An assessment of impact of attrition and turnover rates on Organizational Performance

Gosekwang Setibi[1] (University of Botswana, Department of Management Gaborone Botswana)

Rebana Mmereki[2] (University of Botswana, Department of Management Gaborone Botswana)

Nametso Moabi[3] (Independent Researcher,)

Abstract

With no exception to any one country, attrition and turnover are found everywhere throughout the globe. Attrition and turnover are relatively clear cut act of behavior that have potential critical consequences on the organization at large as it is costly and it disrupts employees (Carmara, 2010). It is therefore indisputable that attrition and turnover have detriment effects on organizational performance.

Attrition and turnover have been investigated in a relatively large number studies but still a concern to many organizations. Negative consequences arise when high performing employees leave organizations and it becomes difficult to replace them.

This study used primary and secondary sources of data to shed the light on the impact of attrition and turnover on organizational performance. The study covered thirty seven companies, both public and private companies with employee size of fifty to ninety nine as well as thirty seven employees working in such companies in Gaborone.

The findings of the study revealed that causes of attrition and turnover are diverse which makes them difficult to manage therefore organizations are expected to lose employees on a continuous basis. The focus now should be on strategies to stabilize performance of both incoming and old employees.

Key Words: Attrition, Turnover, Organizational Performance

Introduction

Attrition is a common phenomenon worldwide and it affects organizations both negatively and positively. It can be defined as the gradual reduction of the work force by means of natural

events such as retirements, deaths, and resignations; as opposed to reductions planned by management such as discharge, layoffs, retrenchments or early retirements. Outgoing workers experience disruption, they need to learn new job specific skills and find different career prospects. Organizations suffer the loss of job specific disruption in production and incur costs of hiring and training new workers. However incoming workers may be educated, more skilled and have a greater initiative and enthusiasm than those who leave because of the experience they come with from other organizations and the current knowledge they got from schools. We cannot however disregard the fact that it takes time to acclimatize and put skills into practice which results in loss in production for a specific time no matter how best the new employees are. This study will therefore provide insight into various issues surrounding the problem of attrition, however particular attention will be given to the detriment effects of attrition on productivity and general performance of the organization. The purpose of the study is to provide a comprehensive overview on how attrition and turnover impact organizational performance. The background information of the study, problem statement will be discussed. Related literature will be reviewed in conjunction with the proposed objectives.

- **1 Background of the Study**

Since the early 1900s there have been literally hundreds of investigations of attrition and turnover . Although these researches emerged from different research streams with different traditions and objectives, they have much in common; the bottom line behind all these researches is the impact of attrition and turnover on organizational performance. According to Jha (2012) voluntary attrition and turnover has in fact been accelerating over the past decade, as recent studies have shown that employees on average switch employers every six years because of dislike of the nature of the work, mismatch of interest, changing policies of the company, lack of career advancement and limited career growth opportunities.

A number of models have been developed and tested to explain some of the issues of attrition. Amongst the models, there is the turnover theory that predicts that lowered levels of job satisfaction and organizational commitment and the perception of job alternatives are related to thoughts about quitting and actual turnover . Vroom's expectancy theory on the other hand predicts that employees are more inclined to leave when they expect that turnover will result in more positive outcomes, such as higher income and more opportunities for personal development, than negative outcomes, such as leaving valued colleagues and increased traveling time . This implies that quality employees do not only add to the returns of the organization, they also indirectly influence a decision by others to remain within the organization.

Attrition and turnover results in new hires and organizations incur further costs in training new hirelings in order to aligning them to the company culture. Organizations also face challenges in retaining the remaining employees because of low morale and loss of social network caused by their colleague's departure. High attrition and turnover of skilled professional is not desirable

and can pose as a risk to organization due to human capital cost . Otherwise stated, skilled employees leave with their skills creating a gap in the organizations which can be costly to fill. It also affects output to some extent as output would have to be maintained at a cost of overtime payment. This implies that remaining employees will be overburdened and as such they will have to be paid for overtime.

While an employee leaving the job is considered attrition and or turnover by one organization, it is looked at as talent acquisition by other organization and to the individual it most often means a career move, economic growth and enhancement of the quality of life . This implies that employees will always respond to changes in their environment because they seek to develop their careers and therefore organizations should always be geared up to avoid being negatively affected by attrition and turnover. For example organization should train employees only on their own tasks but also in the tasks of workers upstream and downstream from them so that workers can effectively fill in or compensate for one another in case some of the workers quit. It is imperative for organizations to also align its employees' personal goals to the organization's goals.

1.2 Problem Statement

Researchers have shown that attrition and turnover are increasing day by day and they affect almost all organizations. According to Camara (2010) despite the existence of effective retaining strategies, employees always leave for various reasons including changes in career prospects. In addition further said that organizations are always at a risk of losing their best employees to rivals. That is when talented employees defects, their knowledge and expertise that is so crucial to the organization goes with them and this negatively affect organizational performance as the knowledge and skills that employees put in attaining organizational goals reduces. Equally destructive, organizations must shell out hefty sums to replace departing employees and get new hires to speed. This destruction cannot be overlooked as it is clear that it affect the entire organization. Thus this study is aimed at the following objectives.

- To understand the causes of increasing rates of attrition
- To study the impact of attrition on organizational performance
- To investigate how organizations minimize the rate of attrition
- To investigate how organizations maintain effectiveness of new and existing employees to attain performance standards equivalent or more than the performance standards before employees leave

1.3 Literature Review

Impact of Attrition on Organizational Performance

Losing talents and employees results in performance losses which can have long term negative effect on the company. Furthermore Adhikari (2009) stated that high attrition implies that certain skills are vulnerable or are not present due to employees being lost and this result in lower than optimal levels of organizational performance. It can therefore be deduced that the impact of attrition ranges from costs of replacement to culture management issues with the new recruit who in turn affects organizational performance.

