Turnover Intention Influencing Factors of Employees: An Empirical Work Review

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ABSTRACT

The prerequisite to leave one’s job or organization is the intention to leave that can be referred as turnover intention. It is the thinking and planning of employees to leave there job and organization due to different reasons. Since turnover intention is not explicit; it is difficult to determine the factors these lead to leave one’s job and organization. So this conceptual paper tried to summarize different factors affecting turnover intention of employees which are identified by different scholars and researchers. The researcher reviewed varies empirical works focused on the relationship between job satisfaction, job stress, organizational culture, organizational commitment, salary, organizational justice, promotional opportunity, demographic variables, leadership styles, and Organizational Climate.

Keywords: Turnover intention, factors, employees

INTRODUCTION

To aid their living people will engage in different types of activities, works and organizations. But the length of time that people spent in these things is undeterminable due to different reasons. People will change or leave their work and organization as much as it will be comfortable for them. The prerequisite to leave one’s job or organization is the intention to leave that can be referred as turn over intention.

Turnover intention of employees refers the likelihood of an employee to leave the current job he/she are doing (Ngamkroeckjoti, et al, 2012). Every organization regardless of its location, size or nature of business has always given a key concern about Employees’ turnover intention (Long et al, 20012). According to Kumar (2011), turnover is a critical human resource issue in all sectors of the economy which affects productivity, product and service quality, and profitability.

Researchers like Shamsuzzoha and Shumon (2013) stated that turnover has proven to be one of the most costly and seemingly intractable human resource challenges confronting by several organizations globally. Jha, (2009), identified that turnover force the organization to incur a huge costs relating to recruitment and selection, personnel process and induction, training of new personnel and above all, loss of knowledge gained by the employee while on job. For organizations, the turnover of employees means the waste of investment in the selection and training of personnel. Besides, the high rate of employee turnover in an organization adversely affects the motivation of existing personnel; increases the workload and makes work planning difficult. Thus, the resignation of skilled employees, who are considered as human capital, is an important issue that has a negative impact on the efficiency, effectiveness and general performance of an organization (Kaya & Abdioğlu, 2010).

Even though turnover is a cost for an organization, Habib, (2015) pointed out that a certain level of turnover cannot be avoided, and in fact, it could be beneficial to the organization as new people join organizations with new ideas that in the process enriched the organizational other activities. A healthy turnover rate is always desired by the top management of organizations to ensure healthy innovative growth of organizations. When turnover is too low, fresh blood and new ideas are lacking and an organization can quickly find itself turning into an ageing machine, unable to cope with change (Loquercio et al., 2006).

Turnover can also allow an organization to adapt to market changes without going through costly layoffs. Certain organizations accept a relatively moderate level of staff turnover...
because it keeps the organization dynamic (Richardson 2005). Some staff turnover has benefits, and can help increase productivity by ensuring better matches between jobs and workers, as well as offering more flexibility to promote and develop valued staff (Loquercio et al., 2006).

**REVIEW OF RELATED LITERATURE**

Turnover among the employees is one of the biggest challenges for any organization and have far lasting effects. It has been seen as a serious issue especially in the field of human resources management (Hassan, 2014). Wu and Polsaram (n.d) added that Employee turnover become a major concern for many organizations nowadays and high employee turnover have a devastating effect on a company, especially if the lost employees are high performers.

**Turnover Intention**

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**Types of Turnover**

Turnover can be classified as voluntary and involuntary turnover. As Perez (2008) stated, since turnover is often associated with variables, such as job satisfaction, it is important to distinguish voluntary from involuntary turnover, otherwise the estimation of such a relationship in terms of all leavers will be inaccurate.

When an employee leaves his work and the organization by his or her will the turnover is termed as voluntary turnover. As cited by Perez (2008), Staw (1980) described that Voluntary turnovers create significant cost, both in terms of direct cost, such as replacement, or in terms of indirect cost, such as the pressure on remaining staff or the loss of social capital.

Taylor, (1998), further divided Voluntary turnovers in to functional and dysfunctional turnovers. Functional turnovers are the resignation of substandard performers and dysfunctional turnovers refer to the exit of effective performers. Dysfunctional turnover further classified 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.

Involuntary turnover refers the decision of management to force the employee to leave the organization.

**Factors Affecting Turnover Intention**

Turnover may be caused by different factors. These factors of turnover intentions are different from organization to organization to some extent (Shah et al 2010). Jha (2009) stated that no single factor can be attributed to turnover intentions and proposed to follow a holistic approach in studying factors affecting turnover intention of employees.

**Leadership Styles**

Griffin & Moorhead (2014) defined leadership as it is both a process and a property. As a process, leadership involves the use of non-coercive influence. As a property, leadership is the set of characteristics attributed to someone who is perceived to use influence successfully.

