnover rates, while Galle (2008) found that successful performance appraisal systems and
good wage structures considerably reduced the intension of employees to resign from their jobs. Even though each of these authors (and many others who have conducted similar studies) start out with a somewhat different idea of what exactly constitutes 'good practice' in HR, they are in broad agreement about the kind of approaches that merit this title. The key features are Good amount association of employees in job. Taking more training and development into consideration. Providing employees a career growth inside the organization. Sound and transparent recruitment and selection procedures. Decision making and working to-gather culture.

At this stage the following points are all that need be made authoritative research shows that employee turnover levels vary substantially between employers across industries.

Organizations with relatively low turnover are a great deal more likely to employ effective people management practices than those which do not.

A second type of research is case study-based. Here, examples are found of organizations that have managed to reduce their staff turnover rates substantially or hold them at a low level, their methods subsequently being assessed and written up. Management texts are full of examples of employee-retention success stories of this kind, many identifying as central factors particular management decisions.
Some of the most convincing are described by Pfeffer (1998), Bramham (2001) and Michaels et al (2001), all drawing on the experience of American organizations. Some good examples from the UK were described in a recent publication by Incomes Data Services (IDS, 2000a). The experience of five private sector employers was explored, all of which had reduced staff turnover levels, in some cases quite dramatically, during the late 1990s - a period when rates were rising across the economy as a whole. Each organization used different approaches. In the case of Makita Manufacturing recruitment, selection and induction processes were improved, whereas Glaxo Wellcome focused on flexible working and childcare support. At Asda, by contrast, the main changes made were in the area of career development opportunities. At Price Waterhouse Coopers it was work-life balance issues that needed most attention, while Plan-Net Services reduced turnover using a range of separate initiatives.

What is similar in each of these five cases is the way that managers identified a problem, investigated its underlying causes and put in place new human resource management policies as a result. In all cases retention rates improved substantially and reasonably quickly.

Thirdly, one should draw attention to my own research on employee retention issues and to several studies carried out in recent years by my research students. Our focus has been on finding out, through interviews and questionnaire studies, why people left their former jobs. The total number of in-depth interviews we have carried out now
numbers over 200. Much of this research is described in the case studies at the end of the book, so for now it is necessary only to make a few general conclusions about our findings:

We have found numerous examples of organizations (in both the public and private sectors) in which staff turnover rates vary very substantially from one department or business unit to another. This is true of chains of supermarkets, of directorates within the same hospital, of call centers operating in different areas, and of private nursing homes owned by the same group and operating in the same city.

Many more people leave a job because they are dissatisfied with it or with the employer than because they are positively attracted to other employment. Pay is a far less significant factor, according to our research, than many people believe. We found many examples of people taking a pay cut in order to move to another job, and precious few examples of people stating that money was any kind of a factor in their decision to switch jobs.

We found that dissatisfaction with an organization, and particularly with supervisors, is very often the root cause of decisions to quit. This is particularly true of the service sector (retailing, catering, nursing, professional services, etc) where the quality of supervision appears to be particularly poor. We have been given dozens of examples of
unprofessional or incompetent practices - all manifestly avoidable - perpetrated by inexperienced, unqualified or plain bloody-minded supervisors.\textsuperscript{14}

It was found out that many giant companies are facing the high turnover rates because they were not transparent in terms of their human resource dealings or were very unethical in terms of respecting Human values. Examples like when an unsuccessful management with high outlook started giving a promotion opportunity to the people or employee who does not deserve or employee who a fail to tackle the work-life balance issues, or were unable to manage the stress between their work and household tasks.

In nine cases out of every ten, even though the 'official' reason for leaving was sometimes different, the core problem was the approach taken in the organization concerned to the management of its people. On many occasions it seemed as if managers were refusing, almost as a matter of principle, to consider the needs and ambitions of staff. The prevailing attitude in many Indian workplaces appears to be summed up as:

This is the way the things are done at India. There is limited or zero space for elasticity. Like many company address their employee;- If you can't meet our requirements, you might as well leave.
This is by no means the position sanctioned by the organizations concerned, nor is it usually expressed in such stark terms - but it is the reality as perceived by many employees, who subsequently resign.

It is therefore fair to conclude this section by asserting strongly that managers can do a great deal to reduce staff turnover levels. The use of sophisticated people management practices will help a great deal, but often it is a question of getting the fundamentals right first. It is not by any means simply a question of pay. There is substantial evidence from different sources showing beyond question that major inroads can be made without increasing pay rates, or indeed without spending extensive amounts of money at all.