The negative effect of attrition can be direct or indirect. According to Jha & Goswami (2012) the effect is direct in the sense that new hires need to be constantly added and there will be further costs in training them and getting them aligned to the company culture which is a challenge on its own. Jaggar (2013) further said that attrition affects the company indirectly because it brings decreased productivity as employees leave the organization with valuable skills and knowledge which helped increase production rates. Supportively, the negative effect of attrition and turnover as pointed out by Jha & Goswami (2012) and Jaggar (2013) affect the entire organization and therefore this raises a question of how organizations are gearing up to tackle this negative effect and maintain organizational effectiveness.

Causes of Attrition and Turnover

Apart from the unavoidable ones like resignation, retirement, death or disability, the causes are found to be many and varied. Other causes of attrition and turnover include lack of career mobility and challenges, lack of recognition, undesirable working environment, managerial style, and lack of competitive compensation system and lack of employee job fit . High attrition can be symptomatic of inefficient management policies; as attrition does reflect the hiring policies, retention strategies, training and development initiatives, work culture and many other factors of an organization. Summaries from different researchers show that the causes of attrition and turnover are so prevalent. This therefore means that organizations should be proactive and engage in prevention measures of losing value adding employees.

How Organizations Minimize the Rate of Attrition and Turnover

How to retain valuable employees is one of the biggest problem that plague companies in the competitive marketplace. Nowadays, businesses often find that they spend considerable time, effort, and money to train employees only to have them develop into a valuable commodity and leave the company for greener pastures . In order to create a successful company, employers should consider as many options as possible when it comes to retaining employees, while at the same time securing their trust and loyalty so they have less of a desire to leave. Providing a stimulating workplace environment, which fosters happy, motivated and empowered individuals, lowers employee attrition and turnover . From a general view point considering as many options as possible to retain employees can help reduce attrition as well as turnover but the question that remains is to what extent. As employees are empowered through training and personal development, they evolve into more value adding employees and their objectives broadens. Organisations should allow opportunities for unlimited growth in their operations and strategies

as a way of minimising the rate of attrition and turnover. Partnerships could help where organisations are limited in resouces and expertise, they could provide mutual benefits.

According to Jaggar (2013) organizations have to revisit their HR practices to meet the diverse needs of the workforce in order to retain strong employees, and therefore maximize the overall success of the firm. Also organizations have to revise their retention strategies and to try to create a congenial work environment and offer a promising scope for career growth for the promising performers. Basing on what Jaggar (2013) is saying one can wonder if employees leave the organization because of bad HR practices and poor retention strategies or because it is part of their career development to switch between jobs.

However attrition and turnover are not always bad if it happens in a controlled manner . Jha & Goswami (2012) further pointed out that some attrition and turnover are always desirable and necessary for organizational growth and development. For example, if less productive employees leave the organization because of dismissal and or retirement, the attrition is considered good. There are few cases where through which dismissed employees could harm the respective organization; for example if they decide to take the matter to the court of law or media. Even when the organization in question acted within the frames of law, reputation can easily be tarnished. Some companies however still believe that attrition and turnover in any form is bad for an organization for it means that a wrong choice was made at the beginning while recruiting. This however, cannot always be the case because people change as well as their career prospects and as such they move to an organization that meets their new career goals. In support of Adhikari assumption, one might argue that recruitment should be long term oriented if it is to add value to an organization.

How Organizations Maintain Effectiveness of New and Existing Employees

Every day in organizations around the world, people leave organizations while others start new jobs, eager, excited and anxious but ready to do their best . According to employees may not be able to enter and leave organizations without disrupting their colleagues. This is due to the fact that jobs within an organization are interrelated; any change in one job affects the next job. Furthermore Romer (2010) said that it is therefore upon managers to train workers not only in their own tasks but also in the tasks of workers upstream and downstream from them. These practices help to ensure that workers can more effectively fill in or compensate for one another in case a worker cannot be present or quit his job.

Within the first few months or weeks many of the new employees become discouraged and disillusioned and perform poorly often as a direct result of the way in which they were introduced to the organization. New employees therefore need orientation focusing on intergrating the new employee into the organization and helping them to build new relationships. Organizational socialization is a very important concept pertaining to new employees beginning work at an organization, individuals moving into new roles as well as individual becoming

subordinates or bosses to new people . Taking part in organizational performance is not only proactive to the newcomers but it also helps increase job performance as it is through organizational socialization that employees adapt to a new work life.

Attrition and turnover are common in almost every organization. Employees who leave the organization open a gap that need to be refilled with new hires, promotion and or transfers. New comers on the other hand need to go through the process of adjustment so as to be able to be effective on their new jobs. All this affect the organization starting with the costs of replacement, changes in output rates because of employees leaving and hence the entire performance of the organization. It can therefore be concluded that attrition is one of the challenges facing organizations.

Materials and Methods

The only way to find answers to research questions is to carry out a survey on the target population. This section therefore describes how the researchers are going to search for answers for the research questions through a description of research methodology, explanation of the sample frame and an outline of data collection procedures.

A descriptive type of research design has been used for the study. According to Chandrasekhar (2011) a descriptive research is the description of the state of the affairs or problems. Researchers therefore used a descriptive type of study to understand the state of affairs of attrition and turnover and turnover existing in organisations. These may help researchers to understand the characteristics of a group in a given situation and to think systematically about aspects in a given situation and make conclusions (Sekaran &Bougie, 2013). Through the use of a descriptive study the attrition and turnover problems were studied and analyzed among private and public organisations, as well as employees of either of the two types of companies in the capital city of Gaborone.

The ever increasing demand for research has created a need for an efficient method of determining the sample size needed to be representative of a given population. Using a formula Krejcie & Morgan (1970) found out that population size of 280 has a sample size of 160. According statistics there are 280 organizations which has a size of 50-59. Researchers have chosen to use halve of 160 which is 80 but because of time constraint and lack of financial resources they ended up using a sample size of 60.

The sample size therefore is made up of 30 organizations and 30 employees working or retired in these organizations and all these were selected randomly. According Thompson (2012) random sampling minimizes bias selection as it gives each member of the population a fair chance of being selected. If done right random sampling results in a sample highly representative of the population of interest.

