

MANAGERIAL STRATEGIES FOR REDUCING EMPLOYEE TURNOVER1

Managerial Strategies for Reducing Employee Turnover in the Workplace

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Abstract

This literature review explores employee turnover in the workplace by using data derived from peer-reviewed articles. This review synthesizes ten articles on employee turnover to deduce and analyze five key factors which continuously arise throughout that literature which explain why employees often voluntarily leave their jobs. These five key factors are: a lack of training; an employer not fostering a sense of purpose for the employee at work; inadequate tools or resources from the organization; an insufficient compensation or benefits package; and shocks which influence an employee to impulsively leave his or her job. Managerial strategies are discussed in terms of these five key factors that cause employee turnover in order to highlight solutions that supervisors/managers can institute to reduce the number of employees leaving their jobs.

Keywords: literature review, managerial strategies, employee turnover, employee productivity, employee efficiency, personnel management, labour turnover

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Table of Contents

1. Introduction.....6

2. Method.....8

3. Results.....9

4. Discussion.....11

 4.1 Training12

 4.2 Fostering a Sense of Purpose.....13

 4.3 Inadequate Tools/Resources.....15

 4.4 Compensation.....16

 4.5 Shocks.....17

5. Analysis.....19

 5.1 Implications22

 5.2 Limitations.....23

6. Conclusion.....23

References.....25

Figure 1.....30

Table 1.....31

1. Introduction

Employee turnover is a serious problem for managers who wish to retain important and talented employees. The high costs associated with recruiting, selecting, and training new employees can hurt the bottom line of businesses. Yet studies often show that employees tend to report enjoying their jobs. The Society for Human Resource Management (SHRM, 2014), for example, found that “86% of U.S. employees are satisfied in their current jobs.” The study also explained that employees often “feel respected” at work (72%), “they trust senior management” (62%), and most “get along well with their bosses” (58%) (Fisher, 2015). Still, 73% also reported they were “thinking about another job” (Fisher, 2015). Fisher explained that more than half of employees report having updated their resumes in the past three months, and 43% said they were more likely to consider a new job offer ‘now’ than they were a year prior. Why then, do employees continue to leave their jobs despite reporting being relatively happy with those jobs? As Eberly, Holtom, Lee, and Mitchell (2009, p. 123) explained, “understanding ‘how’ employees decide to leave” is key to reducing employee turnover.

In business, some turnover is avoidable while some turnover is unavoidable (Abelson, 1987). There are many reasons why an employee may involuntarily leave his or her job that has nothing to do with the organization. For example, an employee might decide to go back to school or relocate in order to support a spouse’s new job opportunity or career transfer. This literature review, however, examines voluntary turnover, which is avoidable. Avoidable turnover refers to employee-initiated resignations which could be negated through management dedication to maintaining or increasing employee morale, such as improving quality of supervision and raising pay rates (Allen, Bryant, & Vardaman, 2010).

Losing talented employees can cost an organization in a variety of ways. The organization might lose clients, there may be team disruptions, other employees might be influenced toward leaving the business, and a loss in productivity may occur (Allen et al., 2010). Moreover, an employee might open up his or her own business and create competition for the former employer. Other costs relate to the recruitment, hiring, and training processes involved in trying to identify and prepare replacements for those who resigned. The bottom line is that losing talented employees is costly to employers, while retaining talented employees can actually increase productivity and company finances.

Studies have shown that reducing employee turnover can promote positive employee morale and sales growth within a company (Allen et al., 2010). The initial success of Cisco Systems Inc. in the 1990s was helped by their well-organized methodical approach to acquiring and retaining employees (Rosenzweig, 2007). According to Rosenzweig, “When Cisco absorbs a company, it makes a no layoffs pledge; its turnover rate for employees acquired through mergers is a scant 2.1% versus an industry average of 20%” (2007, p. 25). Cisco CEO John Chambers was praised for his ability to retain talent and produce a high-energy work environment (Rosenzweig, 2007) during this productive period for their company. However, neither effective use of a management practice nor firm success at a particular point in time necessarily guarantees future success (Rosenzweig, 2007). Cisco misread customer demand of its product(s) and subsequently wrote-off \$2.2 billion worth of inventory. This led to employee layoffs. As a result, customer focus, culture, and leadership declined and poor work performance and productivity continued to weaken the company (Rosenzweig, 2007). In terms of this discussion, this serves as an example of how important it is to remain vigilant with regard to maintaining an adequate level of employee morale in conjunction with realistic consumer

demands. Should a company experience a sudden shift toward nonproductively, it should still try to retain employee confidence.

According to March and Simon (1958), employees will continue to participate in a business as long as the incentives offered by the business are equal to, or greater than, the contributions that said business expects from them. These incentives include good working conditions, positive relationships, and future opportunities (Allen et al., 2010). In this regard, Cisco lost employee confidence, dysfunctional turnover ensued, and attracting talented employees became increasingly difficult. In short, complacency led to a misreading of consumer interest, low productivity, and the neglecting of employee morale – a recipe for a continued downward spiral.

Factors such as job design, work environment, work satisfaction, promotion opportunities, communication, and participation in making decisions within the company can improve employee retention (Allen et al., 2010). According to the Society for Human Resource Management (2014), compensation is the most vital factor in worker satisfaction. The present review of the literature from the past 11 years was intended to provide information to academics and practitioners looking to reduce turnover.

2. Method

A literature review was conducted to select and assess relevant studies that investigated employee turnover in terms of the reasons employees leave organizations as well as management strategies which have proven to be useful at reducing dysfunctional turnover.

