



HR Practices and Employee Turnover Intentions. A Correlational Analysis

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ABSTRACT

This study correlates select HR practice, organizational commitment, and employee turnover intention. The understudy population is call centre employee working across the Kashmir valley. The said industry is continuously face high employee turnover. Employee turnover is one of the important aspects of every organization, especially in the call centres. In this direction an attempt has been made to make the assessment of employee turnover intentions as the antecedent of HR practices, along their psychological contact such as organizational commitment and person-organizational commitment. High employee turnover is detrimental because it results in high monetary and non monetary costs to the administration. Employees' turnover is a much studied phenomenon. However, conclusive evidence supporting why people leave organisations is still lacking. Therefore, a profound understanding of the employee turnover phenomena needs to be developed, more specifically, the sources of employee turnover. This study attempts to investigate employee turnover intentions with a manageable number of HR practices. These HR practices were considered as antecedents, having impact on behavioural consequences such as person-organization fit and organizational commitment, which ultimately leads employee turnover intentions. It was concluded that there is a clear link between HR practices and their consequences in determining employee turnover intentions. As such, employees' turnover intentions were found negatively related with employees' sense of organizational commitment and person-organizational fit. While as HR practices were found significant predictor of organizational commitment and person-organizational fit.

KEYWORDS : HRM Practices, organizational commitment, person-job fit, employee turnover intentions.

Introduction

Employee turnover decreases the effectiveness, productivity and undermines the morale of existing employee. Moreover, the cost of turnover is more implicit as compare to its explicit cost (financial cost); because high turnover intention will cause the organization to lose employees with high degree of knowledge, skill and abilities and reduce its reputation (Liu et al., 2010). This is corroborated by (Ramesh & koh, 2012) asserts that cost of turnover is hard to measure, since it demise organization's culture, Sagging employee morale and have adverse impact on overall social capital of an organization. Which subsequently come to the halt as reduce in employee's commitment level and increase the turnover intention in the organization (Foon, Leong & Osman, 2010). This attitude ultimately, leads to decrease in the quality of services hinder by the costumer. Having recognized this situation, researchers for several decades have been studying what factors are most predictive of turnover (B. Karsh et. al., 2012). Hence it is imperative to address the turnover intentions of employee so as proactive measure can be adopt to floor the ceiling on outflow and to find out reason that trigger turnover intentions of call centres across the valley.

However, while predicting employee turnover researchers explicate and highlighted turnover intentions rather than actual turnover as the outcome variable. This is mainly because of three reasons. Firstly person's self-expressed intentions are the best predictor of turnover (Steel and Ovalle, 1984; Saraminah, 2006). Second, this is also supported by attitude-behaviour theory (Fishbein and Ajzen, 1975) which states that one's intention to perform a specific behaviour is the close predictor of that behaviour. Finally, there is ample support and evidence on the significant relationship between employee turnover intentions and actual turnover in the present available literature (Gregory 2007; Brigham 2007; Lambert et al., 2001). Moreover, Price (2001) suggested turnover intentions construct is alternative in measuring actual turnover. Therefore, turnover intentions can be used as the dependent variable and an assumption can be made that some action on the part of the employee is likely to follow.

Literature review

Dormio (2005) defined intention to leave refers to individual's perceived likelihood that they will be staying or leaving the employer organization. Turnover intent is defined as the reflection of "the (subjective) probability that an individual will change his or her job within a certain time period" (Sousa-Poza & Henneberger, 2002) and is the last in a sequence of withdrawal cognitions (Tett & Meyer, 1993). However this subjective reflection is based on the rational thoughts as defined by Steers and Mowday (1981), individuals' turnover decision, gen-

erally, have been characterized as rational choices individual make regarding their current job and organization. This is corroborated by Tett and Meyer (1993) who argued that employee intention to leave the organization is as conscious and deliberate wilfulness to seek for other alternatives in other organization. Therefore, is considered 'a signal of quitting' (Hazell K. W., 2010). Later, Park and Kim (2009) argued, a worker's intentions to leave an organization are statements by the worker that he/she actually wants to leave the organization and is base on better alternative opportunities for employee. Keeping these arguments in view "Turnover intention may be defined as an employee's cognitive response to the working conditions of a particular organization and to the economic condition of a nation as whole, which stimulates an employee for the search of better alternative job and characterize as the intent to leave an organization voluntarily".

Studies have indicated that employee turnover is the termination of relationship between an employee and organization which includes attitudinal, decisional, and behavioural components. However, intentions to terminate the membership of an organization are affected by range of factors. According to Huning & Thomson (2010), employee's decision regarding the membership of an organization is determined by self image, job and other roles, as well as the predictability of future relationships inside the organization. So therefore, for the sake of convenience this battery of factors can be grouped under various HR practices.