Sampling Procedure

According to Baker (1999), sampling is meant to reduce bias and for making inferences from findings based on a portion of the larger population. This study will use a purposive sampling technique aimed at employees and human resource officers in both private and public organisations. Purposive sampling is a form of non-probability sampling in which decisions concerning the individuals to be included in the sample are taken by the researcher, based upon a variety of criteria which may include specialist knowledge of the research issue, or capacity and willingness to participate in the research. The identified subjects of study are based solely on the researcher's discretion on whom and what is relevant to the study.

The ever increasing demand for research has created a need for an efficient method of determining the sample size needed to be representative of a given population (Krejcie & Morgan, 1970). According to Sekaran & Bougie (2013) population refers to the entire group of people, events or things of interest that the researcher wishes to investigate and a sample is a subset of the population.

In trying to determine the sample size the researchers had an oral interview with the Librarian at Botswana Statistics which revealed that there are 280 organizations with employee size of 50-59, both private and public organizations (Kwadi, 2015). Israel (1992) provided a simplified formula determining a sample size. However there are factors that affect decisions when determining the sample size and they include the research objective, confidence interval, confidence level, costs and time constraint and sometimes the size of the population itself (Sekaran & Bougie, 2013)

Simplified formula for calculating sample size

Yamane (1967:886) provides a simplified formula to calculate sample sizes, assuming there is 95% confidence level and p=.05 .

n= required sample size.
N = the population size.
e= the level of precision ()
Using the above formula a population size of 280 has a sample size of 74 derived as follows

 n==73.6842105267=74

Procedure of Data Collection

This study will employ two (2) types of self-administered questionnaire to gather the information from sampled respondents. The questionnaire can be either open-ended or closed ended. According to Baker (1999), an open ended question allows the respondent to answer in his or her own words. Furthermore, it gives the respondent freewill to respond in a relatively unrestricted manner. On the contrary, a closed ended question is a question in a questionnaire that forces the respondent to select from a list of possible responses.

It restricts choice of response by forcing the respondent to respond in terms of present categories or alternatives. According to Rubin (1983), since each person answering the questions is restricted to the same set of answer categories, a comparable set of data is acquired. A questionnaire also requires particularly self-explanatory instructions and question design since there is often no interviewer or proctor present to interpret the questionnaire to the subject. Self-administered questionnaire as the name suggests, is filled in the absence of an investigator . According to Mitchel & Jolley (2010), these kind of questionnaires are easily distributed to a large number of people. Self administered questionnaires are also a cheaper and easier way to get honest answers from a large number of people .

 The questionnaires were developed in such a way that they will take about 35 to 45 minutes to complete and they were intended to collect both qualitative and quantitative data. Quantitative data are data in the form of numbers as generally gathered through structured and closed ended questions while qualitative data are data in the form of words as generated from broad answers to questions from responses to open ended questions in questionnaire or through observation.

 For the purpose of data collection the first set of questionnaires was distributed to employees and the questionnaire was designed such that it addressees the following. There were questions to get personal profile of the employees, questions to ask attrition and turnover issues in jobs and employee expectations from the employer to avoid frequent job rotation. This questionnaire however was not designed in any order regarding the issues it addresses.

The other type of questionnaire was distributed to the targeted organizations which will be answered by organizational representatives, preferably human resource officers because they are the ones who deal with issues of employees in organizations. The questionnaire also addresses three issues, the profile of the organization, questions to ask attrition and turnover issues and their impact on organizational performance and how organizations are gearing up to tackle these problems. This questionnaire also was not designed in any order regarding the issues it addresses.

Secondary data relating to employee attrition and employee turnover, their impact on organizations and how organizations are gearing up to tackle these problems were collected by extensive literature review from online journals, books, reports and other publications. The advantage of seeking secondary data sources is savings in time and costs of acquiring information.

2.1 Processing of Information

The questionnaire used was direct and structured. According to Sekaran & Bougie (2013) a direct and structured questionnaire is a qestionnaire that has questions posed to the respondents in a predetermined order. Majority of questions asked in these questionnaires were closed questions, however the questionnaires ended with open ended questions. The difference between open ended and closed questions is that open ended questions allow respondents to answer any how they choose and it invites respondents to comment on topics that might not have been covered fully or adequately. Closed questions on the other hand ask the respondents to make choices among the given alternatives hence allowing respondents to make decisions quickly . The data collected from the respondents are analyzed as per content and continuum using Statistical Package for the Social Science (SPSS). SPSS is a data management and analysis program designed to do statistical data analysis including descriptive statistics such as plots, frequencies and charts . In addition SPSS is easier to use and it saves time.

This section is about analyses of data and discussion of findings. The techniques used include examining, summarizing and drawing conclusions from questionnaires collected from respondents. The findings are then presented in bar graphs, pie charts and frequency tables and the interpretations are made looking at each objective of the study.

Sources of Information

Both primary and secondary sources of data were utilized to arrive at the findings and conclusions for the study. Secondary data used in this research were collected from reports, online journals as well as books. The primary data was gathered through questionnaires which were distributed to the sample population.

- **Results**

Data was analyzed and findings were discussed through examining, summarizing and drawing conclusions from questionnaires collected from respondents. The findings were then presented in bar graphs, pie charts and frequency tables and the interpretations were made looking at each objective of the study.

Response Rate

74 questionnaires were distributed and 60 were returned.

The above pie chart shows a high response rate of 81%. However it shows that there was a non-response error of 19%. According to Sivo & Saunders (2006) a nonresponse error refers to the condition wherein people of a particular class are systematically not represented in the sample because such people failed to respond to the questionnaire because of various reasons such as being introverts, having low self-esteem or extremely busy people. Furthermore Sivo & Saunders

(2006) explained that non response error can result in bias and also it threatens the validity of conclusions about the population.

- Type of Companies Which Responded

The research was targeting both private and public companies and 63.3% of the questionnaires were answered by the private companies and 36.7% were answered by the public companies as shown by the figure below.