When we tried to discuss about leadership, we have to consider the leadership styles. Leadership style is the way and manner in which a manager or supervisor chooses to act towards his employees or subordinates and the way the leadership function is being carried out by them (Mullins, 2000). A leadership style is the approach used by managers to exercisetheir leadership function Armstrong (2012). Leadership style is said to be a particular behavior applied by a leader to motivate his or her subordinates to achieve the objectives of the organization (Ng’ethe et al 2012).

In this global competitive environment, effective leadership style is necessary to reduce the attrition rate (Nanjundeswara swamy and Swamy 2014). As Siew (2017) explained that leadership styles have a very strong relationship with turnover intention. Puni, Agyemang & Asamoah (2016) found employees under autocratic leaders are more prone to intentions to quit job mainly as a result of the leaders over emphasis on production than people. Workers under democratic leadership style are less likely to involve in turnover intentions due to the collective decision-making approach of the leader.

While Long (2012) and Gul et al (2012) found negative insignificant association between turnover intentions and transactional and transformational leadership styles, Siew (2017) demonstrated a significant relationship between...
transformational and transactional leadership style and turnover intention within a study conducted on SMEs in Malaysia.

**Demographic Variables**

Kaya & Abdioğlu (2010) described demographic variables, such as age, professional experience (tenure), marital status, professional title and previous knowledge about the profession have no effect on the probability of turnover intention. But Chowdhury (2015), Emiroğlu et al (2015) and Victoria & Olalekan (2016) identified that the demographic factors such as age, marital status, tenure, wage, position, and working department are determinants for turnover intention.

Even though Kaya & Abdioğlu (2010) found significant relationship between gender and turnover intention Victoria & Olalekan (2016) concluded as gender had no significant influence on the intention of employees to leave.

Choong et al (2013) identified significant differences between gender, age group and marital status toward turnover intention, such as female has higher intention to leave as compared to male, while married respondents have higher job commitment as compared to single respondents and elders are willing to retain in their respective institutions as compared to those younger.

**Organizational Commitment**

As defined by Mowday, Porter and Steers (1982), organizational commitment is a strong belief in and acceptance of the organization’s goals and values; a willingness to exert considerable effort on behalf of the organization; and a strong desire to maintain membership in the organization. Lambert (2003) stated that organizational commitment is a psychological attachment of an employee to an organization. As Lin and Chen (2004) and Wu (n.d) point out, organizational commitment negatively related with employee’s turnover intentions. Ahuja et al., (2007) indicated that Organizational commitment is the strongest predictor of employee turnover intention. Cave (2013); found that Organizational commitment was significantly related to turnover intention.

**Organizational Justice**

Justice is a broad and multifaceted concept associated with nondiscrimination and fair observance of differences within various disciplines (Sokhanvar et al, 2016). Organizational justice refers to the extent to which employees perceive workplace procedures, interactions and outcomes to be fair in nature (Öztürk et al 2016). Organizational justice is characterized by different individuals and parties’ perception of fairness of behaviors in an organization and their behavioral responses to those perceptions (Sokhanvar et al, 2016). In order to ensure that employees are satisfied, committed, and loyal, the organization needs to be fair in its systems regarding distributive, procedural, and interactional justice (Alkahtani, 2015).

When we consider the relationship between organizational justice and turnover intention, Aghaei, Moshiri and Shahrbanian (2012), Sokhanvar et al, (2016) and Öztürk et al (2016) found that turnover intention have an inverse and significant relationship to organizational justice. The better justice by organization managers, the lower intention to leave among employees, and so more effectiveness, efficiency and better performance of employees (Aghaei, Moshiri and Shahrbanian, 2012).

Iyigun and Tamer (2012) and Phayoonpu and Mat (2014) found a negative and statistically significant relationship between distributive justice, procedural justice and employee turnover intention. Kwai et al (2010) explained that the higher the level of employee’s perception towards fairness to the means used to determine outcomes (procedural justice) and fairness of the outcomes employees receive (distributive justice) tended to increase the level of employees’ job satisfaction, organizational commitment while reduces turnover intention.

**Organizational Climate**

Thatcher, Stepnia, and Boyle (2003) assess the effect of organizational climate on the turnover intention in an information technology firm and they confirmed as it has a direct effect on intention to leave the organization. Also Stone et al. (2006) point out that as there is a strong link between organizational climate and intention to leave. When we try to see the organizational climate we have to consider organizational culture. The biggest factor in attracting and most importantly retaining key employee is culture (Alkahtani , 2015).

As Alkahtani (2015) indicated in his review of existing empirical works, different researches (Khan, Hassan, Anwar, Babar, Babar, & Khan, 2007, Schyns, van Veldhoven, & Wood, 2009; Rashid, Wineman, & Zimring, 2009; established that discouraging organizational climate
negatively affects job satisfaction which in turn may expedite employee turnover.