Multiple academic databases were searched to identify peer-reviewed publications from 2004 to 2015. The primary search engines used to locate articles were Academic Search Complete, Business Source complete, Proquest, PsycINFO, and Social Science Research

Network (SSRN). The majority of articles were found in the Business Search Complete and PsycINFO databases. The reference sections of articles were analyzed for additional relevant material. Keywords for the series of database searches included terms such as ‘turnover’ and similar concepts (e.g., ‘retention’) as well as terms pertaining to potential causes, correlates, or contextual markers (these terms include: work; resources; job dissatisfaction; pay; wage; salary; work; workplace; employee, and words for which the use of an asterisk (wildcard) was useful: manager*; strateg*; role*; tool*; shocks; train*). Hundreds of abstracts were retrieved from the databases, then titles and abstracts were reviewed for potential relevance. Full-text articles were read carefully to determine if the study addressed causes of employee turnover. Duplicates identified within the 464 articles were then removed. Initially, twenty articles were chosen for full text screening. Ultimately, ten relevant articles were identified for this review (see Figure 1 depicting the article selection process).

3. Results

The ten studies reviewed herein spanned several countries including Australia, Belgium, China, Denmark, the United Kingdom, and the United States. These articles are displayed in Table 1 (Appendix), which highlights key areas such as the purpose of each study, sample sizes and descriptions, and aspects of job dissatisfaction as they relate to employee turnover, key concepts and measures, and significant findings. What follows in this section is a summary of the most significant (key) findings. The themes and key findings are further examined and discussed in the next section.

Participants in the studies include workers in both the private and public sectors; these include bankers, labourers, health care workers, information technology workers, and prison staff. The average age of participants was available in four of the ten studies; these participants

ranged in age from 19 and 65 – common ages of employment. In the four studies that reported length of tenure, study participants had been employed between one month and four years. The gender breakdown was usually similar except in studies of nurses who care for the elderly (k=2) where females were more prominent in the surveys, and in the prison survey, where male employees were more prominent (Clausen, Tufte, & Borg, 2014).

All of the studies included in the present review utilized surveys which often used multi-item scales with Likert-type response options (e.g., 1-7 ratings) for specific details about employee opinions. Items assessed various concepts such as job dissatisfaction, appropriate training, development and proper use of skills and tools, a sense of feeling the job had purpose, the providing of career opportunities or advancements, appropriate compensation, the role of employee ‘shocks’, and issues with supervisor(s) or management.

Data collection strategies included some surveys collected online via websites (k=4), mail surveys (k=3), and on-site exit surveys (k=2) when an employee was about to leave an organization. Human Resources often played an integral role in helping research personnel conduct the studies. We now turn to a summary of the main findings of each study (details on each study can be found in the appendix).

The study by De Geiter and Hofmans (2015) revealed that turnover is often influenced by reward packages. Employees value rewards such as income bonuses and other additional financial remuneration. Likewise, the Society for Human Resource Management (2014) claimed that compensation is the most vital factor for worker satisfaction and for reducing employee turnover. The U.S. Bureau of Labor Statistics’ *Job Openings and Labor Turnover Survey* (2014) found that turnover grew in nearly all industries and in all regions in 2014 except the finance/insurance and government industries. The compensation and security benefits available in those industries

contributed to an overall decrease in turnover and highlights how compensation is very important to U.S. employees (U.S. Bureau of Labor Statistics, 2014).

Carayon, Schoepke, Hoonakker, Haims, and Brunette (2006) discovered that employees who did not receive the opportunity to learn skills on the job were more likely to quit, while inadequate raises and little to no increase in compensation were also factors for voluntary turnover. Lambert, Griffin, Hogan, and Kelley (2014) claimed that affective commitment (emotional attachment) has the largest effect on reducing employee turnover. Clausen et al. (2014) discovered issues surrounding management support wherein management did not let employees know how they were performing on the job. As a result, employees felt complacent and dissatisfied in their jobs and were more likely to quit. Thanacoody and Hui (2011) found that employee turnover resulted from a lack of support by employers which led to disloyalty to the employer. Borstorff and Marker (2007) also discovered a lack of support from management to be a predictor of employee turnover. Kulik, Treure, and Bordia (2012) found that a single 'shock' about a situation often triggered employees to quit their jobs. Morrell, Loan-Clarke, and Wilkinson (2004) reported in their study that shocks were overwhelmingly the main reason employees quit their jobs.

4. Discussion

The purpose of this study was to review the current research on turnover among employees in the workplace, using research published between 2004 and 2015, to deduce the reasons employees give for leaving their jobs. The objective of this study was to identify those reasons and make recommendations that will help organizations reduce employee turnover. Five themes have emerged as consistent throughout the literature. These themes are discussed below.

4.1 Training

Salas and Stagl (2009) claimed that employers should allocate financial resources toward training, skills and development, and employee performance, since employees who feel unappreciated and undervalued will often seek employment elsewhere. In addition, post-training transfer supports should be implemented to build confidence for the employee in the workplace. Salas and Stagl (2009) claimed that new technology, assessment tools, and instructional experience should be implemented in order to foster better training. Thirteen percent of employers report struggling to develop employee skills at the workplace, with web-based training and virtual classroom training (17%) often not meeting employer expectations (IBM, 2008). Therefore, it is important to integrate stages of training by including instructional learning, training in the use of new technologies, and post-training development. Organizations should ensure employees know how to do their jobs effectively with the most up-to-date training tools and resources.

Learning from one's mistakes, in essence, is a critical part of training, and the inability to learn from one's mistake hinders training. Buckingham and Coffman (2007) recommended that employers focus on their employees' strengths. For example, if one employee is better at one particular job than is another, a manager should direct that employee toward pursuing that area of the job. They advise moving employees around in the company rather than dismissing them altogether in order to find the right fit for an employee's particular set of skills. Training should be attuned to one's proper placement, based on one's skill set, and the more skills an employee learns, as well as the more tasks an employee undertakes, the more an employee should earn in compensation (Buckingham & Coffman, 2007).

Training in a particular set of skills should be incented through appropriate compensation. Buckingham and Coffman (2007) explained that not every person has the skills or the potential to be a good sales person, administrator, accountant, or manager. It is important to thus acknowledge that an employee is valuable in certain positions and not others, to train them appropriately for specific roles or positions that reflect their skill sets, and then compensate them appropriately in terms of their benefit to the company. This will increase the chances for employee satisfaction and loyalty.

