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RESEARCH ON EMPLOYEE TURNOVER INTENTIONS: A REVIEW

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ABSTRACT

Employee turnover management is an important aspect of human resource management. The prediction and effective control of employee turnover has become an important content of academic research. Employee turnover directly affects the human resource practices of recruitment and selection, training, and maintaining the workforce. Besides, if a large number of employees leave the organization, workload and overtime for existing employees are heavily increased, and thus, may reduce their productivity level due to low employee morale. In addition, not only it brings negative consequences towards the employees, a high rate of job turnover in an organization may impact its overall performance. Therefore, in order to obtain a high productivity and performance, it is crucial for organizations to gain employees' support and contribution. The purpose of this article is to review the extant literature on employee turnover intention by focusing on the factors which causes such intentions such as job satisfaction, organizational commitment, job burnout, external employment opportunities and its impact on employee turnover intention. And also, the literature pertaining to the impact of demographic factors such as gender, age, level of education, marital status, service tenure, on turnover intentions is also examined.

KEY WORDS: Job satisfaction, organizational commitment, burn out, turnover intention.

I. INTRODUCTION

In today's competitive business world talented employees are considered as key resources. Retaining them in the organization is the major challenge in the global market. Employees have a certain expectations which are to be met by the employers, if not they tend to shift job from the existing organization to the competitors organization. Employee turnover is a serious problem faced by any firm depending upon the turnover rate. It not only affects the quality and productivity of the products being produced but also the profitability of the firm, it also involves a lot of cost such as recruitment cost, induction cost, training and development cost etc., It demotivates the other employees who are working in the firm and it makes it difficult to achieve the organizational goals. In order to overcome all these issues organization has to address it at right time and in a right way. It becomes very necessary for the employers to first identify the reason for employee turnover and come up with suitable measures to overcome them. This problem is very common in almost all types of industries, but its intensity varies from one firm to another. A low level of employee turnover is acceptable in any occupation, in that it offsets potential stagnancy, eliminates low performers, and encourages innovation with the entry of new blood. However, high levels of employee turnover lead to low performance and ineffectiveness in organizations, and result in a huge number of costs and negative outcomes (Ingersoll & Smith,2003)

For an instance, Job satisfaction could help to increase employee commitment and motivation. A research conducted by Hay, found that the majority of the employees chose career opportunities, learning and development as the foremost reason to stay in an organization, to which, lead towards job satisfaction. Another research by Ali mentioned that problems might arise if employees' dissatisfactions are not taken into consideration. Employees who are dissatisfied would eventually leave the organization, and at the same time, the organization loss the knowledge that the employees had brought in. If the organization decides to recruit new employees to replace those who leave, and their feelings of dissatisfaction are not met too, this could affect the daily operation of the organization, and the vicious cycle of turnover rate will happen again.

II. DEFINITION OF TURNOVER INTENTION

Turnover intention is defined ''as employees' willingness or attempts to leave the current workplace voluntarily'' (Takase, 2010) and is positively associated with actual voluntary turnover (Nei et al., 2014; Takase, 2010).

There is a difference between the desire to leave and the intent to quit (Mobley, 1977). Fishbein (1967) used the phrase "attitude toward the act" to mean the desire to leave which reflects the employee's feelings toward the act of quitting. According to Mowday, et *al.* (1982) an employee intent to leave can influence the turnover decision in two ways. It may directly lead to it even when other job opportunities are not available. Also, it may influence actual turnover indirectly by leading the employee to search for new job alternatives, thus resulting in the likelihood of termination.

III. FACTORS AFFECTING EMPLOYEE TURNOVER
• Job satisfaction

In order to be successful, an organization must continuously ensure the satisfaction of their employees. Job satisfaction is an important indicator of how employees feel about their job and predictor of work behavior such as turnover intention. Job satisfaction is an attitude which results from balancing and summation of many specific likes and dislikes experienced in connection with the job-their evaluation may rest largely upon one's success or failure in the achievement of personal objective and upon perceived combination of the job and combination towards these ends.