**Promotion Opportunities**

Mahapatro (2010) described promotion as an advancement of employee to a higher post with greater responsibilities and higher salary, better service conditions and thus higher status. Promotion opportunities along with organizational commitment, job characteristics, promotion opportunities, pay level and rewards, quality of work life and job satisfaction has negative and significant relationship with turnover intentions (Hassan, 2014). Job satisfaction and promotion opportunities appeared as significant factor affecting turnover intentions (Shah and Khan, 2015). Promotion Speed and Remuneration Growth are the foremost factors that have direct high impact on Employees’ Turnover Intentions (Biswakarma, 2016).

As Nyamubarwa (2013) indicated promotional opportunity was one of the factors shaping turnover intention along with salaries and conditions of service, job performance, career growth, work environment, job satisfaction, supervisory style, and employee commitment. Perceived career opportunities outside the organization and lack of career advancement opportunities inside organization increase the employee’s intentions to leave the organization (Stahl et al, 2009). If promotion opportunity is mishandled, it leadsto discontentment, frustration, skepticism, bickering among the employees and culminates in a high rate of employee turnover (Mahapatro, 2010).

**Salary**

Employees in different organizations seek to improve their level of income. Therefore, employees in an organization improve their pay level if they obtain a pay increment in their current organization or by joining other organizations which will provide good pay. With regard this Donald et al (2000) stated that organizations pay level has a potentially important direct influence on voluntary turnover. In today’s work environment where pay is one of a determinant factor, employees quits current job and accept the job with higher pay opportunity.

Attractive remuneration packages are one of the very important factors of retention because it fulfills the financial and material desires (Shoaib et al, 2009). As Kumar (2011) stated the turnover of employees is mainly due to low salary. Pay level and rewards had negative and significant relationship with turnover intention (Hassan, 2014).

**Organizational Culture**

Organizational culture reflects the shared and learned values, beliefs, and attitudes of its members (Hellriegel & Slocum 2011). Organizational culture refers to a system of shared meaning held by membersthat distinguishes the organization from other organizations (Robbins Sand. Judge, 2013).

Turnover Intention is significantly influenced by Organizational Culture (Dwivedi, Kaushik & Luxmi, 2013, and Haggalla & Jayatilake, 2017). Organizational culture is important element which highly influences the employee commitment, job satisfaction and retention. Habib et al (2014). Organizational culture that provides challenging jobs diminishes employees’ absenteeism and withdrawal intentions from the occupation, job, and the organization (Carmeli, 2005).

Haggalla & Jayatilake, (2017) identified the relationship between market culture and hierarchy culture and turnover intention was positive whereas the relationship between clean culture and adhocracy culture turnover intention was negative. There is a positive association between authoritarian organizational culture and turnover intention (Kim et al (2017). Consensual culture has negative and strong correlation with turnover rate of employees (Park, & Kim, 2009).

**Job Stress**

Jha (2009) indicated that Job stress is a major organizational factor that augments quitting intentions of employees which will come from role ambiguity, role-conflict, work-over-load, and work-family conflict, create stress among employees. Hassan (2014) found that job stress is the most significant factor influencing turnover intention. Job stress is an important variable which affect turnover intention (Bashir and Durrani, 2014). On the other hand job stress is an important variable which affect turnover intention.

**Job Satisfaction**

Job satisfaction is the status in which a person is satisfied and glad with the job (Bashir and Durrani, 2014). Ali (n.d) and Wu (n.d) stated that job satisfaction was found to have a significant negative association with turnover
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intention. Also Alkahtani (2015) proved that job satisfaction had a relationship with employee’s intention to leave their job. Perez (2008) found that job satisfaction was strongest significant predictors of future quits.

CONCLUSION

As it is known employees are the most valuable assets of the organizations. So giving concern for them is very indispensable to the organizations. The one thing organizations will do with regard to their employees is to know the turnover intention of employees and the factors leading to it. This can be done through conducting research and reviewing. Therefore this conceptual paper reviewed different empirical works which deals with the factors influencing turnover intention of employees with the purpose of giving clue for scholars, researchers and organizations.

This conceptual paper focused only on ten factors (job satisfaction, job stress, organizational culture, organizational commitment, salary, organizational justice, promotional opportunity, demographic variables, leadership styles, and Organizational Climate) which are common in any type of organizations. But there are other factors also to be considered like perceived organizational support, perceived supervisor support, job autonomy, Employees’ benefits, and training and development.

SUGGESTIONS FOR FUTURE RESEARCH

The relationship between the identified factors and turnover intention was proposed by this paper. Therefore future researchers can conduct empirical study and test the proposed relationship. Also review was conducted on researches done in different types of organizations like Banks, Educational institutions, Hotels, Micro and Small Enterprises, different types of organizational institutions and the like. And a factor that affects turnover intention in one organization will not work on the other organization. So, future researchers can examine the influence of these factors on different types of organizations.

AS stated by Alkahtani (2015), some factors might remain as predictors and others might act as mediators or moderators for the main relationship, therefore, this relationship must be rigorously tested using the appropriate analyses. Besides, due to the abundance of research instruments available to gauge the levels of employees’ turnover and its predictors, future researchers must take precautionary measures to choose the one that is most valid and reliable.

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