Figure 1 shows the type of companies
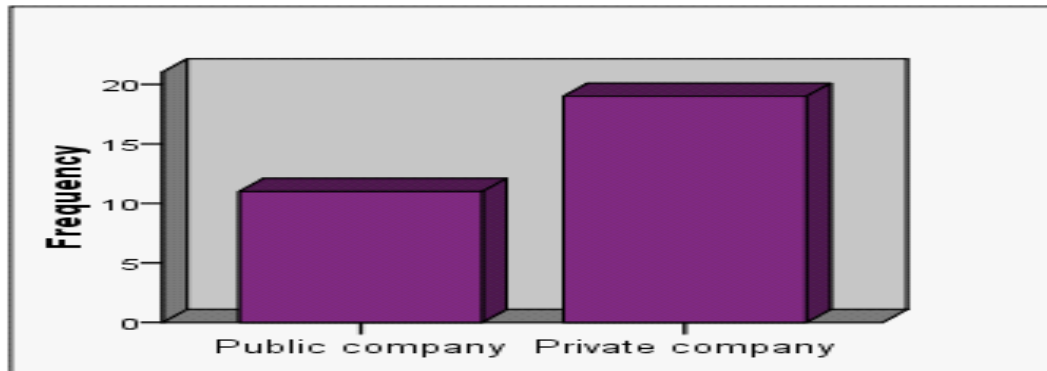
The above figure shows the number of companies that responded. More private companies gave response as compared to public companies. This implies that most of the findings will be based on the attrition and turnover rates at private companies because private companies are the ones with more responses, responding from the private company's perspective.

Demographics of Employees Who Responded

Age and Gender Of Employees Who Quit Mostly

Figure 2 Shows the Gender that Quit Mostly

The pie chart above shows that females are the ones who leave organizations more than males. These findings support the conclusion made by Bergen, Turnage, Richard, & Carrico (1998) that fundamental differences exist in decisions regarding attrition and turnover between genders. Women are normally at a higher risk of leaving jobs because of lifestyle considerations or moving to another geographic location to stay with their spouse. However according to the findings not only age matters in attrition and turnover, there is a difference also in the age category of employees who leave organizations. The respondents showed that employees within

the age category of 21 to 30 are the ones who leave organization more often as shown by the bar graph below. This age group has not invested a lot in pension schemes; they still can explore new opportunities without bearing big losses. In Botswana, these would be graduates entering the labour market. Sometimes, they just accept a job as a stepping stone to the next one since experience is a requirement in most professional jobs.

FIGURE 3 SHOWS THE AGE CATEGORY THAT LEAVE ORGANIZATIONS MOSTLY
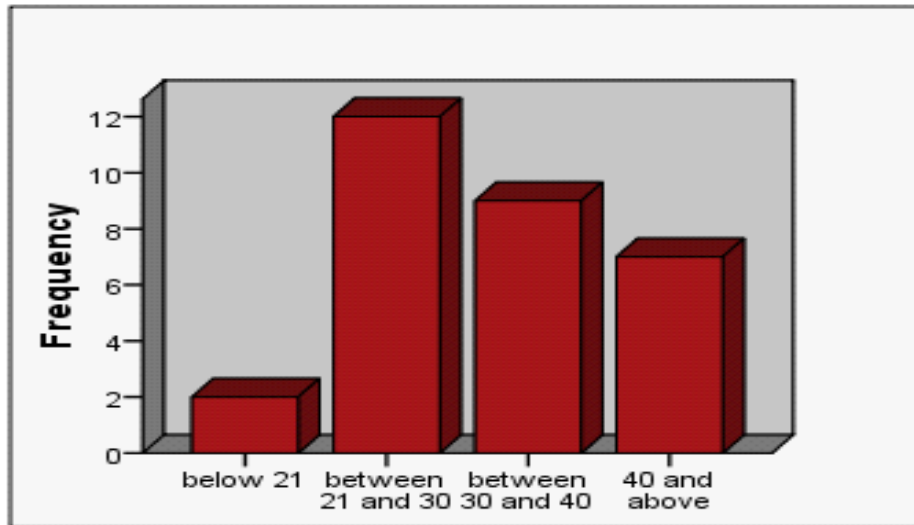

From the bar graph above, employees aged between 21 and 30 are the ones who leave organizations mostly followed by those who are aged between 30 and 40. It can be concluded from this bar graph that most people aged less than 21 are not working and those that are working has just started working hence no need to leave their jobs. The age categories that quit mostly constitute of people who are still at the early stages of Maslow's hierarchy of needs and as such they tend to leave organization for various reasons as stipulated by Adhikari (2009) such as lack of career challenge, poor working conditions, lack of recognition and poor managerial styles because they are still pursuing to fulfill their needs. It can also be inferred from the bar graph that employees that are aged 40 and above do not leave their organizations because they are happy where they are mostly because of the relationships they have already established and unlike the youth they have fulfilled most of their needs. The major reason this age category might quit their jobs is due to retirement. Another reason for low turnover among the 40 years and above could be that they cannot afford to loose their investments which have accumulated over time; e.g. funeral schemes and pension funds.

Positions of Employees who responded

The findings also showed that different employees holding different positions in organizations responded, implying that every employee regardless of her or his position in the organization can either leave his job for various reasons. Table 1 shows different levels and occupations of respondents. Participants included Receptionists, Hair dressers, Cashiers, Police Officers, Human Resource Officers, Pastors and Lab Technicians.

Figure 3 below shows the number of employees who confirmed that they quit their jobs.