Job satisfaction describes how contented an individual is with his or her job. It is a relatively recent term since in previous centuries the jobs available to a particular person were often predetermined by the occupation of that person's parent. There are a variety of factors that can influence a person's level of job satisfaction. There are various components that are considered to be vital to job satisfaction. These variables are important because they all influence the way a person feels about his/her job. These components include the following: pay, promotion, benefits, supervisor, co-workers, work conditions, communication, safety, productivity, and the work itself. Each of these factors figure into an individual's job satisfaction differently. One might think that pay is considered to be the most important component of job satisfaction, although this has not been found to be true. Employees are more concerned with work in an environment they enjoy. Job can be influenced by variety of factors like quality of one's relationship with the supervisor, quality of physical environment in which one works and the degree of fulfillment in one's work. Positive attitudes towards job are equivalent to job satisfaction where-as negative attitudes towards job have been defined variously from time to time. In short, job satisfaction is determined by a person's attitude towards job.

One is satisfied if a relationship is profitable, that is, if the rewards of the relationship exceed the costs incurred. One is also satisfied if a relationship compares favorably to one's hopes and expectations. Perceptions of fairness also affect satisfaction: even if a relationship provides many benefits, one may not be fully satisfied if one believes that he is being treated unfairly. In business, partners are usually dissatisfied if they perceive the relationship to be inequitable.

Is a multidimensional concept involving satisfaction with job facets ranging from pay to supervision to satisfaction with the nature of the work itself? (Richard et al, 1994). These facets can be intrinsic or extrinsic. Intrinsic aspects include autonomy, achievement, challenge, and feelings of recognition. Extrinsic sources stem from the environment of the person and may include pay, working conditions, job security, etc. Richard et al. mention three reasons why there should be a focus on extrinsic satisfaction. First, organizations do not control what creates the intrinsic satisfaction. Second, it emanates from different sources according to employees preferences, ethos and styles. Third, managers need to control the overall termination rate of the firm rather than the one of each individual.

Job design aims to enhance job satisfaction and performance methods include job rotation, job enlargement and job enrichment. Other influences on satisfaction include the management style and culture, employee involvement, empowerment and autonomous workgroups. Job satisfaction is a very important attribute which is frequently measured by organizations. The most common way of measurement is the use of rating scales where employees report their reactions to their jobs.

• Organizational Commitment

Organizational commitment refers to one's degree of identification and involvement in a particular organization (Meyer and Allen, 1991). Organizational Commitment is defined as "the relative strength of an individual's identification with and involvement in a particular organization" (Mowday et al., 1979). It has the following 3 characteristics: "(1) a strong belief in and acceptance of the organization's goals and values; (2) a willingness to exert considerable effort on behalf of the organization; and (3) a strong desire to maintain membership in the organization." (Mowday et al. 1979). This definition suggests that employees' commitment does not depend only on perceptions and attitudes but it should be reflected in actions and translated into effective contributions to the organization.

Organizational Commitment predicts work variables such as turnover, Organizatioanal citizenship behavior, and job performance. Some of the factors such as role stress, empowerment, job insecurity and employability, and distribution of leadership have been shown to be connected to a worker's sense of organizational commitment. Employee experiences a 'sense of oneness' with their organization.

Meyer and Allen's (1991) three-component model of commitment was created to argue that commitment has three different components that correspond with different psychological states. The model explains that commitment to an organization is a psychological state, and that it has three distinct components that affect how employees feel about the organization that they work for. The three components are: Affection for your job (affective commitment); Fear of loss (continuance commitment); Sense of obligation to stay (normative commitment).

• Relationship between Job Satisfaction and Commitment

Several studies have focused on the relationships between job satisfaction and organizational commitment, and intention to leave (Bluedorn, 1982; James *et al.*, 1982; Rizzo *et al.*, 1970).