It was crucial to find out why people were leaving the organization before the management can set measures to improve the employee maintenance verification. Employee may select to quit their jobs for many diversified causes, but there may be inclination towards some of the more momentous than others among particular faction of employees or in certain corporate. Particular professions have evolved their own labour market dynamics, with the result that the leaving behavior displayed by some occupational species differs from that of others. Moreover, exit take different structure and arises in unlike prototype depending upon the established organizational climate and culture, orientation and cutthroat market position.
Rarely employees say that they feel demotivate, uncommitted or unsecure, and in this case there is a less possibility of employee dispense their quit letters. But the sources of serious discontent can vary greatly. The most important reason for the employee leaving the job is eye-catching job opportunities with lots of perks and incentive with huge hike in career growth. The more the frequency of this situation to employees, the more possibility of resignation.

Taking all these factors as a platform it may be useful for the organizations that are looking for an increase retention rates to takeover on the high employee turnover and will also help the managers to recognize the real influencers of employee resignation in different parts of their organizations. Then only an effective, beleaguered interference can be put in place to overcome the most company’s nightmare i.e high turnover and less retention rate. Our focus is to come up with certain technique that can be used to detect the true reason of employee turnover rate.

Most Indian company’s either unsuccessful altogether or are not able to find out the grounds of employee leaving the organization or they attempt to do in such an unrefined manner so as to provide a very little chance of creating a stage on which the company may build vigorous strategy to avoid employee turnover and put the same into practices. The archetypal loom involves reporting boss taking an exit interview very formally to their employees who have confirmed that
they are quitting from their job.\textsuperscript{15} Only to know the reason for leaving and does not involve any positive step to stop the employee from going out, that means no formal counseling or etc that may motivate the employee to give a second though. The content of exit interview is often ambitious by a standard questionnaire or just to fulfill necessities of the Management information systems that is used to record the list of employee left the organization with the reason of the same. The process is what like this, a listing of possible reasons for parting is given, one of which has to be recognized by the senior at the end of the exit interview as being the most relevant in the case of each employee quitting. Occasionally there is a chance to put few lines on unnecessary information in calculation so as to make the case more favorable towards the organization and if it is a case of voluntary resignation than it may be converted into involuntary resignation. Occasionally, this is used by the managers to produce annual report which declare the main causes so as to why an employee left in the preceding year or month.

Regularly, the senior does not find time to conduct an exit interview at all because employee leaving the organization does not give any notice period or the managers just overlook. Then for the sake of record purpose the exit interview forms or the MIS Format are then filled up by themselves alone using their own knowledge of the employee who has resigned
It is my contention that such approaches serve little purpose, particularly when used in isolation, because the two major assumptions that lie behind them can be shown to be unreliable. These are that:

- Departing employees give their managers full and accurate accounts of their reasons for leaving at exit interviews.
- It is possible to identify, for each departing employee, a single 'most salient' reason to explain his or her resignation.

Neither of these statements is correct. Staff’s usually have excellent grounds to hold back the entire reality from their seniors when it comes to discuss the reason for their quitting. Additionally, often there is entirely blunt about the reason why they quit, often the important reasons are so occupied, implicated and elaborate as to confront the naïve of cataloging.

More sophisticated approaches are thus called for if managers are to gain a genuine and useful understanding of the 'turnover drivers' operating in their organizations.

Reasons for leaving Employee turnover can be divided into four categories: 'push-type' causes, 'pull-type' causes, unavoidable causes, and situations in which the departure is initiated by the organization rather than by the employee. Each is fundamentally different from the others and demands a different type of organizational response when
it is identified as the major explanation for turnover among members of particular occupational groups.

1.4 Pull Factors

Pull-type turnover happen only when the key factor is the hopeful is drawn from another service. The staff may be purely motivated with his or her existing company and enjoying his/her job in all manners, but nevertheless he /she makes mind to move on in search of something even enhanced than the present one. It may be a high in terms of salary and wages, a more respectable package where he/she can be more acceptable in the society, with more job involvement, good long run career enhancement, will be more flexible in terms of family and work life balance, the chance to abroad, less time is consumed in transportation or flexi hours. Alternatively, it may be the ambition to work for particular equals or with a particular team with whom the employee may be socially close.16 People also move in order to spend some time working for a well accepted organization as a giant player in Indian market, over the years, a selection of such experience, can enhance the ornamentation of the resume as in today’s market employers to favor candidates with a wideness of experience to those who have built their careers in just one organization.