Teamwork is also very important. Managers should execute training programs that allow employees to take creative risks individually and attain goals as part of a team (Latham, 2009). According to Latham (2009), the strength of a good training program is that it creates a culture of value within an organization and helps build ‘belief’ in the company. For example, Disney actively teaches company values in their training orientations, stressing safety, courtesy, and efficiency (Latham, 2009). Making an employee feel like a team player helps organizations become more effective and efficient and fosters a sense of purpose in the employee.

4.2 Fostering a Sense of Purpose

Employees can become complacent and bored, which can lead to turnover. Anne Fisher (2015) recommended that management talk with valuable employees about their career goals and offer a means to facilitate those goals within their company. As Judge and Klinger (2009) explained, “the nature of the work itself generally emerges as the most important job facet” (p.109).

Employees often eventually want to be challenged with new and innovative ways to increase individual growth. It is also important for employees to learn new skills in case a new position in the organization becomes available which may offer an even greater sense of purpose.

When it comes to minimum wage jobs, managers generally do not focus on selecting people with talent. Rather, managers tend to hire people who simply apply for the job. Thus, managers end up with a workforce that feel their roles as employees are demeaning and not worth long-term commitment (Buckingham & Coffman, 2007). For this reason, employee turnover is often high for minimum wage jobs, and organizations tend to respond with strict procedure manuals on how their employees should perform on the job: “Their rationale: ‘If I give these people the chance to make choices, many of them will use that freedom to make the wrong choices’” (Buckingham & Coffman, 2007, p.116). On the other hand, MacLeod and Clarke (2014) reported that organizations that facilitate employee wellbeing have lower than average employee turnover.

According to a poll conducted in the United Kingdom by Investors In People (2014), those who described themselves as happy in their roles were less likely to take sick days (another form of employee withdrawal), whereas more than “one in five workers reported to have ‘pulled a sickie’ in the last year, and more than one in twenty (6%) did so more than five times” in a year (2014, p. 1). The role or purpose of the employee should matter to an organization, but this often is not the case. “Over half (54%) of full-time employees feel their employer doesn’t care about their health and wellbeing, as long as they get the job done” and “half (48%) say it has led to them feeling less motivated, with a third stating they have considered looking for a new job as a result” (Investors In People, 2014, p.1). Forty-three percent of respondents reported flexible hours as a top benefit that “made or would make them feel most satisfied and valued in their role” (Investors In People, 2014, p. 1). Unsurprisingly, “10% of employees said they would have greater job satisfaction with the opportunity for a career break” (Investors In People, 2014, p. 1). As organizations continue to be conscientious about the loss of talented employees’ skill sets, it

is also important to invest in employees by providing them with the necessary tools and resources needed to be successful in their roles.

4.3 Inadequate Tools/Resources

It is very difficult for employees to do their best work if the tools and resources they need for their job are not available to them. This issue is a strong predictor of voluntary turnover. Buckingham and Coffman (2007, p. 164) claimed that tools and resources are an important part of employee engagement, explaining how not providing the appropriate tools often leads to poor employee performance. This was the case with Joie de Vivre Hospitality, a hotel and restaurant company in San Francisco, California. Joie de Vivre was able to reduce employee turnover from 50% to less than 10% a year by giving the employees the tools and resources necessary to do their jobs successfully (Dvorak, 2007). For example, the former management of the hotel did not like to replace aging vacuums for the housekeepers. However, when Joie de Vivre took over, management replaced the vacuums annually and morale improved among the employees (Eberly et al., 2009).

It is essential to give employees the tools and resources to do their jobs effectively. It gives employees a positive sense of well-being and a commitment to the employer, which increases job performance. It empowers the employee, fosters perceptions of organizational support, and keeps him or her engaged with the organization. Robertson Cooper (2014, p.34) explained that providing employees with the proper tools which foster a sense of control and responsibility can be of significant benefit. Organizations with high levels of organizational support for their employees have shown “turnover rates 40% lower than organizations with low levels of engagement” toward employees, indicating that employees tend to remain attached and loyal to their employers when provided with the tools and resources necessary to do their

jobswell (MacLeod & Clarke, 2014, p. 20). In contrast, employees will often perceive that they are not an investment to the organization when the tools and resources they need in order to do the job successfully are limited or inadequate.

4.4 Compensation

Another issue regarding voluntary turnover is the extent to which compensation plays a role in retaining employees. In the past, evidence showed that compensation was not a strong predictor of employee turnover. For example, Herzberg, Mausner, Peterson, and Capwell (1957) reviewed 16 studies where pay ranked sixth in importance. Other studies found similar results.

Jurgensen (1978) collected rankings of wage/salary importance from more than 50,000 applicants of the Minneapolis Gas Company over a 30-year period and showed that pay ranked fifth in importance to men, and seventh in importance to women (Rynes, Gerhart, & Minette, 2004, p. 383).

More recently, Schmidt (2009) claimed that if the employer can afford to share some of the company's profit with employees by increasing their wages or salaries, it will help retain high performing employees. In turn, the return on investment for retaining talented employees increases job performance and outweighs compensation cost. Locke, Feren, McCaleb, Shaw, and Denny's (1980) research shows that productivity-enhancing interventions such as individual pay incentives increased productivity by an average of 30%. Guzzo, Jette, and Katzell (1985) claimed that "financial incentives had by far the largest effect on productivity of all interventions" and was "four times more effective" than other initiatives to make work more interesting to the employee (p.383). Judiesch (1994) found that "individual pay incentives increased productivity by an average of 43.7%" and that "results were even larger (48.8%) when

the sample was restricted to studies in real organizations (as opposed to laboratory experiments)” (Judiesch, cited by Rynes et al., 2004, p.382).