Job satisfaction and organizational commitment reflecting a positive evaluation of the job and/or of the employing organization are assumed to influence turnover intentions. Satisfaction represents an affective response to specific aspects of the job and denotes the pleasurable or positive emotional state resulting from an appraisal of one's job (Igbaria, 1991; Tifft, 1989; Williams and Hazer, n.d.). Organizational commitment is an affective response to the whole organization and the degree of attachment or loyalty employees feel towards the organization.

Although a few researchers have analyzed organizational commitment as a predictor of job satisfaction (e.g., Bateman and Strasser 1984}, most researchers have analyzed job satisfaction as an antecedent to organizational commitment (e.g., Johnston, Parasuraman, Futrell, and Black 1990). Job satisfaction appears to be a significant predictor of organizational commitment while the reverse causal relationship is not as significant.

It has been shown that job satisfaction is a major component of turnover models (Mobley, Horner, and Hollingsworth 1978; Price and Mueller 1986}. Although job satisfaction has been found to be important to an employee's decision to leave an organization (Hom, Caranikas-Walker, Prussia, and Griffeth 1992}, Bluedorn's (1982) model indicates that the relationship between job satisfaction and withdrawal cognition is mediated by organizational commitment.

Moreover, the findings of Cotton and Tuttle (1986), and Michaels and Spector (1982) provide evidence that job satisfaction has a direct effect on turnover intentions as well as an indirect effect through organizational commitment.

• Employee Burnout

Burnout is defined as ''a psychological syndrome that involves a prolonged response to chronic interpersonal stressors on the job'' (Leiter and Maslach, 2004, p. 93). Scheufeli, Leiler, Maslach, and Jackson (1996) developed the Maslach Burnout Inventory-General Survey (MBI-GS). This Burnout is categorized into three dimensions (emotional exhaustion, cynicism, and professional efficiency).

Exhaustion includes any sources that can lead to an individual's fatigue, whereas cynicism means apartness and indifferent attitude toward work in general. Professional efficacy includes both social and non social aspects of job accomplishment.

The most frequently used measure of burnout is the Maslach Burnout Inventory (MBI), which interprets burnout as a three-dimensional construct that

comprises emotional exhaustion (a feeling of emotional depletion from one's job) as the central component, depersonalization or cynicism (which refers to a disinterested attitude toward one's job), and decreased personal accomplishment or efficacy (feelings of lack of achievement at work) (Maslach et al., 1996; Leiter and Maslach, 2004).

The pressures of extensive restructuring and economic constraints leading to manager role changes, staff shortages, and the 2003 SARS crisis were suggested as contributing factors to higher burnout. Van Bogaert et al. (2014) reported relatively low levels of emotional exhaustion with one in six managers reporting high or very high burnout. However cynicism was not measured nor was emotional exhaustion examined as a predictor of turnover intention.

Alternative opportunities

It was revealed in previous research that high Career committers consider leaving the company if development opportunities are not provided by the organization. However this group is not apt to leave and is likely to contribute to the company if their organizational commitment is increased. Chang found that individuals become affectively committed to the

organization when they perceive that the organization is pursuing internal promotion opportunities, providing proper training and that supervisors do a good job in providing information and advice about careers.

Chang (1999) examined the relationship between career commitment, organizational commitment and turnover intention among Korean researchers and found that the role of career commitment was stronger in predicting turnover intentions. When individuals are committed to the organization they are less willing to leave the company. This was found to be stronger for those highly committed to their careers. The author also found that employees with low career and organizational commitment had the highest turnover intentions because they did not care either about the company or their current careers. Individuals with high career commitment and low organizational commitment also tend to leave because they did not believe that the organization can satisfy their needs or goals.

Demographic factors

Demographic factors such as gender, age, education, location, marital status, service tenure have its impact on turnover intention.