Where pull factors is more important, the company is also looking for to decrease in turnover rates that will expand the looking for the
enhancement of job motivation. This will hold up the expected for a sometime, but will not in itself dole out the employee resignations. Instead, it is important to find out what a staff really wants in terms of job motivation, either career enhancement or very handsome salary package or a respectful culture that will enhance the productivity of the company and ultimately this will predict a less resignation what they are looking for in their careers.

1.5 Push Factors:

The gap, in the push factors that primarily the grounds for resignations is the discernment that rather an erroneous culture with the existing employer. The employee is more worried to shift to sheltered job, when he or she is as likely to unite with another company without doing sufficient research about the new job it is only for the reason that he or she does not get any motivation from the present job. In doing this he/she wish to work in a corporate life with full of zeal, but there is no assurance of the same in long run. A variety of assorted push factors can be recognized as varieties from disliking the habitual corporate culture to disapproval of contaminated structures in hierarchy and the straightforward character traits like personality, ego which may run over both with same age group peers, superiors and seniors. Sensitivity of grievance often motivates these types of quitting, but these can also take place merely because the staff is fed up or with the repetitive work. He or she consequently initiates a
search for anything that is poles apart, and ends up on finding a better substitute.

In some cases push factors are unsurpassed; the required company response is to attempt the main reason for demotivation. This also in some way to opt for a good senior with greater concern for the juniors, also providing them with good training on required skills, and evaluating them more successfully in provisos of their supervisory ability. It may mean investigative companies internal policy with a sight to enhance the sprite of its action. May be it implies merely paying greater awareness to improve the worth of job life. Above all, it is necessary for the creation of an effective employee and employer relationship of influence as divergent to the employees thinking of leaving the organization. it is also necessary to create a platform for both the employee and employer, and also a organization culture, which will persuade the decree of demotivation within the organization before it breeds an undesirable quit or employee resignations.

Employee must be given the chance to articulate their demotivation and to space out their own grievances, and also to check that it is heard in a proper forum, then only employee will not take resignation as their first option.
1.6 Inevitable (Unavoidable) Turnover:

This type of turnover comprises reasons for quitting which are wholly or chiefly not within the control of the company. The reason for leave the organization does not yield up because of a motivational factor from the job, or the alleged job chance in some other company, but for reasons that are unrelated to job in any straight way. The most ordinary is retirements which have direct effects upon almost everyone at some stage, but there are many others too. Health is often a cause, because it incapacitates either the staff or any of the family members. Maternity may be consider as another - women after deliver often does not like to return back to the same office after their maternity leave, there are various reasons for the female worker to be away from job because they have an additional responsibility of taking care of their child and so they look for the same arrangement and also the safety security of the child. A fourth common reason is transfer - usually in order to go with partner. Finally, there is the longing to stay away from the job for a period in order to go, to join a fulltime education or practice some other hobbies.

Company often ends the discussion by saying that nobody can reduce turnover at any point of time. This is only moderately truthful, because in many case the employee who leaves the organization for an unavoidable reason could take a call to work in the job if he or she really want to. Employees decide to take a job break, choose not to
return to work after maternity leave, and often choose to give up work. This ‘proposes that if the job was more appreciative and eye-catching then they might not take the decision of staying away from the job or inevitable turnover would not have happened. Similarly, when two people decide to set up home together in one place, a choice has to be made about which of the partners is going to relocate and which is going to stay put. In practice, this decision is very often based on work-based factors. The one who is least satisfied in his or her job or who is perceived to enjoy the poorest career prospects is usually the one who resigns and relocates.

1.7 Involuntary Turnover:

One final major category includes departures which are involuntary and started by many companies. Idleness clearly fall into this category, along with the very short-time of layoffs, the ending of recruitment contracts. Many employees go out also in fact mostly spontaneous because employees often prefer to leave before they are hard-pressed. Employee who knows that he or she is to be bound to leave the organization in a few months therefore naturally he or she is in hunt for another job much before the time, while a colleagues who believes that their service will soon also be taken away on justification of pitiable job performance then they may for truth search for another job before being formally asked to do.
Although such turnover can sometimes be characterized as 'functional' rather than 'dysfunctional', it still carries a cost and is thus best avoided where possible. The main aim should be to prevent the situations which cause it to happen from arising in the first place. Except in the case of some dismissals on grounds of illness, measures can be taken to reduce the incidence of involuntary turnover. These largely focus on recruitment and selection practices, the aim being to ensure as far as is possible that a large pool of potential candidates comes forward and that poor decisions are avoided when deciding who to offer jobs to. However, good supervision plays a role too. Well-managed employees tend to 'give of their best', resulting in fewer examples of poor performance and hence fewer dismissals.