FIGURE 4 SHOWS THE NUMBER OF EMPLOYEES WHO LEAVE ORGANIZATIONS
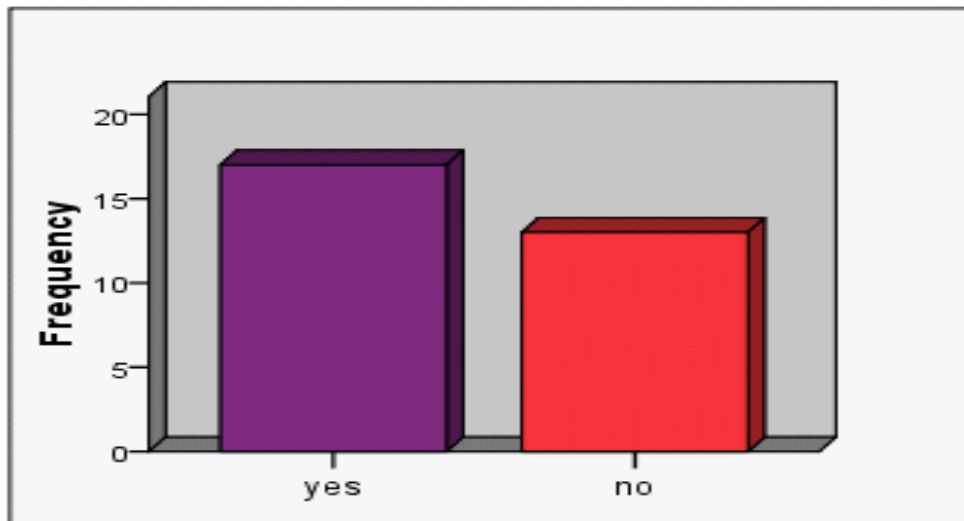
From figure 4 above it can be deduced that not every employee leaves his or her organization. Other employees choose to stay because of good working conditions; challenging work, good management which is the opposite of what Adhikari (2009) alluded as causes of employees to leave their jobs. However some showed that they choose to stay because they have no other choice as the market is saturated, a point that literature never raised. This implies that there could be people in various organisations who simply remain with those organisations because they have no where to go. The labour market forces also impact on attrition and turnover. During difficult economic times people are likely to stick and remain employed in their organisations.**TABLE 1 SHOW THE POSITION OF EMPLOYEES WHO RESPONDED**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		1	3.3	3.4	3.4
	manager	2	6.7	6.9	10.3
	sales rep	2	6.7	6.9	17.2
	receptionist	3	10.0	10.3	27.6
	cashier	1	3.3	3.4	31.0

	any other	6	20.0	20.7	51.7
	grounds	1	3.3	3.4	55.2
	hair dre	1	3.3	3.4	58.6
	health c	1	3.3	3.4	62.1
	HR OFFIC	1	3.3	3.4	65.5
	IT techn	1	3.3	3.4	69.0
	lab tech	1	3.3	3.4	72.4
	loans of	1	3.3	3.4	75.9
	pastor	1	3.3	3.4	79.3
	personal	1	3.3	3.4	82.8
	police o	2	6.7	6.9	89.7
	security	1	3.3	3.4	93.1
	SHE repr	1	3.3	3.4	96.6
	special	1	3.3	3.4	100.0
	Total	29	96.7	100.0	
Missing	0.00	1	3.3		
Total		30	100.0		

TABLE 2 SHOWS THE NUMBER OF EMPLOYEES WHO QUIT JOBS ANNUALLY

Type of company		number of quitting employees annually					
		0-5	6-10	11-15	16-20	more than 20	Total
	Public company	1	1	3	3	3	11
	Private company	12	3	3	1	0	19
Total		13	4	6	4	3	30

The table above shows that private companies are the ones who lose employees mostly. This can be due to the fact that most respondents were private companies. However the table shows that 3 public and 3 private companies both lose 11 to 15 employees. According to the table above, private companies do not lose more than 20 employees and from these findings it can be concluded that it is due to the fact that private companies do not have a lot of employees if compared to public companies and also working conditions differ in private and public organization.

How Many Companies Employees work for on Average and how long they have been working
TABLE 3 SHOWS THE NUMBER OF COMPANIES EMPLOYEES HAS WORKED FOR AND HOW LONG THEY HAVE BEEN WORKING

Number of companies that individuals have worked for		how long employees has been working					Total
		0-5	5-10	11-15	16-20	any other	Total
	2-3	4	1	2	0	1	8
	4-6	3	4	1	1	0	9
Total		7	5	3	1	1	17

The above table shows the findings of only 17 employees who confirmed that they have left their previous jobs. According to the table above employees who have many years work experience have not worked for many organizations. For example only one person who has been working for 16 to 20 years has worked for 4 to 6 companies. Majority of employees with 5-10 years' experience have worked in 4 to 6 companies. From these findings it can be inferred that employees with long work experience are now old and those that have been working for less years are still young. It can therefore be concluded that in this era employees move from one organization to another more frequently as compared to the previous periods because of emerging job opportunities.

Number of Companies That Carried Out Research On Attrition And Turnover Rates
Table 4 showing the number of companies who carried out a research to find why employees leave

Type of company		Number of companies that has an exit interview		
		yes	no	
	Public company	5	6	11
	Private company	12	7	19
Total		17	13	30

17 companies carried out an exit interview to find out why employees are leaving. From these companies 5 were public and 12 were private companies. From these findings it can be deduced that the reason why many private companies carried out an exit interview is because many of the respondents were private companies making the research to be more like it was based on private companies only. However there are other factors that should be considered such as time frame for the research and the personnel that carry out a research as they have an impact on the outcome of the research .

Reasons why Companies did not carry out an exit interview as Employees were Leaving

Type of company		Reasons why companies did not carry out a research					
		Number of companies	time constraint	lack of personnel to do it	it was not necessary	any other	Total
	Public company	6	0	3	1	2	6
	Private company	7	0	2	3	2	7
Total		13	0	5	4	4	13

Table 5 showing reasons why companies do not conduct an exit interview as employees leave

The table above made conclusions from the 13 companies that responded that they did not carry out an exit interview as employees were leaving. According to the findings most public companies did not have personnel to carry out the interview and most private companies responded that the interview was not necessary. It can therefore be concluded that those companies that responded that the exit interview was not necessary either have poor human resource management or weak human resource policies and lacked skills and knowledge about the importance of carrying out such an interview when employees leave. However other respondents stipulated that they were hindered by lack of financial resources to conduct such interview.