Factors affecting Turnover Intention
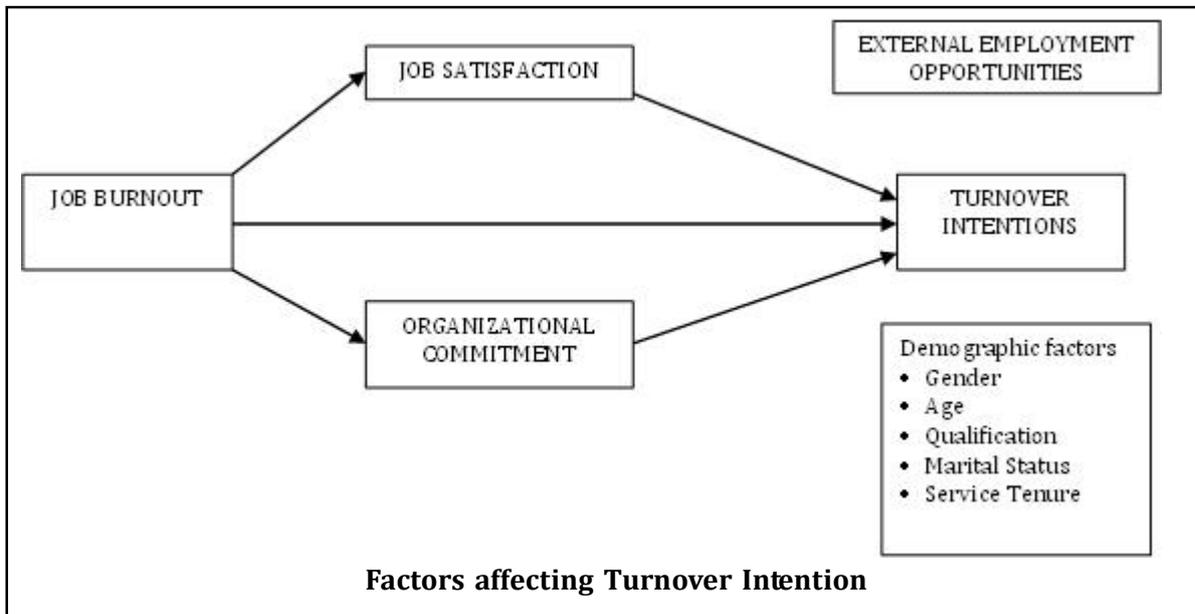
IV. REVIEW OF LITERATURE

Job satisfaction could help to increase employee commitment and motivation. A research conducted by Hay [1], found that the majority of the employees chose career opportunities, learning and development as the foremost reason to stay in an organization, to which, lead towards job satisfaction. Another research by Ali mentioned that problems might arise if employees' dissatisfactions are not taken into

consideration. Employees who are dissatisfied would eventually leave the organization, and at the same time, the organization loss the knowledge that the employees had brought in. If the organization decides to recruit new employees to replace those who leave, and their feelings of dissatisfaction are not met too, this could affect the daily operation of the organization, and the vicious cycle of turnover rate will happen again.

Satisfaction and commitment, for instance, have invariably been reported to be negatively related to turnover and intent to leave (e.g., Arnold & Feldman, 1982; Bluedorn, 1982; Hollenbeck & Williams, 1986), and positively correlated with one another (e.g., Bluedorn, 1982; Clegg, 1983; Dougherty, Bluedorn, & Keon, 1985). Equally consistent is the finding that turnover intention is the strongest cognitive precursor of turnover Caldwell, 1981). Important discrepancies exist, however, concerning the relative contributions of job satisfaction and organizational commitment to the withdrawal process. Three main theoretical perspectives in this area may be identified, each having distinct conceptual and research implications.

One view is that commitment to the company develops from job satisfaction such that commitment mediates the effects of satisfaction on withdrawal variables. This *satisfaction-to-commitment mediation model* reflects Porter, Steers, Mowday, and Boulian's (1974) claim that commitment takes longer to develop and is more stable than satisfaction, and has received considerable empirical support (e.g., Marsh & Manari, 1977; Mowday, Porter, & Steers, 1982; Price & Mueller, 1986; Williams & Hazer, 1986). The model suggests that job satisfaction has only an indirect influence on the intention and/or decision to quit, and encourages study of mechanisms through which satisfied workers become committed to their organizations.