It is important to develop compensation structures that motivate team members based on performance goals. These incentives could include cash awards, stock options, and non-cash rewards (Baum, 2009). The variety of goal-based rewards should also be expanded to include recognition of performance and an increase in non-cash benefits. To address these incentives, it is important to have regular team/employee sessions to increase employee knowledge about potential goals and associated rewards (Baum, 2009). Likewise, SHRM (2014) encouraged organizations to pay competitively in order to reduce employee turnover, but also to focus on all aspects of compensation. SHRM has recommended that employers place emphasis on benefits packages in addition to salary, as part of a total reward strategy. SHRM (2014, p.41) also reported that 96% of employees considered compensation/pay to be a “very important” factor in their job, across a range of employee demographics including age (millennials, generation x, baby-boomers, and veterans).

It is important to reward employees for their work in order to avoid voluntary turnover. Jack Welch, former CEO of General Electric (who changed the company pay system in order to provide much bigger rewards for strong individual and organizational performance), summed this point up nicely: “I think showering rewards on people for excellence is an important part of the management process. The money isn’t enough, but a plaque isn’t enough either” (Welch cited by Hymowitz & Murray, 1999, p. B1).

4.5 Shocks

It is important to understand the importance of shocks when it comes to employee turnover. According to Eberly et al. (2009), evolving evidence regarding turnover shows that

there is an unfolding model that informs managers about patterns of thoughts and actions (or psychological “paths”) for leaving organizations. One specific pattern called “shocks” describes forms of thoughts for leaving an organization which lead to low evaluation of the current job, job searching, and shock departure from the business (Eberly et al., 2009, p.126). A shock sets-in for the employee, and there is a dissatisfaction sequence which leads to quitting, a process that begins with an external event which leads to the employee impulsively leaving an organization. These dissatisfaction sequences are usually emotional and interrupt “habitual and ongoing patterns and routines” at work which leads to shock and quitting the organization (Eberly et al., 2009, p.127).

Holtom, Mitchell, Lee, and Inderrieden (2005) provided evidence of shocks that cause employee turnover. Holtom et al. examined 129 industries and found that 59% of employees who quit their jobs reported an unexpected shock precipitating their turnover, 40% of which “were personal, and 64% were positive” (pp.128-129). Shocks often cause a change in the attitude or mood of the employee, are often easily recognizable, and can be understood by the manager. The shock may be personal, such as an employee not getting the raise he or she was expecting, or a newer employee getting a better position at work despite another employee having seniority with the company. The shock could also be organizational, such as a business changing the work model: transforming shifts from individual to team-based collaboration, for example, or a change in supervisors and/or management.

Buffering shocks is vital for reducing employee turnover. Managers should analyze shock content and adjust interventions accordingly (Holtom et al., 2005). For instance, previously mentioned was the example of an employee leaving an organization because a newer employee received a promotion rather than him or her. It can be expected in this scenario that

management would be aware that senior employees are eligible for the job competition, notably, internal employees who have applied for the position. Still, the employee with the best qualifications will often be selected for the job. This, in turn, will create the shock; in this case the shock is that long-term employees may feel that they were treated unfairly when they are not selected for the position. Instead, managers should already have a mechanism in place that allows for proactive and quick actions aimed at encouraging retention of the employee(s) not selected for a promotion. These actions may include providing face-to-face, honest explanations for the decision so the employee feels that he or she is treated with dignity and respect.

Morrell et al. (2004) found that the main reasons nurses left their employers were shocks and these shocks were based on career issues pertaining to promotion. Other reasons the nurses left were a lack of training and clashes with an immediate supervisor. Upon reflection, personal shocks within the organization appeared to be the main reason for employee turnover versus non-work-related shocks. This analysis is consistent with accounts of job dissatisfaction and employee turnover (Mobley, 1977).

5. Analysis

Ten studies were included in this review that reflected the most often cited reasons that employees voluntarily decide to quit their jobs. These reasons were training (k=1), fostering a sense of purpose (k=2), inadequate tools/resources (k=2), compensation (k=3), and shocks (k=2).

Studies that included training show that many employees report a lack of support by supervisor(s) and management (Newman, Thanacoody, & Hui, 2011) while other employees feel supervisor(s) and management did not let them know how they were performing on the job (Clausen et al., 2014). These management issues also affected job embeddedness and employees often quit their job because they felt the business/organization did not care about them (Borstorff

& Marker, 2007). Job embeddedness was also a factor alongside inadequate tools/resources. In these cases employees felt that they could not do the job effectively because there was a lack of emotional support by their supervisor(s) and management; this affected relations between all staff members and weakened overall team performance (Newman et al., 2011; SHRM, 2014).

Studies have shown that if employees felt there was no long-term future at the business/organization they work for, they often left to seek employment elsewhere (Lambert et al., 2014). In addition, employees not receiving an opportunity to learn new things and develop new skills has also contributed to high turnover (Carayon et al., 2006).

Compensation studies revealed that turnover was often influenced by reward packages. Employees often value rewards such as income bonuses and additional financial security (De Geiter & Hofmans, 2015). Inadequate raises and little to no increase in compensation were factors driving high voluntary turnover (Carayon et al., 2006). The U.S. Bureau of Labor Statistics' *Job Openings and Labor Turnover Survey* (2014) found that turnover grew in nearly all industries and in all regions in 2014 except for the finance/insurance and government industries. Similarly, Cowan and Macdonald (2015) reported that finance jobs in Canada showed a median salary of \$83,990.40 and an increase in salary of +18% (2008–2014) with a 0% change in turnover (2008–2014). In addition, Cowan and Macdonald revealed government jobs to have high job security. Public sector employees (77%) were often covered by a registered pension plan (2011) versus 26% of private-sector employees who had a registered pension (Artuso, 2013). Adequate compensation and job security contribute to a decrease in turnover, as is evident from the above examples.