Findings of Companies Who Carried Out an exit interview As Employees Were Leaving

Figure 4 showing the reasons why employees leave organizations
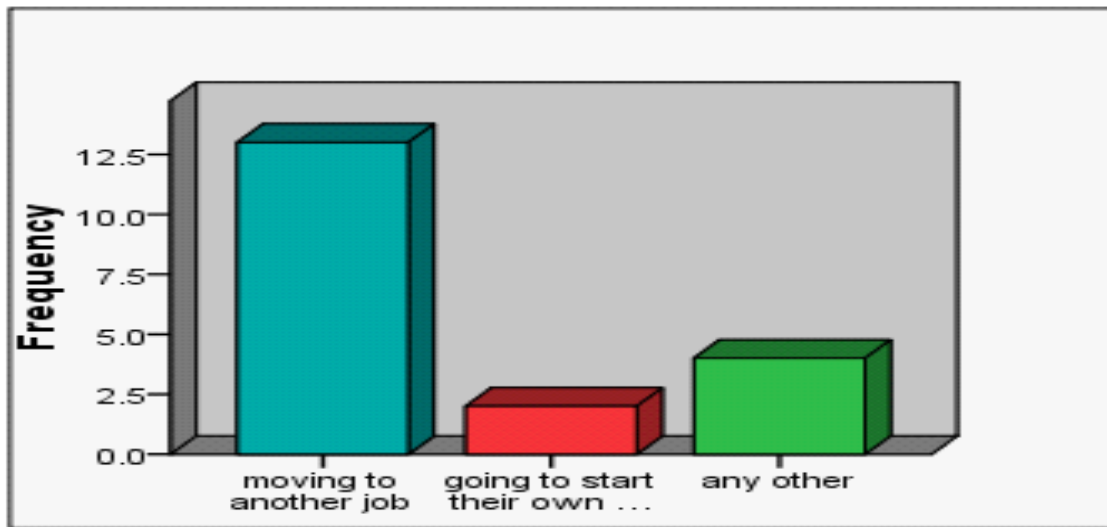
The graph above made conclusions looking at responses of both organizations. Most respondents move to find other jobs and only a few leave their jobs to start their own businesses. However there are other reasons why employees leave organizations and these reasons include retiring, death, retrenchment and when companies stop operating. These findings support what Adhikari (2009) already stipulated showing that most employees leave to other organizations because of poor working conditions, lack of career growth and poor management.

Reasons why Employees Leave Organizations and Move To Others

Figure 5 showing why employees leave other organizations and move to others
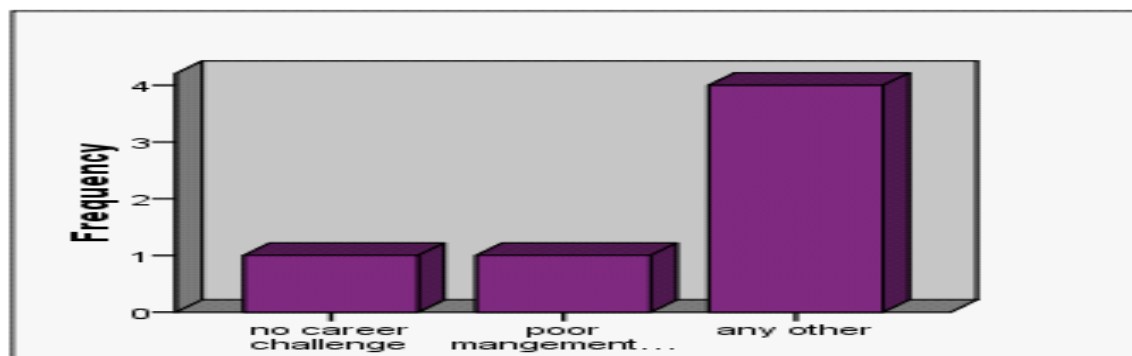
From the graph above, most employees move to other organizations for different reasons. The reasons as provided by respondents are search for greener pastures, work not challenging, poor working conditions, for better opportunities, salary lower than industry rate, lack of career growth, conflict of interest between the employer and employee, dismissal, lack of satisfaction, better offer somewhere else, need for promotion, for more experience, transfers and termination

of contracts. This therefore implies that organizations should work on improving all these factors as stated by employees to reduce the rate of attrition and turnover.

AS EMPLOYEES LEAVE ARE THEY GIVEN A CHANCE TO HAND OVER PROPERLY AND ORIENTATE NEW EMPLOYEES

Figure 6 showing the number of employees who orientate new employees before they leave

According to Figure 6, 60% of employees are not given a chance to hand over and orientate new employees who will be taking over their duties as they leave the organization. From these findings it can be concluded that some organizations have poor human resource policies leading to majority of new employees not being properly orientated hence making it hard for them to easily adapt and be effective in doing their job. This can at the end lower production levels leading to poor performance of the organization.

What Organizations are Doing To Retain employees

Table 6 showing how organizations are retaining their employees

		Frequency	Percent	Valid Percent	Cumulative Percent
put employees needs before anything else		12	40.0	45.0	65.0
does not do anything		3	1.0	15.0	80.0
any other		3	1.0	15.0	95.0
communicating with employees		1	3.3	5.0	100.0
Missing	0	11	36.7		
Total		30	100.0		

40% of organizations responded that they put employees' needs before anything else as a strategy to retain them. However employees on the other hand feel that their employers should have increased salary to match the workload. 36.7% of the respondents did not respond to this question. This therefore shows that companies do not know the actual needs of their employees and yet they claim to put employees' needs before anything else. So employers should consider as many options as possible when it comes to retaining employees, while at the same time securing their trust and loyalty so they have less of a desire to leave . This emphasizes the importance of effective management and leadership within organizations. They communicate with their employees and get to know their concerns and worries; this way they both agree on mutual solutions to employees' problems.