1.8 Exit Routes:

For some employees the decision to leave is taken on the spur of the moment, an incident occurring or a management decision being confirmed that leaves little room for second thoughts. These episodes occur regularly, but account only for a minority of voluntary departures. In most cases the process is drawn out over a longer period of time. There may well be months or even years separating the actual resignation from the first thoughts about the possibility of leaving. In between there are a series of stages, some more complex in nature than others, at which the decision to quit comes a step closer. At each of these stages an organizational intervention of some kind may have
the effect of halting progress towards the resignation either temporally or permanently.

Researchers specializing in the study of employee turnover have long debated the nature of the multi-staged decision making process which precedes the final decision to quit. Some have put forward universal models which claim to cover all turnover scenarios, while others have specified different types of exit route. One of the most powerful approaches has found evidence to support the validity of the following 10-stage model:

- Appraise of on hand job.
- Experience job demotivation.
- Thinking of to give up.
- Appraise predictable efficacy for a new job and the financial loss associated with quitting.
- Choose to look for substitute.
- Looking for new jobs.
- Evaluate alternatives.
- Contrast best substitute with present job.
- Make a decision whether to stay or to go.
- Lastly, resignation.
Mobley's was the first educational work conducted in the modern business surroundings to draw proper attention to the complexity of most resignation decisions. The sculpt includes both push and pulls factors, suggesting that in practice the former come before the latter. In other words, his outlook is that in most situations demotivation towards a job occurs first and that this gives urge to search for a new occupation.

While few would argue with the items Mobley includes in his model, there is doubt about the extent to which the 10 stages tend, in practice, to follow one another in linear sequence. It is plausible to argue, for example, that employees who perceive themselves to enjoy plenty of alternative job opportunities enter a workplace with a wholly different mindset than those who believe their career options to be severely limited. The first group will judge their employers harshly, will be quicker to criticize and more likely to feel discontented. They are also less likely to seek to develop feelings of commitment. From the start they know that as soon as they cease to enjoy their jobs, they can and will move on. By contrast, the second group will instinctively seek (literally) to make the best out of a bad job.

They will be prepared for knocks; will expect to go through periods of dissatisfaction, and will put up with poor treatment from supervisors. Their lack of alternative job opportunities makes them inclined to seek accommodation with their organization and to develop a degree of
attachment towards both it and their colleagues. In both cases, these employees are, at least in part, reversing the stages set out in Mobley's model.

The evaluation of alternatives comes first, the experience of dissatisfaction afterwards. The employer seeking to reduce staff turnover is thus well-advised to develop different strategies for tighter and looser labour market conditions.

**Figure 1**


More recent models, such as those put forward by Steers and Mowday (1981) and Price and Mueller (1986), identify the different elements
that can combine to bring about a resignation, but remove the concept of linear stages. Their purpose is to identify all the different types of factor that lead to employee turnover. A useful feature of the Price and Mueller model is the clear separation of the notions of 'job satisfaction' and 'organizational commitment'. In separating them they are asserting that it is possible to be broadly satisfied in your job and yet simultaneously uncommitted to the organization you work for. Reduced commitment leads to turnover - but this can be brought about as a result both of dissatisfaction with a job and of other factors such as a disapproval of company policy or the growing importance of issues in one's non-work life. This is a vital distinction for managers who want to get a better grip on turnover in their organizations to take on board. You need to find out, as far as is possible, which antecedents of turnover are operating among key groups of employees and how they interact. For some it may be job dissatisfaction, for others a more general underlying lack of commitment to the organization, and for yet another group the lure of alternative employment. It may be two of these acting in combination, or all three. It is only after finding out that remedial action can be taken which will have the best chance of making an impact.

The most recent developments in this field have been advanced by some authors in their research paper. Their 'unfolding model' is notable for its suggestion that staff turnover mainly occurs after a vigilant, coherent decision taken on the part of staff. Drawing on
image theory, these researchers have found that what actually happens in many cases is that individuals experience some kind of 'shock' which jolts them very quickly into thinking about leaving when they have not seriously given it much thought previously.\textsuperscript{20} Far from weighing up alternatives and thinking carefully about the advantages and disadvantages of quitting, employees tend often to make the decision very quickly. Shocks do not always lead to resignations, but they set off the kind of process described by Mobley. Someone who is happy in his or her job and has not even considered leaving is jolted overnight into thinking about the possibility of alternative employment. The term 'shock' can refer to any event, personal or organizational, which has the effect of bringing continued employment with the current employer into question. Because it need not, by any means, be an unpleasant experience, the term 'trigger' is perhaps more appropriate.