The second view holds that the direction of influence between satisfaction and commitment is the reverse of that above. The *commitment-satisfaction mediation model* suggests that commitment to the company engenders a positive attitude toward the job, possibly through a rationalization process (Bem, 1967; Salancik & Pfeffer, 1978), and people leave or stay based on how they feel about their jobs. That commitment to the company may develop prior to entry (O'Reilly & Caldwell, 1981; Schein, 1968) or at least may be evident

at early stages of employment (Porter, Crampon, & Smith, 1976), lends support to that hypothesis (Bateman & Strasser, 1984). The model promotes the view that changes in commitment can be expected to have only indirect effects on turnover. Several studies (e.g., Bateman & Strasser, 1984; Dossett & Suszko, 1989) have provided support for the model; others (e.g., Curry, Wakefield, Price, & Mueller, 1986; Meyer & Allen, 1988), however, have not.

The third perspective holds that both satisfaction and commitment contribute uniquely to the turnover process. This *independent-effects model* follows Porter et al.'s (1974) suggestion that job satisfaction and organizational commitment, though related, are distinct constructs (Dougherty et al., 1985). It implies no particular causality between the two attitudes, but does not rule out the possibility of reciprocal influences (cf. Farkas & Tetrick, 1989). More than the first two perspectives, it calls for research into how attitudes toward the job and company combine and/or interact to influence the intent and final decision to quit.

V. INTERRELATIONSHIP AMONG FACTORS AND TURNOVER
• Job Satisfaction and Turnover

Job satisfaction is the total of the sentiments related with the job conducted. If the worker perceives that his values are realized within the job, he develops a positive attitude towards his job and acquires job satisfaction (McCormic and Tiffin, 1974).

Apparently, [28] investigated the relationship between job satisfaction and turnover intentions involving 300 scientists from Indian National Dairy Research Institute and Indian Agriculture Extension Centres in Haryana. [29] Found a significant negative correlation between job satisfaction and turnover intention implying the higher the job satisfaction level, the lower is the intention to quit the job.

Exhibit: The summary of the literature on antecedents of employee turnover intentions

S. No	Reference	Constructs used in study	Sector	Country
1	Gartner and Robinson (2000)	• Job satisfaction • Organizational commitment • Turnover intentions	Higher Education	USA
2	Samad (2006)	• Job Characteristics • Job satisfaction • Turnover intentions	Telecom	Malaysia
3	Randhawa (2007)	• Job satisfaction • Turnover intentions	Agribusiness	India
4	Vohra and Goel (2009)	• Job satisfaction • Organizational commitment	Various Indian Organizations	India
5	Gunlu, Aksarayli and Peran (2009)	• Job satisfaction • Organizational commitment	Hotels	Turkey
6	Lambet and Hogan (2009)	• Job satisfaction • Organizational commitment • Turnover intentions	Govt. Services	USA
7	Bilal, Rehman and Raza (2010)	• Work-life Balance • Family Friendly policies • Job satisfaction • Turnover intentions	Banking Sector	Pakistan
8	Singhe (2010)	• Job satisfaction • Turnover intentions	Software sector	Sri Lanka
9	Natarajan (2011)	• Job satisfaction • Organizational commitment	Govt. Services	India
10	Sangroengrob and Techachaicherdchoo (2012)	• Job satisfaction • Organizational commitment • Work Commitment • Turnover intentions	ITES	Thailand

According to Fishbein (1967) our affective reactions to the job can lead to intentions that govern behavior. Therefore reduced levels of job satisfaction and organizational commitment result in a higher desire to quit the organization.