Two studies in the review showed that shocks were strong predictors of employee turnover. Shocks that occurred prior to an employee considering alternative work opportunities

happened quite frequently in the workplace (Morrell et al., 2004). Shocks often occurred during a single judgment about a situation rather than a pre-thought-out plan based on other causes (Kulik et al., 2012). For example, an employee might not get the promotion he or she was hoping for and this may lead to a single judgement that he or she does not have a future career with an organization, which in turn may influence the employee to quit. Astonishingly, Morrell et al. (2004) reported in their study that 81% of participants claimed shocks as being “the main influence” or having “overwhelming influence” over their final decision to quit. Shocks appear to be the most common reason for voluntary turnover in all private and public sector occupations.

In concurrence with the study by Buckingham and Coffman (2007) regarding poor management as a predictor of turnover, six of the ten studies in this review mentioned poor management as a reason for turnover. Although many studies did not specify what indicated poor management, Clausen et al. (2014) mentioned “poorly handled conflicts between staff members” as a reason for voluntary turnover, and SHRM (2014) recommend strengthening the bond of trust between managers and employees to increase job embeddedness and reduce turnover. Lambert et al. (2014) studied staff at a prison, and they found that gender was related to turnover intent and desire to leave. Due to gender-related issues on the job, women were more likely to express their desire to leave whereas male employees were less likely to express that same desire. However, as tenure increased within this occupation, the level of turnover intent decreased, indicating job embeddedness has a decisive role in whether an employee remained committed to the job, regardless of gender. Lambert et al. (2014) also claimed that affective commitment (emotional attachment) had the largest effect on reducing employee turnover. Based on this

study, managers that are perceived as caring greatly about the emotional well-being of its staff are more likely to retain their employees.

5.1 Implications

This review was meant to guide and support managers who wish to reduce employee turnover in the workplace. It has examined five reasons that affect employee turnover (training, a sense of lacking purpose, inadequate tools/resources, inadequate compensation, and shocks) and provided insight on managerial strategies which can reduce voluntary turnover. When managers retain their employees, productivity and profit margins usually increase at the business/organization (Buckingham & Coffman, 2007). In addition, evidence shows that employees who are happy and secure at their jobs become more committed to their employers (Lambert et al., 2014), a positive and healthy sense of well-being occurs among staff, and there is a sharp decline in sick days/absenteeism (Investors In People, 2014). While a variety of strategies are available in order to reduce turnover, such as those found in the *Job Satisfaction and Engagement* manual (SHRM, 2014), the five reasons for turnover this review focussed on are the most common, and strategies which deal with these five reasons would be of benefit to an employer concerned with high turnover. However, more research is needed in the areas of ‘fostering a sense of purpose,’ and ‘inadequate tools/resources’ techniques before a ‘best practices’ solution to these issues can be recommended. Overall, it is the management of organizations that can best reduce employee turnover. Evidence has shown that managers are one of the direct reasons for employees leaving the business and by treating employees with the respect they deserve employees will be less likely to voluntarily quit their jobs (Borstorff & Marker, 2007; Carayon et al., 2006).

5.2 Limitations

There were limitations with this study that are important to note. One limitation is that the reports used different approaches to produce their findings. For example, both qualitative (N=1) and quantitative (N=9) methods were used in the studies, and two authors used self-reported (N=2) measures.

There were limitations in the review material. For example, there were very few follow-up studies on how the discoveries were applied to businesses/organizations. Out of the 10 studies in the review, only one study revealed a follow-up based on case evidence and interventions to avoid turnover. Another limitation was that this review was limited to research articles published in English, so potential insights from research published in other languages were not considered. Also, the studies merely indicated turnover risk factors with a fairly general implication that management should implement strategies to reduce those risk factors. Additional considerations specific to an organization would also be required to actually manage turnover. For example, in the case of workers at an international wholesale bakery (Borstorff & Marker, 2007, p. 22), when employees were “asked what they liked least about their job, 48% of the comments were related to the call-in system and overworked hours” leading to stress. Clearly, this would be a turnover risk factor deserving of management’s attention in that particular organization. Discovering the detailed turnover risk factors requires attention to the local context. The five categories discussed in this review are useful as general guidelines, but may be insufficient by themselves.

6. Conclusion

This review identified 10 studies that provided evidence for reducing employee turnover that can be beneficial for businesses/organizations in the long term. The findings showed there were five common reasons which explain why employees most often voluntarily quit their jobs.

Evidence points to a number of turnover predictors that employers should be aware of in order to counterturnover. Furthermore, good management practices continue to be one of the most researched and well-supported factors for reducing employee turnover. Following management, shocks and compensation continue to be common reasons employees cite for why they quit their jobs. Adequate training and providing adequate tools show promising results toward retaining staff, but most importantly, buffering shocks, followed by providing employees with specific goals, roles, and a sense of purpose in their jobs will help keep them committed to their employer.

While the existing literature provides some understanding regarding the link between managerial strategies and reducing employee turnover, it is clear that more data in this area is needed for examination in order to build more evidence-based solutions. Organizations can take an active role in reducing employee turnover by training supervisors/managers about, and how to negate, the five common reasons that employees decide to leave organizations. Managers play a key role in employee job satisfaction as they often have the authority to include employees in company decisions, manage workloads, and foster a positive work environment. Managers can help reduce employee turnover and by so doing also increase employee performance, production value, and decrease overall costs. The *Employee Job Satisfaction and Engagement* manual (SHRM, 2014) provides an excellent resource for managers with respect to employee turnover and related issues.