Common examples of 'shocks' or 'triggers' are:

- a call from a head-hunter
- pregnancy
- divorce/splitting up with a partner
- mergers
- re-organizations/allocation of new job duties
- the appointment of a new supervisor.
The great contribution of the unfolding model from a management perspective is the finding that some event or new occurrence usually has to galvanize an employee into evaluating his or her level of job satisfaction and considering the utility of moving to other employment. If the employer can stop these 'triggers' from occurring in the first place, the chances of retaining employees are substantially enhanced. Some, of course, are genuinely outside the organization’s control - but many can be influenced. It is possible, for example, in very competitive labour markets, to build defences that are hard for head-hunters to penetrate. It is also within the employer's power to lessen the extent to which the trigger has 'shock impact'. There are no one-off easy answers to these predicaments. It is a question of managers' knowing what makes their staff tick, understanding the nature of the most common exit routes, and anticipating possible turnover triggers ahead of time.

1.9 Exit Interviews:

Most study on employee retention and related issues recommend that managers carry out exit interviews with departing employees. The aim is first and foremost to set up a record and to search for the main reasons for the resignation. Ideally, the manager himself will also find out that if the higher management could have taken some step to prevent the resignation keeping a view to shun the turnover in the future. For those companies who take back their ex-employees the
other aim will be to leave a positive intuition towards the organization in the leaver's mind. It is not a wrong with moving on with the technique of exit interviews, especially if they are the only analytic tool that is used in managing turnover, but managers must be mindful of their weaknesses as well as their strengths. It is wise both to treat data collected in this manner with some caution and to search out alternative sources of information about reasons for leaving. Researchers investigating the accuracy of exit interviews have generally given them a poor press, the main finding being that they constitute a highly unreliable source of information about why individuals have resigned from their jobs. This is particularly the case when such interviews are carried out by the immediate supervisor or by someone who has exercised managerial authority over the resignee. Several American studies have wanted to have a legalize information given at exit interviews by:

➢ Following them up with questionnaires about reasons for leaving that are returned on a confidential basis to researchers based outside the employing organization.

➢ Using independent consultants to carry out further interviews on a confidential basis after the individuals have left.

The results of these studies suggest consistently that many employees do not come up with fair answer rather they try to keep it to themselves so they lie about the reason behind their resignation.
Firstly, there is a tendency for resignees to give vague answers in the exit interview when they have real and clear cut reasons behind the resignation. Secondly, employees tend to give the push factors and cooperate with the pull factors and inevitable reasons when explaining their reason for resignation to their supervisors. Thirdly, it is the case that departing employees are a great deal more likely to mention the compensation levels as the main reason for quitting when asked by seniors this is the case when the exit interview is conducted by a third party. In a widely quoted in a research 48 per cent of employees in one organization claimed that they left to secure a higher salary package when interviewed by management, while only 12 per cent stated that this had been their main reason in a postal questionnaire returned to independent researchers some months later. Conversely, only 10 per cent cited pitiable management in exit interviews carried out by seniors, a reason given by 30 per cent in the subsequent questionnaire survey.

It is reasonable to state that the likely explanation for the discrepancies is reluctance on the part of most departing employees to come clean about the true extent of any dissatisfaction when asked by their supervisors to explain the decision to quit. It is not difficult to speculate on why this should be the case:

- A reluctance on the part of the employees to criticize managers who they have worked closely with and may personally like.
Fear that the manager will take criticisms personally and will rebut them in the interview.

A wish not to 'burn bridges' because a favorable reference may be sought in the future.

A wish to leave wide open the possibility of returning to work with the employer at a later date - anything that might prevent this from occurring is thus avoided.

Embarrassment that the true reason for leaving will seem trivial or pathetic when articulated to a manager.

A reluctance to reveal that what the manager may see as weaknesses were the genuine reasons for leaving.

A desire to defend contemporaries who are not departing.

Resignations in anger or frustration, a desire not to be helpful to the organization in question.

Feelings of generosity and goodwill towards colleagues who are marking the employee's departure with leaving cards, presents or parties.

An insistence that the true reasons for leaving are personal and therefore confidential.