Mobley et al. (1978) suggested that low job satisfaction causes thoughts of quitting and leads to search for alternative jobs, which causes the formation of an intention to stay or to leave. Further, Findings of multiple studies have shown a strong negative relationship between job satisfaction and turnover intentions (Mannheim et al., 1997; Abraham, 1999). In a myriad of occupations, Stayers have always scored higher in job satisfaction as compared with leavers. After attempting to increase the degree of satisfaction, turnover intentions dropped significantly (Abraham, 1999).

Other studies suggested that job satisfaction affect organizational outcomes such as turnover intentions (Shore & Martin, 1989), turnover (Brown, 1993; Mathieu & Zajac, 1990), absenteeism (Sagie, 1998), and work performance (Shore & Martin, 1989).

When analyzing the relationship between job satisfaction and turnover, many researchers have used a global measure of satisfaction. Much research exists that suggests the different facets of job satisfaction should be used as predictors of turnover. For example, Telly, French, and Scott (1971) indicated that employees' feelings of inequity may lead to turnover. Inequity may manifest itself in the rewards in which employees receive. Therefore, pay satisfaction again may be important to the turnover decision. Also, Scholl, Cooper, and McKenna (1987) found that pay satisfaction was highly correlated with employees' intent to remain with an

organization. Finally, Leigh, Lucas, and Woodman (1988) reported significant correlations between intention to change jobs and satisfaction with pay, satisfaction with promotion, and satisfaction with supervision.

• Organizational Commitment and Turnover

The most popular and thoroughly validated multidimensional model of organizational commitment is Meyer and Allen's (1991). That model includes affective, normative, and continuance components, all of which are thought to contribute to employee retention. A recent meta-analytic review of the model (Meyer et al. 2002) indicates that all three components display negative associations with intended and actual turnover. Interestingly, the three components correlated more strongly with actual turnover (-0.17 for affective commitment, -0.16 for normative commitment, and -0.10 for continuance commitment) in Meyer et al.'s review).

A great deal of research has been conducted that attempts to link employee attitudes e.g., organizational commitment with behavioral factors like turnover intention (Zhao et al., 2007). In fact, organizational commitment plays a central role in the turnover literature and it has been discussed earlier. The meta-analyses conducted by Griffeth et al. (2000), and Meyer et al. (2002), proved that organizational commitment is an important antecedent of turnover intentions. The studies also revealed that intention to leave is an important antecedent to actual turnover. Committed employees have been found to be less likely to leave an organization than those who are uncommitted (Angle and Perry, 1981). It is so because they wish to maintain their association in order to facilitate organizational goals (Suliman and Iles, 2000).

Many studies have reported a significant association between organizational commitment and turnover intentions (Steers, 1977; Hom, Katerberg & Hulin, 1979; Mowday, Steers, & Porter, 1979; O'Reilly & Caldwell, 1980; Wiener & Vardi, 1980; Ferris & Aranya, 1983; Stumpf & Hartman, 1984; Tett and Meyer, 1993). Other research has established a relationship between job satisfaction and turnover intentions (Angle & Perry, 1981; Bedeoam & Armenakis, 1981).

Studies of facet satisfaction also have reported significant correlations between turnover intentions and satisfaction with the work itself (Hom et al., 1979; Kraut, 1975; Waters, Roach, &Waters, 1976) For example, Perters, Bhagat, and O' Connor (1981) found that organizational commitment had a stronger relationship with turnover intentions than job satisfaction, though satisfaction did make an independent contribution to the prediction of turnover intentions. Arnold and Feldman (1982) also found that both work attitudes correlated significantly with turnover intentions, though organizational commitment showed the stronger relationship.

However, a more resent research conducted by Hsu (2009) showed no significant relationship between organizational commitment and turnover intention, most researchers have found a significantly negative relationship between organizational commitment and turnover intention (Addae et al, 2006; Zhao et al., 2007; Pare and Tremblay, 2007).