Figure 7 shows the number of organizations that interview new employees why they left their previous jobs
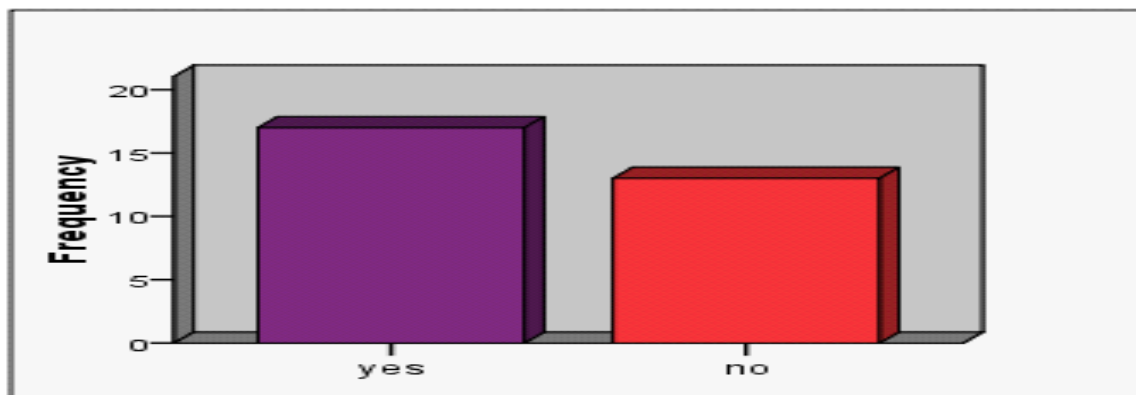
26% of companies do not interview the employees that they hire as to why they left their previous jobs because they feel it is not necessary. However this can affect the company in the long run because the company might end up losing the same employees for the same reasons they left their previous employer. So companies should consider as many options as possible when it comes to retaining employees to reduce the rates of attrition and turnover . Asking someone why they left their former organization might not help in cases where reasons are sensitive and individuals feel that they might be used against them.

- **Discussion**

Employees leave organizations for various reasons such as search for greener pastures, work not challenging, poor working conditions, for better opportunities, salary lower than industry rate, lack of career growth, conflict of interest between the employer and employee, dismissal, lack of satisfaction, better offer somewhere else, need for promotion, for more experience, transfers and termination of contracts and others. From these findings it can be induced that there is no common reason why employees leave, the reasons are many and varied just like Adhikari (2009) and Rachakrishnan (2012) stipulated.

According to Jha & Goswami (2012) the effects of attrition and turnover on performance can be direct or indirect. The findings proved this because companies feel that attrition and turnover leads to low productivity because of fewer workforces. This is a direct effect in the sense that it is costly and time consuming to find replacements and offer training to them which can have a negative impact on organizational performance during the time of replacement as some of the duties will not get done on time. Normally acting appointments are made but because they have their day to day activities as well, they will therefore not be very effective. Companies should resort to teams so that in case of attrition and turnover, some team members are still available to carry on the job.

Attrition and turnover directly makes companies loose customers because of reduced manpower which usually leads to substandard service. Customers might lose trust in the company if they are assisted by different people every now and then; especially for services such as banking. Others are forced to carry the weight or burden of employees who left hence making work harder for those remaining and costly on the side of the organization because they have to pay overtime hence the likelihood to make loses. From the employee's viewpoint attrition and turnover directly slow down activities because of the gap created by employees who leave that need to be filled by the remaining staff. Those that never moved from one organization to another says that their stay in their organization add value to performance of the organization because of their experience, passion and the ideas that they bring to the organization

However attrition and turnover does not only affect performance, they also bring down dignity of the organization as the outsiders will perceive the organization as bad and they will not want to be associated with a company that has high rates of attrition and turnover. This is an indirect effect as it may lead to low morale in employees, loss of clients and customers which can at the end lower productivity and bottom line of the organization.

Jaggar (2013) stipulated that businesses often find that they spend considerable time, effort, and money to train an employee only to have them develop into a valuable commodity and leave the company for greener pastures. This is true because according to the findings a large number of employees leave organizations and as such some organizations are trying to minimize the rate of attrition and turnover by putting employee's needs before anything else. These needs should not be in contrary to the organization's objectives.

This however according to the findings does not reduce the number of employees who leave because a lot of employees still move from one organization to another. It then calls for a different approach rather than just putting employee's needs before anything else. In order to create a successful company, employers should consider as many options as possible when it comes to retaining employees, while at the same time securing their trust and loyalty so they have less of a desire to leave . Even though literature urge companies to put more effort in reducing attrition and turnover the findings showed that other companies are not doing anything and this contributes to the increasing rate of attrition as well as turnover. Organizations could have a plan for attrition and turnover so that when it occurs its effects are not so drastic.

As new employees are hired, there is a need to find out why they left their previous jobs so that as a manager one avoids losing employees the same way that other employers did but majority of companies do not find it necessary to interview new employees regarding their previous jobs. Organizations train new employees as a way of bringing them up to the required performance level. However from data analysis it showed that some employees who leave their organizations are not given a chance to hand over properly and orientate new employees who will be taking over their jobs, duties and responsibilities. This slows down adaptation rate hence making new employees not to be effective and be productive within a short period of time. Proper hand over

should be a binding requirement for every individual leaving their job. The problem could arise when it takes long to find a replacement. One solution could be the use of written handover notes though not sufficient as they lack the practical aspect.

- **Conclusion**

Based on the analysis of data, there is a significant relationship between attrition, turnover and organizational performance. Findings clearly show that indeed attrition and turnover affect organizational performance; however the only effect shown by data analysis and discussions is a negative effect. Respondents stressed that attrition and turnover lowers production rate as it reduces manpower making the work to take long to be completed. Furthermore respondents explained that attrition and turnover affect organizational performance indirectly as they affect the reputation of the organization leading to loss of customers hence making a loss and failing to pay and retain employees.