The perception that the real reason for leaving would make the employee appear ungrateful for opportunities given and exercised while in the job.
For all these reasons it is easier for departing staff (whose real reasons for leaving are complex or which imply criticism of their managers) to state that they are leaving to gain more pay, or because they are relocating to move in with a partner, than it is to set out the genuine causes of the resignation. In fact, a good case can be constructed for actively advising people not to tell the whole truth at exit interviews - a line convincingly argued in a recent *Financial Times* article by Adrian Furnham (2001).

In order to maximize the likelihood that leavers will talk frankly in their exit interviews a number of steps may be taken. Firstly, the interview should not be carried out by the individual's immediate line manager, or by any manager who has exercised direct authority over him or her.

Instead, the person who will be taking the interview should be someone with whom there has been no prior senior and junior relationship and the person will not be required in future for any suggestion or reference purposes. Human resources personnel are often ideally placed to carry out the role, but it can equally well be performed by managers based elsewhere in the organization.

The less contact the manager concerned has had with the leaver, the better.
However, very senior personnel should not be used simply because people can be overawed when talking to them ('the headmaster syndrome'). Some organizations go as far as to outsource the exit interviewing function entirely to a consultant, while others simply apply common sense and ask the employee concerned who he or she would prefer to conduct the interview.

Both approaches significantly increase the chances that valuable information will be obtained.

Secondly, as far as is possible, confidentiality must be ensured. If the real reason for the resignation is some perceived failure on the part of management, few employees will come clean for fear of burning their bridges unless they believe that any comments they make will not subsequently be relayed to the individuals of whom actual or implied criticism is being made. Confidentiality can never be 100 per cent guaranteed, but steps can be taken to reassure leavers: 23

- If an organization ensures that its exit interviews are confidential, the practice will be seen as such by existing employees. When their turn comes, they are more likely to have confidence in the system.
- Explaining that maintaining confidentiality is as much in the interests of the employer as the ex-employee enhances the leaver's belief that what he or she
Thirdly, the timing of exit interviews is important. Avoid the last day or two of employment. This is because they are anomalous days for the person who is leaving the organization, nurture to be a more good experience. The imminent prospect of a break between jobs or of new employment naturally weighs heavily in our minds on our last days. To this is added the tendency for leaving events of one kind or another to be organized and anticipated, at which cards and presents are given and generous speeches made. The messages conveyed are often designed by co-workers to be both touching and memorable. They thus have the effect of engendering in the personal feelings of kindness towards coworkers and towards the job that he or she may truly have disliked but in reality the person leaving the organization couldn't offer to go a week or two earlier. Conversely, where these rituals do not occur or are apparently organized under some sufferance by colleagues, the leaving employee will often be disappointed. Overly negative perceptions of the organization can then be generated which tend to lead to an unduly poor assessment of the organization emerging at the exit interview. The emotions generated in the final days are thus too strong to make this a good time to carry out the interview.

In theory, exit interviews are best carried out as close as possible to the date of resignation when the reasons are clearest in the leaver's
mind and best articulated. The problem here is that the resignation may occur some weeks before the physical departure because of notice provisions. This means that there are plenty of working days still to go, and hence a reluctance to jeopardize working relationships by voicing criticism of managers or colleagues. So a balance has to be struck. The best time is probably a week or so prior to the last day. There are a few days of work left - not enough to worry about the fallout associated with critical remarks, but a sufficiently long period before the more emotionally charged atmosphere of the last days begins to kick in.

The final point to make about exit interviews concerns their content. Here too the traditional approach involving the use of standard questionnaires should be avoided. This is because they tend to prejudge the responses that departing employees will give through the presence of prompts. In many cases a list of reasons for leaving is given and the resignee required to state which one was the most significant in their case. Such approaches make for easy analysis and collection of data, but they are unlikely to reflect the true picture.

Prompting must therefore be avoided, as should any attempt to simplify for data collection purposes the complex reality of the decision to leave.

For most people a number of factors come together, often over a long period, to cause a resignation. Some will be pull factors, others push
factors - some will be work-based, others rooted in personal circumstances. Each will interact with others in different ways and at different times. It is only via unstructured exit interviews that the employee will be able to articulate his or her reasons properly and in his or her own words. The interviewer must explain the organization’s purpose in completing exit interviews with leavers before asking the departing employee to explain step by step and in his or her own words why he or she is resigning. Supplementary questions can then be asked as a means of clarifying points made and of probing a little more deeply, or to encourage the interviewee to keep talking. At the end the interviewer should sum up what he or she thinks has been stated and check with the employee that this represents a fair summary of his or her words. After this has been done, a further question can be asked along the following lines:

What, if anything, could the organization have done differently which would have led you to remain an employee?