• Job burnout and Turnover

Job satisfaction and Turnover intention are considered as two important outcomes of Burnout (Kahill,1988). Job satisfaction can be conceptualized as "The pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values". (Locke, 1969). Whereas job turnover intention can be defined as "The last in a sequence of withdrawal cognitions, a set to which thinking of quitting and intent to search for alternative employment also belongs". (Tett & Meyer, 1993). Job satisfaction is widely recognized as beneficial for organizations because it is generally associated with positive work outcomes such as low turnover intention (Muchinsky & Tuttle, 1979) and high organizational commitment. Reduced jobsatisfaction and increased tuenover intention are likely to occur as a result of burnout. (Kahill, 1988).

• Gender and Turnover

Male and female differences on intention to leave have also well researched in previous studies. Mostly females have low retention than the male counterpart due to home management.

• Age and Turnover

The impact of age on intention to leave jobs has received significant attention in preceding studies but counter results have been reported with regard to the levels of intention to leave among young and older staff.

For example (Randhawa *et al.,)* hypothesized that the demographic factors (gender, year of service, age, and level of income) exhibit differences in overall intention to leave among employees. Apparently, they found inconsistent intention to leave scores among younger and older staff. Conversely, (Randhawa Gurpreet, *et al.,)* report no mean scores differences on intention to leave among old and younger employees

associating the results with existence of similar working conditions, work culture, office facilities and organization set – up. Yet, (Beecroft Pauline *et al.,)* deduced older respondents were more likely to have turnover intent if they do not get their placement position of the choice. But, (Kabungaidze Trust *et al.,)* concluded that older staff between the age group of 45 years and above experience less turnover intentions than staff below the age of 25 years suggesting the greater the age cohort, the lesser the turnover intentions.

The most studied and the most consistent in its relationship to turnover is the employee's age. This was revealed in a study by Ahuja et al (2007) on the IT industry in India. They found that age had a modest but significant effect on turnover intention. There are different perceptions of job satisfaction and motivation across the age spectrum. In their separate studies on retention of healthcare professionals, they found younger nurses had lower levels of job satisfaction while the older age group of 40 and above had higher levels of job satisfaction (Griffeth *et al.* 2000; Kavanaugh et al. 2006; Wilson et al. 2008). A meta-analysis by Borman and Dowling (2008) in their study on teacher attrition and retention, they indicated that those who are 51 years of age or older are nearly 2.5 times more likely to quit teaching than teachers who are 50 or younger.

• Education and Turnover

Levels of education have been described to have impact on employees intention to leave their positions. Aside age and gender, level of education or qualification is found to be positively associated with turnover suggesting that the more educated employees are, the more likely they are to quit. since high education level was associated with better labour-market alternatives. That is, the more educated an employee become, the more is the intention to leave observed.

• Years of service and Turnover

With respect to years of service, Ng and Sorensen (2008) reported that employees with higher tenure may have familiarity with their work role and have reached a higher level of career attainment than those employees with lower tenure. On the other hand, a further study conducted by Kavanaugh et al. (2006) revealed that nurses with different levels of tenure are not motivated to remain with an organization by the same incentives. Moreover, in a study by Crawley (2005) on the military, he reported that women with five to eight years of service are most likely to leave.

• Marital Status and Turnover

With marital status, Crawly (2005) in his study found that for single officers without children, 58 percent of men and 53 percent of women said they intended to remain in uniform. This concludes that married employees have higher intention to leave due to family commitment than unmarried employees.

• Location and intention to leave

Research claims the influence of location on employee intention to leave current organization (Shah Iqtidar Ali, *et al.,).* Says, (Shah Iqtidar Ali, *et al.,)*organization located in city or non-city areas may push or not push employee toward thinking exit Door. It was revealed no significant difference in the turnover intentions of the personnel by their place of work turning down location to have impact on intent to quit.