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Figure 1: Article Selection Process

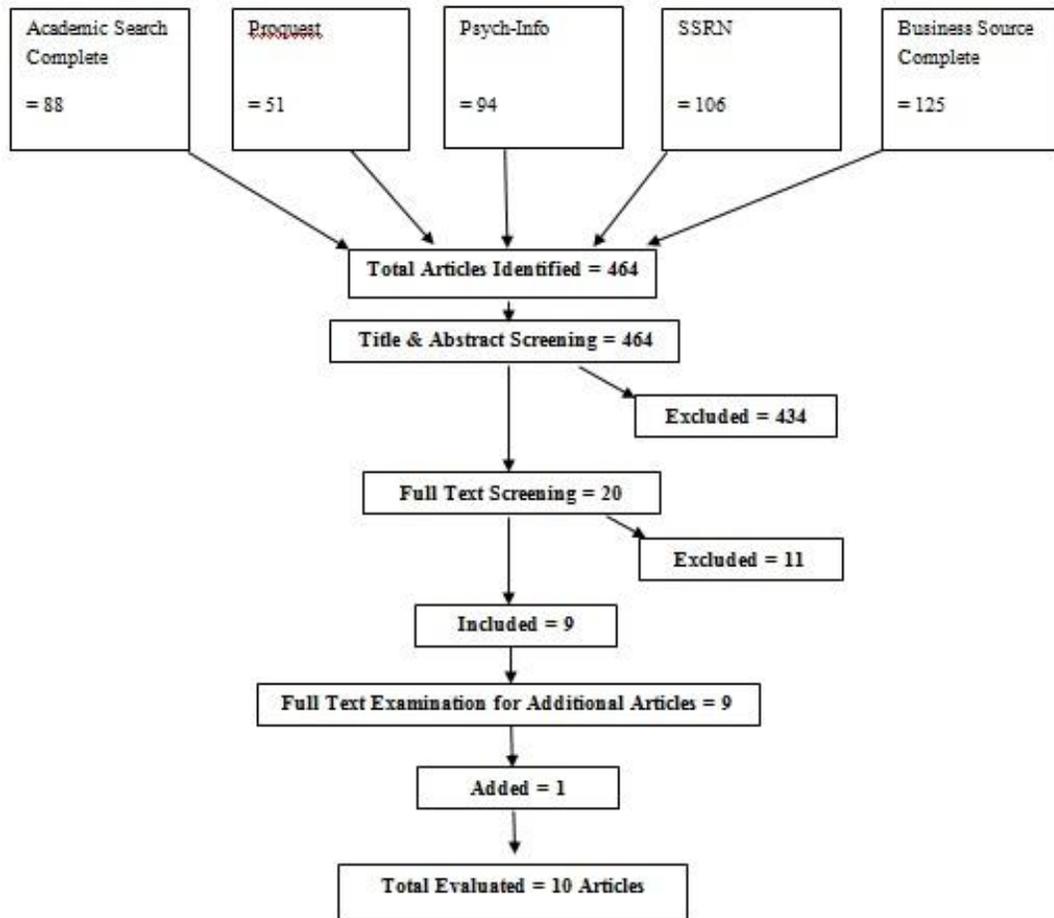


Table 1: Results from Studies on Employee Turnover

Study: (Author(s), Year)	Purpose of the Study	Sample Size (country)	Sample Description	Data Collection Procedures	Measures	Results
De Geiter & Hofmans (2015)	To study reward satisfaction and performance, and how rewards affect employee turnover	N = 179 (Belgium)	Respondents were 39.9 years old on average [standard deviation (SD) = 12.6], ranging between 21 and 65 years. 64% had completed higher education (i.e. master's or bachelor's degree). Average work experience was 13.1 years (SD = 13.8). To control for a number of confounding variables (e.g. remuneration system, organisational reward policies), the authors sampled employees from a limited number of departments in one organization. 250 employees received an e-mail from their corresponding HR officer informing them about the purpose of the study and asking them to participate in it.	The survey was conducted at the back office of a Belgian financial institution. The survey was completed online. Participation was voluntary and responses were treated with confidentiality. The survey data were collected from February–March 2011. Supervisor-rated annual data from the previous year in December 2010 were linked with the questionnaire data.	Categorical questions referred to employee satisfaction with financial rewards, material awards, and psychological rewards. Questions were also related to turnover intentions, work values, and task performance. Ratings were made on a Likert scale from 1-5, (1) being very unsatisfied (5) being very satisfied and (1) totally disagree to (5) totally agree.	The study revealed that turnover intention contained a very small number of participants (9%) influenced by the reward package. Half of the respondents' turnover intentions were exclusively influenced by satisfaction with psychological rewards (49.2%). Employees from the psychological rewards group also attached more value to financial security than employees from the other two groups. For the remaining 41.8% (turnover by financial rewards group) were by far the youngest employees with the lowest work tenure; and satisfaction with financial rewards turned out to be the <u>sole</u> predictor of turnover intention. According to the annual task performance evaluation score, 48.6% of the respondents performed 'good', 40.2% performed 'very good' and 11.2% performed 'poor'.
Lambert, Griffin, Hogan, & Kelley (2014)	To study three types of commitment (continuance, moral, and affective) and their influence on the outcomes of correctional orientation, views of absenteeism, and turnover intent	N = 272 (USA)	420 staff members at a maximum-security state prison were invited to participate in the survey. A total of 272 useable surveys were returned, a response rate of 65%.76% of respondents were men.	Staff members at a maximum-security state prison received mailed packets that contained a cover letter, the survey, a divided raffle ticket, and a return envelope. To encourage participation, a raffle of cash prizes ranging from US\$50 to US\$100 was held with a total of US\$250 awarded. Completion of the survey was not a requirement to enter for the raffle. All staff had to do to enter the draw was return half of the raffle ticket.	The survey measured a wide selection of areas concerning the perceptions, views, attitudes, intentions, and behaviors of staff members. There were more than 220 questions asked in the 16-page survey. The survey used a 5-point Likert-type scale ranging from strongly disagree to strongly agree or very likely to very unlikely, while other questions were measured using a no/yes response option.	For turnover intent, gender, tenure, and educational level had significant correlations, whereas age, position, and race were not significantly related to turnover intent. Male staff were less likely than female staff to express a desire to leave. As tenure increased, the level of turnover intent decreased. Staff with a college degree generally reported higher levels of intent to leave. Increases in affective commitment (emotional attachment) were observed to be related to a decrease in intent to leave. Affective commitment had the largest effect, more than twice that of any other variable in the equation.