Here again the leaver should be left to answer in his or her own words without prompting. Supplementary questions should be asked only to clarify points, to ask for something to be repeated or to probe for more detail. The urge to contradict or to enter into any kind of discussion about the answer given to the question must be suppressed. What matters, after all, in terms of retention management (as in customer retention) is what, ex-employees actually perceive - not what managers hope that they should perceive.
1.10 Alternative Diagnostic Tools:

Exit interviews are by far the most common method used by organizations to establish why their employees leave, but there are plenty of other tools available. None is perfect by any means, but all have a role to play. Used in combination they help to build up the most effective and comprehensive picture possible - and thus the best foundations on which to build robust employee retention strategies. Questionnaire-based attitude or opinion surveys circulated among all employees are a widely employed communication mechanism in the other countries. They are used to gauge morale in the workforce generally as well as to help managers pick up on specific issues that need attention. In many organizations the results are quantified to allow progress to be tracked over time and comparisons to be made between different business units. Increasingly, attitude surveys are used as a method by which the performance of the human resource management function is evaluated and its value to the organization judged. Such surveys can also be employed as an effective technique for establishing the major reasons underlying staff turnover among different groups, although how this can be done is not immediately apparent.

The problem with attitude surveys is that in order to be effective they must be anonymous. In other words, if you want your employees to answer the questions in the survey frankly and fully, their completed forms must not be traceable back to them. However, anonymity in a
survey prevents the organization from identifying individual problems and acting upon them. It also means that it is not possible to compare the answers given by people who subsequently leave with those of colleagues who stay. Yet from a retention management perspective it is this kind of data that is most valuable. Attitude surveys often reveal general dissatisfaction with some aspects of an organization and general satisfaction with others. This information is useful to know but does not allow a scrutinizer to establish which types of dissatisfaction lead to turnover and which do not. Nor does it indicate what forms of positive assessment of the organization are associated with people who stay a long time and what forms have no impact on the propensity to leave. For example, a survey may well reveal that 50 per cent of the staff are dissatisfied with their pay level whereas 50 per cent are satisfied. But it is impossible to tell from this data alone whether or not there is a higher turnover rate among those who are dissatisfied with their pay. Such judgments could easily be made if staff were required to identify themselves on the survey questionnaire - but that would compromise the accuracy of the survey. So it is impossible to tell whether or not an increase in pay would or would not have any actual impact on staff retention rates.

For attitude surveys to be useful as a tool for diagnosing the causes of turnover, ways have to be found around this conundrum. Four approaches are worth considering:

Issue an attitude survey to all staff on a regular basis, but also ask leavers to complete the questionnaire before they depart. The leavers'
forms can then be compared with those of the staff as a whole. The problem here is the same as for exit interviews - namely, a tendency to inaccuracy. However much the organization guarantees confidentiality, departing employees will perceive their answers to be traceable back to them.

Use an independent, external body to issue the attitude survey and to collate the results. Provided employees trust the consultancy concerned to protect their confidentiality, this can work well. Employees write their name and job title on the attitude survey form and, hopefully, go on to give full and honest answers. A list of leavers is then given to the consultants on a regular basis and comparisons made in their report between the attitudes of leavers and those of stayers. The disadvantage, of course, is the cost.

Ask leavers to complete a confidential attitude survey and then administer the same survey to a group of stayers from the same job groups. Ideally, try to find pairs of people with broadly the same characteristics in terms of job tenure and job duties.

Include in a confidential attitude survey a question about intention to leave (e.g.: 'Are you actively seeking alternative employment at present?' or 'Do you intend to leave your job in the next 12 months?'). The American research suggests that such questions are good predictors.
Resignations, making it useful to compare attitude survey responses to questions about job satisfaction/dissatisfaction of those who express an intention to leave with those who do not have intention to leave.

It is beyond the scope of this book to discuss the content of attitude surveys in general terms. Readers interested in the topic are referred to another book in the CIPD's Developing Practice series, EAOS (Employee Attitude and Opinion Surveys) by Mike Walters, which covers all the issues very effectively.