Firth, (2004), find that job stress, lack of commitment and job dissatisfaction make employee to quite, while as Aaron and Ronit, 2007, argues that, Behaviours are often influenced by a host of other variables (e.g., company policies, economic conditions) that cannot be controlled by the investigator but influence the findings. Supported by Mano et al. (2004) argue that employees quit from organization due economic reasons. Employee turnover is the rotation of workers around the labour market; between firms, jobs and occupations; and between the states of employment and unemployment Abassi et al. (2000).

Moncarz et al., (2009) pointed out that, promotions, training practices directly influence on employee's retention where as compensations and recognitions positively decrease turnover rate of the employees. Min, (2007), found that job security and increasing level of experience will undermine employee's turnover rate. Working environment has considerable impact on absenteeism and employee turnover (Hillmer et al., 2004). However these antecedents of employee turnover intentions are not independent. Various studies have shown considerable relationship among the individual, organizational and job related an-

tecedents of employee turnover intentions.

Those organizations which have a high-wage system will have better recruitment and retention of employees as compare to others. Efficient wage system influences the employees for longer retention, because if an employee gets better reward internally he would like to stay until his self-interest fulfilled there. Employee can switch if gets better opportunity in the external environment (Moncarz et al., 2009). On the other hand, Employees have a strong need to be informed. Organisation with strong communication systems enjoyed lower turnover of staff (Labov, 1997). Insufficient information on how to perform the job adequately, unclear expectations of peers and supervisors, ambiguity of performance evaluation methods, extensive job pressures, and lack of consensus on job functions or duties may cause employees to feel less involved and less satisfied with their jobs and careers, less committed to their organizations, and eventually display a propensity to leave the organisation (Tor et al., 1997). While evaluating the economic aspect, Zuber, (2001) found that Organisational instability has been shown to have a high degree of high turnover, this reinforces the findings by Alexander et al., 1994, who argues, that, organizations where there was a high level of inefficiency there was also a high level of staff turnover.

Griffeth et al. (2000) noted that pay and pay-related variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person's performance and turnover. They concluded that when high performers are insufficiently rewarded, they quit. If jobs provide adequate financial incentives the more likely employees remain with organisation and vice versa. There are also other factors which make employees to quit from organisations and these are poor hiring practices, managerial style, lack of recognition, lack of competitive compensation system in the organisation and toxic workplace environment (Abassi et al., 2000). Some of the most common reason employee to leave include: employee perception to poor leadership or supervisory, unchallenging position, limited opportunity for advance, no recognition for good performance, limited control over the work and customer, salary benefits are nor commensurate with the job requirements; and the opportunity for the better salary package elsewhere. (Accenture,2001; Jardine & Amig, 2001).

OBJECTIVE OF STUDY

Employees' turnover is a much studied phenomenon. But there is no standard reason why people leave organisation because a wide range of factors have been found useful in interpreting employee turnover Kevin et al. (2004). Therefore, there is need to develop a fuller understanding of the employee turnover, more especially, the sources- what determines employee turnover, effects and strategies that managers can put in place minimize turnover. However while making attempts in determining what factors exactly affects the employee turnover, researchers have come with diverse and lack of consistency in their findings. Therefore, the main aim of the study was to determine the correlation between HR practices and employee turnover intentions. The study has also undertaken to investigate the relationship between various HR practice and their presumed consequences such as organizational fit and commitment. It further attempts to chart a systematic link between various HR practices and their consequence, which finally predicts employee turnover intentions. Keeping these objectives in view, it is hypnotized that HR practices base the consequences of employee turnover intentions. However, the present study is based on the following main objectives.

- To assess the relationship between HR practices and organizational commitment.
- To assess the relationship between HR practices and person-organizational fit.
- To assess the relationship between organizational commitment and employee turnover intentions.
- To assess the relationship between person-organizational fit and employee turnover intentions.

Research Hypotheses

- H1; There is positive relationship between HR practices and organizational commitment.
- H2; There is positive relationship between HR practices and person-organizational fit.