Table 1: Results from Studies on Employee Turnover

Study: (Author(s), Year)	Purpose of the Study	Sample Size (country)	Sample Description	Data Collection Procedures	Measures	Results
Clausen, Tufte, & Borg (2014)	To investigate reasons for actual turnover among eldercare staff and to investigate changes in job design that could prevent turnover	N = 7025 (Denmark)	A prospective cohort study of all employees in the eldercare services in 35 Danish municipalities. The analysis compared respondents who were still working in eldercare at follow-up (n = 6299), respondents who retired from their jobs during follow-up (n = 265), and respondents who quit their jobs during follow-up (n = 461).	Two sections of the questionnaire were measured using a four item scale from the Copenhagen Psychosocial Questionnaire (COPSOQ). One section used a five-point Likert-scale score from 1 to 5. The rest of the questionnaire included 20 statements regarding possible reasons for the respondents to quit or retire from their jobs. Questionnaires were mailed to 36 municipalities and returned to the National Research Centre for the Working Environment (NRCWE) in Copenhagen, Denmark.	NRCWE calculated fractions for each group (retirees, resignations, & continuing employees) into categorical variables and calculated the mean values for each group. For continuous variables, NRCWE used linear regression analysis to test for statistically significant differences among the three groups, and for the categorical variables, NRCWE used a Chi-square test to test for statistically significant differences among the three groups.	The 10 most prevalent reasons for employees in Danish eldercare services to quit their jobs were poor relations between management and staff (64%), the management (55%) poorly handled conflicts between members of staff, the workload was high (54%), respondents could not use their professional expertise (50%), the work pace was high (49%), the emotional demands in the work were large (47%), respondents had too little influence on how to do their jobs (47%), relations among staff were poor (42%), the job was physically demanding (35%), respondents were afraid their health would deteriorate if they continued in their jobs (35%). Reasons for retirement showed similar results but the highest percentage of employees (47%) indicated that their departure was consistent with normal retirement age.
Society of Human Resource Management (2014)	To assess job satisfaction & engagement	N = 600 (USA)	Six hundred employees were surveyed between Jul-Aug, 2013. A separate sample of HR professionals were surveyed between Sept-Oct, 2013. Participants were emailed the survey and were asked to fill it out via a website.	In the survey, conducted (bi-annually), both employees and a separate sample of HR professionals were asked the same questions about job satisfaction and engagement. Employees were surveyed in Jul-Aug, 2013. HR professionals were surveyed during Sept-Oct, 2013.	Categories included: Career Development, Relationship w/management, Compensation, Benefits, Work Environment, Conditions for Engagement, Engagement opinions and behaviors. Percentages were based on a scale where 1 = "very unimportant" and 4 = "very important." "Not applicable" responses were excluded from this analysis.	Human Capital Benchmarking Report found that the average voluntary turnover rate was 13%, a 44% increase from the previous year. Management issues were one of the major sources linked to higher employee turnover. By strengthening the bond of trust between managers and employees, employees were more likely to power through difficult times and stay with the organization longer reducing voluntary turnover. Organizations with a dissatisfied, disengaged workforce will risk higher turnover as their employees seek out more attractive job opportunities.

Table 1: Results from Studies on Employee Turnover

Study: (Author(s), Year)	Purpose of the Study	Sample Size (country)	Sample Description	Data Collection Procedures	Measures	Results
<p>Bureau of Labor Statistics Job Openings and Labor Turnover [JOLTS] Survey (2014)</p>	<p>To examine job openings and labor turnover, to see how the labor market has evolved</p>	<p>N = 16,000 (USA)</p>	<p>Sixteen thousand samples of JOLTS data were collected from 50 states including the District of Columbia, and all nonfarm industries as classified by the North American Industry Classification System (NAICS).</p>	<p>Data from 2014 was collected quarterly and compared to data from 2013. It was published at the end of the fiscal year. All data was provided online by the US Bureau of Labor statistics. JOLTS Data Collection Center collects information from Computer Assisted Telephone interviewing (CATI).</p>	<p>Questions regarding employment, job openings, hires, quits, layoffs and discharges, and other separations were asked of each participant. Responses were voice activated with a 'yes' or 'no' answer option recorded by CATI.</p>	<p>In 2014, voluntary turnover grew for the fifth year in a row, increasing 10.4 percent, from 27.6 million to 30.5 million. Turnover grew in nearly all industries and in all regions in 2014. The largest year-over-year percent increase, 25.2 percent, occurred in wholesale trade. The finance and insurance industry and the federal government were the only two industries that declined, falling 2.7 percent and 6.0 percent respectively. In all four regions, turnover increased by no less than 9 percent. Voluntary turnover (quits), layoffs/discharges, and other separations—increased in 2014 from 51.8 million to 55.5 million. This growth was driven mostly by quits. Layoffs and discharges grew at a smaller rate—from 19.9 million to 20.4 million.</p>
<p>Kulik, Treure, & Bordia (2012)</p>	<p>To emphasize the role of shock in the turnover process</p>	<p>N = 228 (Australia)</p>	<p>Participation in the exit interviews was voluntary. 40 % of ConsumerCorp leavers chose to participate.</p>	<p>Exit interviews were conducted by telephone within a four-week period (from two weeks before to two weeks after the employee's exit date). The interviewer entered the employee's responses into a database during the conversation. HR officers also used a standard protocol that included a few multiple-choice questions.</p>	<p>Some interview questions were coded numerically (1 _ strongly disagree; 5 _ strongly agree); or (1 _ yes; 0 _ no). However, most of the protocol consisted of open-ended prompts that encouraged departing employees to describe their experience at ConsumerCorp. Employee responses to these questions ranged from 61 to 1,680 words, with an average of 630 words.</p>	<p><u>Shock Path 1</u> where employees leave without directly considering their attachment to the organization and without considering alternative work opportunities (22%). <u>Shock Path 2</u> showed employees experience a shock that generates a single judgment (e.g., image violation) of staying with a specific organization versus leaving for a nonspecific destination (15%), 12% organizational shock and 3% personal shock. <u>Shock Path 3</u> where a shock generates an external pull that leads employees to consider whether they could form an attachment with another organization (31%), 19% single pull shock; 12% dual push-pull shock. <u>Shock Paths 4a and 4b</u> where the unfolding model predicts that there should be no discernible shocks; the job, work setting, and the organization are perceived as relatively stable, the employee recognizes that they are dissatisfied, they leave—either with (Path 4b) or without (Path 4a) searching for an alternative job opportunity: 4a = 7% (5% no shock; 2% final straw). 4b = 25% (14% no shock; 11% final straw).</p>

