

Technical Affairs

By Mike Aamodt, Associate Editor

Can Turnover Be Reduced?

Because of the high cost of turnover, as well as its negative effect on organizational performance, organizations make tremendous efforts to reduce the number of quality employees that quit their jobs. Given that the best estimate of the cost of turnover is 1.5 times an employee's salary (see the April 2000 edition of the *ACN*), an organization reducing the number of employees leaving by one per month will save \$360,000 a year for a \$20,000 job (12 x \$30,000) and \$720,000 a year for jobs with a \$40,000 annual salary (12 x \$40,000).

The first step in reducing turnover is to find out why employees are leaving. The two most common ways of doing this are administering attitude surveys to current employees and conducting exit interviews with employees who are leaving. Without knowing why employees are leaving, it is difficult to determine the best intervention to use.

Without specific information about why employees are leaving, an organization can assume that its employees are leaving for one of five reasons: unavoidable reasons, advancement, unmet needs, escape, and unmet expectations.

Unavoidable Reasons

Unavoidable turnover includes such things as employees quitting a summer job to return to school, employees quitting a job to go to school full-time, the job transfer of a spouse, employee illness or death, or family issues (e.g., employees staying home to raise their children or take care of their parents). Though, turnover due to family issues can be reduced through such means as company-sponsored child care or elder care, there is little an organization can do to prevent most turnover in this category.

Advancement

Employees often leave organizations to pursue promotions or better pay. When an organization has few promotion opportunities or lacks the financial resources to increase pay, there is little it can do to reduce turnover for those employees seeking advancement. This is especially unfortunate when an organization has spent considerable money to reimburse an employee for tuition, only to lose that employee to an organization willing to pay for the employee's new skills.

A solution used by an increasing number of police departments who have limited promotion opportunities is to

allow officers with extensive experience and skills to advance to positions called something such as Master Officer or Senior Officer. Such positions have no supervisory responsibility but do bring an increase in pay and status.

At times, employers can reduce turnover by offering more pay; however this will only work if a low compensation or an inadequate benefits package is the prime reason for employees leaving the organization. Furthermore, any increase in pay must be a meaningful amount. That is, if an organization increases pay by \$2,000, yet other organizations are paying \$7,000 more, the increase in pay most probably will not decrease turnover.

Unmet Needs

Employees whose needs are unmet will become dissatisfied and perhaps leave the organization. For example, if an employee has high social needs and the job involves little contact with people, or if an employee has a need for appreciation and recognition that is not being met by the organization, the employee might leave to find a job in which her social needs can be met. To reduce turnover caused by unmet needs, it is important that an organization consider the person-organization fit when selecting employees. If an applicant has a need for structure and close supervision, but the culture of the organization is one of independence full of "free spirits," the applicant should not be hired because there would be a poor fit between the employee's needs and the organization.

Escape

A common reason employees leave an organization is to escape from people, working conditions, and stress. When conflict between an employee and her supervisor, a coworker, or customers becomes unbearable, the employee may see no option other than to leave the organization. Therefore, it is important to effectively deal with conflict when it occurs, in part by using mediation and in part by providing employees and supervisors with training in conflict management. Organizational efforts to eliminate discrimination and harassment are also essential. If working conditions are unsafe, dirty, boring, too strenuous, or too stressful, there is an increased likelihood that the employee will seek employment in an organization with better working conditions.

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Unmet Expectations

Employees come to an organization with certain expectations about a variety of issues such as pay, working conditions, opportunity for advancement, and organizational culture. When reality does not match these expectations, employees become less satisfied, and as a result, are more likely to leave the organization. Turnover due to unmet expectations can be reduced by providing applicants with copies of job descriptions, offering realistic job previews, having applicants complete “willingness checklists” (e.g., Are you willing to work overtime without notice? Are you willing to provide first aid to a citizen who might have AIDS?), and allowing applicants the opportunity to “shadow” a current employee.

To summarize, organizations can reduce turnover in these ways:

- Conduct realistic job previews or allow job shadowing during the recruitment stage
- Have applicants complete “willingness checklists”
- Look for a good person-organization fit during the selection interview
- Meet employee needs (e.g., safety, social, growth)
- Mediate conflicts between employees and their peers, supervisors, and customers
- Provide a good work environment
- Provide a competitive pay and benefits package
- Provide opportunities for advancement and growth.

HR Humor

Updated Employee Handbook

Dress Code

It is advised that you come to work dressed according to your salary. If we see you wearing \$350 Prada sneakers, and carrying a \$600 Gucci Bag, we assume you are doing well financially and therefore you do not need a raise. If you dress poorly, you need to learn to manage your money better, so that you may buy nicer clothes, and therefore you do not need a raise. If you dress in-between, you are right where you need to be and therefore you do not need a raise.

Sick Days

We will no longer accept a doctor’s statement as proof of sickness. If you are able to go to the doctor, you are able to come to work.

Personal Days

Each employee will receive 104 personal days a year. They are called Saturday & Sunday.

Bereavement Leave

This is no excuse for missing work. There is nothing you can do for dead friends, relatives or coworkers. Every effort should be made to have non-employees attend to the arrangements. In rare cases where employee involvement is necessary, the funeral should be scheduled in the late afternoon. We will be glad to

allow you to work through your lunch hour and subsequently leave one hour early.

Restroom Use

Entirely too much time is being spent in the restroom. There is now a strict 3 minute time limit in the stalls. At the end of three minutes, an alarm will sound, the toilet paper roll will retract, the stall door will open and a picture will be taken. After your second offense, your picture will be posted on the company bulletin board under the “Chronic Offenders” category.

Lunch Break

Skinny people get 30 minutes for lunch as they need to eat more, so that they can look healthy. Normal size people get 15 minutes for lunch to get a balanced meal to maintain their average figure. Fat people get 5 minutes for lunch, because that’s all the time needed to drink a Slim Fast.

Thank you for your loyalty to our company. We are here to provide a positive employment experience. Therefore, all questions, comments, concerns, complaints, frustrations, irritations, aggravations, insinuations, allegations, accusations, contemplations, consternation, and input should be directed elsewhere.

Have a nice week!

— THE MANAGEMENT—ACN