VI. COSTS DUE TO A TURNOVER

1. Calculate the cost of the person(s) who fills in while the position is vacant. Calculate the cost of lost productivity at a minimum of 50% of the person's compensation and benefits cost for each week the position is vacant, even if there are people performing the work. Calculate the lost productivity at 100% if the position is completely vacant for any period of time.

2. Calculate the cost of conducting an exit interview to include the time of the person conducting the interview, the time of the person leaving, the administrative costs of stopping payroll, benefit deductions, benefit enrollments.

3. Calculate the cost of the manager who has to understand what work remains, and how to cover that work until a replacement is found.

4. Calculate the cost of training your company has invested in this employee who is leaving.

5. Calculate the impact on departmental productivity because the person is leaving. Who will pick up the work, whose work will suffer, what departmental deadlines will not be met or delivered late.

6. Calculate the cost of lost knowledge, skills and contacts that the person who is leaving is taking with them out of your door. Use a formula of 50% of the person's annual salary for one year of service, increasing each year of service by 10%.

7. Subtract the cost of the person who is leaving for the amount of time the position is vacant.

Recruitment Costs

1. The cost of advertisements; agency costs; employee referral costs; internet posting costs.
2. The cost of the internal recruiter's time to understand the position requirements, develop and implement a sourcing strategy, review candidates backgrounds, prepare for interviews, conduct interviews, prepare candidate assessments, conduct reference checks, make the employment offer and notify unsuccessful candidates. This can range from a minimum of 30 hours to over 100 hours per position.
3. Calculate the cost of the various candidate pre-employment tests to help assess a candidates' skills, abilities, aptitude, attitude, values and behaviors.

Training Costs

1. Calculate the cost of orientation in terms of the new person's salary and the cost of the person who conducts the orientation. Also include the cost of orientation materials.
2. Calculate the cost of departmental training as the actual development and delivery cost plus the cost of the salary of the new employee. Note that the cost will be significantly higher for some positions such as sales representatives and call center agents who require 4 - 6 weeks or more of classroom training.
3. Calculate the cost of the person(s) who conduct the training.
4. Calculate the cost of various training materials needed including company or product manuals, computer or other technology equipment used in the delivery of training.

Lost Productivity Costs

As the new employee is learning the new job, the company policies and practices, etc. they are not fully productive. Use the following guidelines to calculate the cost of this lost productivity:

1. Upon completion of whatever training is provided, the employee is contributing at a 25% productivity level for the first 2 - 4 weeks. The cost therefore is 75% of the new employee's full salary during that time period.
2. During weeks 5 - 12, the employee is contributing at a 50% productivity level. The cost is therefore 50% of full salary during that time period.

3. During weeks 13 - 20, the employee is contributing at a 75% productivity level. The cost is therefore 25% of full salary during that time period.
4. Calculate the cost of mistakes the new employee makes during this elongated indoctrination period.

New Hire Costs

1. Calculate the cost of bring the new person on board including the cost to put the person on the payroll, establish computer and security passwords and identification cards, telephone hookups, cost of establishing email accounts, or leasing other equipment such as cell phones, automobiles.
2. Calculate the cost of a manager's time spent developing trust and building confidence in the new employee's work.

Lost Sales Costs

Calculate the revenue per employee by dividing total company revenue by the average number of employees in a given year. Whether an employee contributes directly or indirectly to the generation of revenue, their purpose is to provide some defined set of responsibilities that are necessary to the generation of revenue. Calculate the lost revenue by multiplying the number of weeks the position is vacant by the average weekly revenue per employee.

VII. CONCLUSION

The research revealed the main variable factors that are affecting employee turnover intention. Turnover increased costs associated with the recruitment, training, and the retention of new employees. Employee turnover can negatively affect employee morale and organizational effectiveness, affecting profitability. So, there is a need to develop an understanding of the employee turnover, more especially; the factors influencing employee turnover and their effects on performance. Some ways are discussed in this article to reduce employee turnover. The business owners can take steps to reduce employee turnover, increase morale, and make happy employees productive.

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