Table 1: Results from Studies on Employee Turnover

Study: (Author(s), Year)	Purpose of the Study	Sample Size (country)	Sample Description	Data Collection Procedures	Measures	Results
Newman, Thanacoody, & Hui (2011)	To study the impact of employee perceptions of training on organizational commitment, and the relationship with turnover intentions	N = 437 (China)	Data were collected from Chinese employees of five multinational enterprises operating in the Chinese service sector. Respondents were 64.5% female and 35.5% male. The average age was 30 with tenure of around 4 years. This was in line with the demographic profile of the organizations.	Employees were randomly selected from human resource department records. Four hundred and thirty-seven valid responses were obtained from 1000 prospective participants. The fieldwork was conducted over a 2-month period from May to July 2008 in five multinational enterprises. In three organizations online questionnaires were utilized, and in two paper questionnaires.	Turnover intentions were measured with a 4-item scale. The three component organizational commitment scale was also administered. Two 6-item scales were used to measure affective and continuance commitment. A 5-item scale was developed to measure perceived availability of training.	A strong positive relationship was established between four variables: perceived availability of training, supervisor support for training, co-worker support for training, and affective organizational commitment. Only perceived availability of training was found to be significantly related to continuance commitment. Findings also confirmed a strong inverse relationship between both components of organizational commitment and employee turnover intentions.
Borstorff & Marker (2007)	To retain employees, who include baby boomers with institutional knowledge and Generation X and Y employees with technological expertise	N = 110 (USA)	Participants in the study were hourly workers at an international wholesale bakery (second largest bread and bakery products producer in the U.S). From the employees surveyed, 59% were men and 32% were women. The ages of the respondents were described in the following categories: 14% were 19-29 years old; 24.5% were 30-39; 41% were 40-49 years old; 17% were 50-59; and 3% were 60-69.	Exit interviews were conducted on-site at the company.	The hourly workers rated eleven work issues on an importance scale of 0 to 7, with 0 having no importance and 7 being the most important. The work issues included base pay, challenging work, health benefits, hours, job fit, life/work balance, opportunity for advancement, recognition, supervisor quality, union representation, and work environment.	Overall health benefits topped the list with an average score of 6.8, making it the most important retention factor. Base pay and life/work balance rated high with scores of 6.4. Supervisor quality had a 5.7 score. Recognition scored 5.8 for females versus 5.1 for males. The employees did not believe that the company offered career advancement opportunities. When asked what they liked least about their job, 48% of the comments were related to the call-in system and overworked hours leading to stress. Follow-up interviews revealed turnover was caused by little supervisory support, not feeling appreciated by the organization, and poor performance appraisal feedback.

Table 1: Results from Studies on Employee Turnover

Study: (Author(s), Year)	Purpose of the Study	Sample Size (country)	Sample Description	Data Collection Procedures	Measures	Results
Carayon, Schoepke, Hoonakker, Haims, & Brunette (2006)	To develop a questionnaire that evaluates the causes and consequences of turnover intention among information technology (IT) workers	N = 125 (USA)	Participants in the study were IT workers. A total of 190 people were invited to participate, of which 125 responded to the questionnaire	The web-based questionnaire was administered on-site at the company (medium-sized IT company located in the Midwest of the US.) on February 2003 by University of Wisconsin-Madison (UW).	Questions concerned job demands, role conflict, training opportunities, development activities, career advancement, rewards, and quality of work. In order to compare the measures, UW decided to recode the measures into 0 – 100 scores. For each scale, UW computed the mean and standard deviation scores.	Returned surveys showed that inadequate rewards / reviews / raises (51%) and wanting a higher salary (49%) were the main reasons for employee turnover. In addition, employees not receiving the opportunity to learn new things (43%), career opportunities (39%), and development opportunities (38%) were also main issues for turnover. Ineffective management (34%) and lack of training (34%), were also reasons for leaving the company. Other factors included long working hours (28%), high job demands (26%), and inadequate flexible work practices / options (12%).
Morrell, Loan-Clarke, & Wilkinson (2004)	To study the role of shock turnover among nurses at hospitals in the National Health Service (NHS) of England and Wales	N = 352 (UK)	Eight NHS Trusts agreed to participate in the study that consisted of teaching hospitals. Participants in the study were nurses in London, England. 1190 surveys were mailed. 352 returned representing a 31% response rate.	Trusts indicated the number of contactable, full-time, qualified, voluntary nurse leavers they had in the tax year from 2000–2001. The trusts sent pre-sealed envelopes containing a survey and a stamped addressed envelope to nurses.	These surveys consisted of open-ended questions about shock often pertaining to decision time on a 5-point scale (1 – no search or 5 – very comprehensive search or 1 - disagree 5 - agree items). Other items used in the survey to measure shock consisted of expected/unexpected, positive/negative personal/work expected, negativity-related, work-related, specific, and avoidable outcomes.	Returned survey(s) showed that 150–156 leavers (44.3%) reported a shock. 81% of those people reported their shocks as being ‘the main influence’ or having ‘overwhelming influence’ over their final decision to quit. Other common reasons for leaving concerned career/professional development, other job opportunities, issues to do with promotion (total 95 or 27% of leavers); provision of training or clashes with immediate supervisor (total 34, 22% of those reporting shocks).