1.11 Surveys of Former Employees:

One way round some of the problems associated with exit interviews is to survey staff some weeks or months after they have left. This can be done using a standard questionnaire, but is better able to tap into the mix of factors and their interaction with each other if it is conducted as an interview. The assumption here is that ex-employees will be both more willing and more able to identify and articulate their real reasons for leaving once they have successfully settled into a new job. They are less emotionally involved in the affairs of the organization than is the case at the time of leaving, and may well be more inclined to give a clear-headed, considered response to questions about their reasons for leaving. Moreover, because they are able to compare their new organization with their previous one, they are in a better position to give advice about how retention rates could be improved in the future.
However, a number of the problems associated with exit interviews remain in the case of surveys of ex-employees. There endures in many cases a reluctance to appear to criticise a former employer or individual managers for whom one has previously worked. References may still be needed in the future; while in some cases there is a wish to keep open the possibility of a return in the future. In many industries, of course, managers move regularly too, leading to a situation in which people find themselves working with or for ex-managers in new workplaces. For all these reasons assurances of confidentiality are necessary and best guaranteed through the employment of an independent consultant to carry out the survey.

1.12 Stayers’ Surveys:

Bramham (2001, p73) suggests that organizations have much to gain from looking at the other side of the coin and investigating what makes people stay rather than what makes them leave.

Any of a number of approaches could be taken, each of which is attractive in theory but does not appear to be widely used in practice. Each starts with the identification of a sample of employees who are both long-serving and above-average performers.

The first approach involves issuing an attitude survey to the members of this group. A few days later the same survey is issued to another group of staff, in similar jobs but with below-average length of service. The responses are then compared and a report written
identifying how characteristics or attitudes differ between the two groups. An alternative approach is less systematic but could be just as useful. This simply involves establishing a focus group made up of long-stayers and asking them why they have remained employed for so long. Each member should be asked to describe a time when he or she thought about leaving, and to articulate the reasons for his or her eventual decision not to quit. A third type of 'stayer' survey' is interview-based. This is more time-consuming but may induce some long-stayers to be more frank about their 'near-leaving experiences' than they would be in a focus-group situation.

Stayer's surveys do not explain exactly why people leave your organization, although the long-stayers may well have an informed and accurate view about this issue. The surveys do, however, provide information that can be used to shape retention initiatives. For example, stayers might state that a major reason they chose not to leave when they had the opportunity was because of the relatively generous pension scheme or the flexible working arrangements or the crèche - and in this way you learn that these features are key to your organization’s competitive position in its labour markets. Communicating their value to the workforce should then form part of the retention strategy. Alternatively, you may discover that long-stayers share certain competences or attitudes which are present to a lesser extent in other employees.

If so, this can help inform future selection exercises. More ambitious employers seeking to develop a full-blown employer-branding
exercise will also find the information gained by these means to be a useful contribution.

1.13 Last-job-move Surveys:

Useful if less directly relevant information can be assembled by asking new employees to talk frankly about their last job moves (ie the decision to leave their former employer and to join your organization). This is not going to tell you much about what you are doing right or wrong as an employer, but it will help to build a clear picture of the dynamics that operate in your key labour markets. For example, find that your more recent employees applied not because of any positive attraction to your organization but simply because they hated their previous jobs and needed to work somewhere. This information suggests that push factors are more significant than pull factors in the particular labour market concerned. Alternatively, you may be told that the main reason employees left their previous jobs and joined you was because you offered them 50p an hour more for their efforts. This informs you that your labour markets are highly pay-sensitive - and that it is important to keep a close eye on what competitors are paying if you are to retain people.

As with the other methods, surveys of this kind can either be questionnaire-based or interview-based. The former is less expensive and yields data that is readily quantified, whereas the latter provides a richer seam of information which serves to deepen your understanding
of what makes your key labour markets tick. In either case, timing is important - unless independent consultants are to solicit the information on a confidential basis. Asking employees about their last job moves is problematic if it is attempted too soon after their initial interviews. This is because all of us seek to give the best possible impression at job interviews, a process which can often involve putting a positive gloss on our reasons for leaving our previous employment. If we perceive that stating our real reasons may reduce our chances of securing the new position, we cover these up and put forward instead a plausible alternative explanation (which may or may not contain large grains of truth). If subsequently our employers ask us to talk candidly about our reasons for leaving we are going to be inclined to repeat the same explanation given at the selection interview. This is particularly the case if we feel insecure in our new job and have yet to establish frank and relaxed working relationships.

For these reasons it is probably best to conduct last-job-move surveys around a year after employees join. This is long enough for people to feel secure in the new job and also long enough for them and their managers to have forgotten exactly what was said when they were first interviewed. It is also short enough to ensure that employees can remember clearly why they left their previous employment and how they felt in responding to the events leading up to their resignation.
References:


17. Reading, MA. Addison-Wesley.


24. IDS (1994) 'Reducing staff turnover in the W H Smith Group'.