- H3; organizational commitment and person-organizational fit is negatively related with the employees' turnover intentions

RESEARCH QUESTIONS

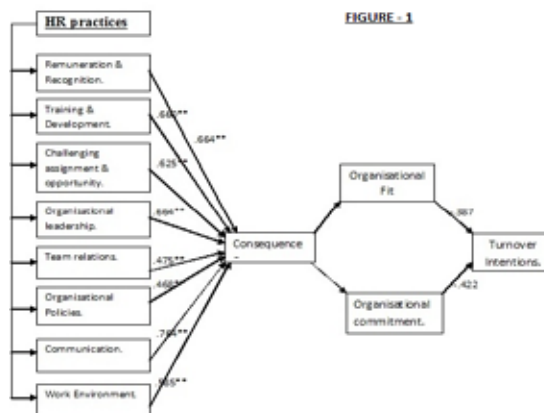
- Does a select HR practice positively predict organizational commitment?
- Does employees' evaluation to the HR practice enhance person job fit and HR practices?
- Which is the better predictor of employee turnover intention? Person job fit or organizational commitment.

METHODOLOGY

For achieving *supra* objective and testing hypothesis, Pearson coefficients of correlation were used to evaluate the relationship between various HR practices, organizational fit, organizational commitment as their consequences and employee turnover intention. The data was collected from 174 employees working in call centres of Kashmir valley. Data was collected on a 5- point Likert type agreement-disagreement scale. To check the reliability of the instruments, Cronbach's alpha was used. Turnover intentions were measured with four- item scale consisting of items adapted from Camman et. al.. To gauge the perception of employees towards HR policies, following scales were used. Organizational fit (Netemeyel, et al., 1997); Organizational commitment (Mowday et al., 1979); Organizational Leadership (Bass & Avolio. 1990) (; Hartog et. et., 1997); Organizational policies (O' Reilly. 1991 & Broabfoot. 1994); organizational environment (Broabfoot. 1994). In order to assess the attitudes of employees with regard to factors affecting the job itself. Following instruments were adopted. Training & development (Broabfoot. 1994); Team relationship (Bass & Avolio. 1990); Communication (Sims et al., 1976) and finally satisfaction with the salary was measure by the scale adopted by Cammann et. el., 1979.

FINDINGS

The relationship among various HR practices and their immediate consequences are depicted in figure 1. It further depicts association between attitude like organizational commitment, organizational fit and employee turnover intentions. Among the various HR practice; Communication (.768 < .001), Remuneration (.664 < .001), training & development (.660 < .001), Challenging assignment & opportunity (.625 < .001), Organisational leadership (.664 < .001) were found to have significant relationship with the attitudinal consequences such as organizational fit and commitment which in turn predicts employee turnover intentions. Though, organizational fit (-.387) and commitment (-.422) was found to insignificantly related to turnover intentions among the call centre employee across the valley but, it does not provide enough support to reject hypothesis. Therefore, "HR practices base the consequences of employee turnover intentions". These results are in line to the hypotheses framed for the present study.



Conclusion & discussion

This study reveal that both organizational commitment and person job fit is negatively associated with employees' turnover intentions. However, organizational commitment was found strongly correlated with the employees' turnover intentions compare to the person job fit. It indicates that, lack of retention ability in an organization largely depends upon the effectiveness of HR policies. The understudy HR policy helps in developing, maintaining and retaining employees in their organization. Moreover, present study has garnered empirical

evidence supporting that effective HR practice ensures organizational fit and generates organizational commitment, which could help an organization to improve their employee retention ratio. The research results allow to state that the communication, remuneration, training & development, Challenging assignment & opportunity, and organizational leadership affect turnover intentions through organizational fit and organizational commitment. Since the accomplishment of organizational objectives mainly relies upon human capital, therefore, HRM practices must be oriented to inculcate sense of work attitude, which make employees highly involved in the organizational goals and objective, thereby improves retention ratio of employees. When an employee leaves an organization, it results in understaffing as the result, remaining employees consequently need to do more task and responsible for duties. Therefore, managers at all costs must minimize employee's turnover. Indeed, HR policies could be effective only when they are formulated and implemented in a way to ensure the congruence between employees and organisation's interests. However, it was found that employee in call centre give due weight to the economic and technical aspect of job. Such as pay and the way information and ideas are shared. In line to these findings, it is important for the management of call centre to ensure competitive remuneration policies and effective communication. This is mainly due to the rising cost of living and diverse problems of communication while dealing with the

queries from the customers. Moreover, organizations need to induce required skills through training and development to ensure the effective and efficient way while dealing with assignments. Organizations further need to ensure variety and multiple tasks to make the jobs challenging while holding the sense of opportunities for the growth. Interestingly, organizational fit and commitment was found insignificantly related to the employee turnover intentions among these call centres. This may be the various reasons such as age, part time jobs. This was not capture in the present study and remains as the main limitation of present study.

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