Causes of attrition and turnover differ according to different employees and this therefore shows that organizations are continuously loosing employees for different reasons. However the respondents showed that organizations are not gearing up to reduce the rates at which they lose employees. Most organizations do not carry out a research to find out why employees are leaving and even the new employees that are being hired are not questioned as to why they left their previous jobs. Organizations also do not give employees a chance to hand over their duties to the incoming employees or even to orientate them. This makes it hard for new members to adapt easily and be productive within a short period of time. It can therefore be concluded that employers are not well prepared to reduce the number of employee and as such attrition rates and turnover rates will continue to rise if organization do not change the way they handle employees who switch between jobs as frequently as they need.

5.1 Recommendations
Attrition and turnover are ongoing phenomenon and they have to be dealt with accordingly. Giving employees hefty pay need not satisfy an employee totally and therefore organizations should look beyond immediate pay and find out the root cause of attrition and turnover. The researchers therefore recommend that organizations should have a committee which is responsible for employees who leave organizations and also those that are hired in an organization. The responsibility of this committee would be to find out why employees leave to other organizations, why new employees left their previous employees and come up with a solution as to what should be done to avoid losing employees the same way other employers did hence reducing attrition rates as well as turnover rates.

 Furthermore the researcher recommend that employers should go beyond just putting employee's needs before anything as a way to retain employees like most respondents explained. According to Jha & Goswami, 2012, one approach cannot fit all, so each and every company should devise its own methods of retaining employees apart from what has always been used. They should question employees at least quarterly to find out what is it that employees are not

happy about so that if possible they change the way things are and cater for employees as another way of reducing attrition and turnover. Managers and leaders should be given the responsibility of retaining employees at a personal level; that is their performance should also be rated on the basis at which they retain staff members. In case people leave, they should be aware of the reasons and have explored all retention measures.

As new employees are hired, both new and existing employees need training so that they adjust and work together easily. Train employees from time to time so that their skills enhance and serve the organization better . The researchers recommend that all employees should be trained more often and as employees leave their jobs they should be given a chance to orientate incoming employees before they leave. This will make it easier for new employees to get along with what is happening hence increasing the chances of being productive. Organizations should provide good working conditions and provide positive work culture so that employees are at ease and not stressing while working . This also can help reduce the rate of attrition and turnover more especially to employees who leave organizations because of low salary and poor working conditions.

According to Jha & Goswami (2012) employees should be appreciated together with their good work so that they feel delighted that the company cares about them. The researchers therefore recommend that companies should have faith in their employees and include them in important decisions so that they feel part of the organization. This can increase loyalty of employees to their organizations hence reducing the rates of attrition and turnover. Lastly the researchers recommend that organizations should offer a promising scope for career growth for performing employees. This will motivate employees to work hard in their organizations knowing that they have a ladder to climb.

References Summary

Adhikari, A. (2009). Factors affecting employee attrition; A multiple regression. The Iafaian journal of management research, vol VIII No 5 .

Anantharaja, A. (2009). Causes of Attrition in BPO Companies; Study of a mid size organization in India. Journal of Management Research, Vol VIII No 9.

Bergen, P., Turnage, H., Richard, M., & Carrico, J. (1998). Gender Related Atrrition in a General Survey Training Program. Journal of Surgical Research, 59-62.

Bontis, M. S. (2002). Voluntary turnove; knowledge management- Friend or Foe. Journal of intellectual capital, vol 3 No 3 pages 303-322.

Camara, B. (2010). Effects of employee turnover.

Cargan, L. (2007). Doing Social Research. United States of America: Rowman & Littlefield Publishers, Inc.

Chandrasekar, K. (2011). Managing Attrition: the real problem behind the growth of business process outsourcing (BPO) companies. Journal of Social Welfare and Management, 3.

Cotton, J. C. (1986). Employee Turnover; A mata analysis and review with implication of research. Academy of management review, Vol 11 NO 1 page 55-70.

Dam, K. V. (2008). Time frame for leaving; An explorative study of employees intentions to leave the organization in the future. Career Development Internationsl, 3(6), 560-571.

Huselid, J. D. (1996). The impact of Human Resource Practices on organizational performance. Academy of Management Journal, Vol 39 No 4 pages 949-969.

Jaggar, S. (2013). Understand attrition; improve Federal Employee Retention. Patimes, (p. vol 36 No 3).

Jha, B. K., & Goswami, S. (2012). Attrition issues and retention challenges of employees. International Journal of Scientific Research and Engineering Research, Vol 3 Issue 4.

Krejcie, R. V., & Morgan, D. W. (1970). Determining Sample Size for Research Activities. Educational and Psychological measurement, 607-610.

Kwadi, N. (2015, February 2). Number of private and public companies in Gaborone. (N. Moabi, Interviewer)

Lawler, E. E., & Suttle, L. J. (1973). Expectancy Theory and Job Behaviour. Organizational Behaviour and Human Performance, 482-503.

Lawson, K. (2002). The New Employee Orientation Training.

Mitchel, M. L., & Jolley, J. M. (2010). Research Design Explained. United States of America: Macmillan Publishing Solutions.

Pabari, M. M. (2004). Assessing Organizational Performance.

pocket mentor series. (2010). Retaining Employees: Expert solutions to everyday challenges. United States of America: Harvard Business School Publishing.

Rachakrishnan, J. J. (2012). Employee Attrition; Marketing of financial products. Journal of Indian Management, 65-75.

Romer, C. (2010). Work-life balances and the economy of workplace flexibility. Diane Publishing Co.

Samson, S. M. (2013). Attrition Issues and Retention Challenges of employees. Journal of Sri Krishna Research and Educational Consortium, 4(7).

Saunders, Thornhill, & Lewil. (2009). Research Methods for Business Students. United Kingdom: Financial Times Prentice Hall.

Sekaran, U., & Bougie, R. (2013). Research Methods For Business. United Kingdom: Wiley Publishers.

Wanberg, C. R. (2012). The Oxford of organizational socialization. United States of America: Oxford university Press, Inc.

Baker, L. (1999). Doing Social Research.3rd ed. London: McGraw-hill.

Rubin, D. (1983). Applied Social Research. Ohio: Merill Publishing.