



Assessing the Impact of Employee Turnover on Organization Performance

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ABSTRACT

Depreciation of the kwacha caused Inflation which in the end caused skyrocketing of both nonfood and food items prices, companies that did not want to raise wages have witnessed its employees leaving their jobs in search of greener pastures in companies that pays their employees handsomely.

The study was done to analyze and assess the impact of employee turnover on organization performance in the call center department at Vitalite Malawi. The objectives of the study were to find out the root cause of employee turnover and coming up with ways of curbing it.

The study will benefit companies that have call center departments, to know the root cause of employee turnover in the call center department. Structured questionnaire was designed and used to facilitate the acquisition of relevant data which is primary data and was used for analysis of the findings. The findings helped the researcher to determine whether there was high employee turnover at the call center department at Vitalite Malawi.

INTRODUCTION

A call center is a department that handles inbound and outbound calls from its customers, basically, inbound calls centers handles high volume of calls compared to outbound call centers. Agents in outbound may handle calls by calling customers on behalf of the organization on issues of customer satisfaction, collecting debts and making a survey. (goss, n.d.) apparently Many employees are leaving their jobs voluntarily as such it takes a lot of time for the companies to replace them. This gap has led to high financial problems. Employee turnover is defined as workers leaving their jobs from the company they were working for. (<https://www.workhuman.com/blog/employee-turnover/>, 2022)

Employee turnover wounds the organization in a such way that the outgoing employees creates a big gap, increase recruitment cost and it also paint a bad picture to job seekers that your organization has a bad culture and not conducive to work. (<https://www.hrprofiling-solutions.com.au/blogs/aus-blog/employee-turnover-causes-effects>, n.d.)

Literature review

Historical background of employee turnover

Labor turnover measures the movement of workers in and out of employment with a particular firm. Consequently, concern with the issue and interest in measuring such movement only arose when working for an employer. The rise of large scale firms in the late nineteenth century and the decreasing importance of agricultural employment meant that a growing number of workers were employed by firms. It was only in this context that interest in measuring labor turnover and understanding its causes began. (Berridge, 1929)

Labor turnover is typically measured in terms of the separation rate, the aggregate data on turnover among U.S. workers is available from a series of studies focusing almost entirely on the manufacturing sector. These data show high rates of labor turnover in the early decades of the twentieth century, substantial declines in the 1920s, significant fluctuations during the economic crisis of the 1930s and the boom of the World War II years, and a return to the low rates of the 1920s in the post-war era. (Frankel., 1920)

Contemporaries expressed concern over the high rates of labor turnover in the early part of the century and conducted numerous studies to understand its causes and consequences, some of these studies focused on the irregularity in labor demand which resulted in seasonal and cyclical layoffs. Others interpreted the high rates of labor turnover as an indication of worker dissatisfaction and labor relations problems. Many observers began to recognize that labor turnover was costly for the firm (Douglas, 1918)

The aggregate decline in labor turnover in the 1920s appears to be the beginning of a long run trend. Numerous studies, seeking to identify why workers began quitting their jobs less frequently, have pointed to the role of altered employment relationships. (See, for example, Owen 1995b, Ozanne 1967, and Ross 1958.) The new practices of employers, categorized initially as welfare work and later as the development of internal labor markets, included a variety of policies aimed at strengthening the attachment between workers and firms. The most important of these policies were the establishment of personnel or employment departments, the offering of seniority-based compensation, and the provision of on-the-job training and internal promotion ladders. In the U.S., these changes in employment practices began at a few firms around the turn of the twentieth century, intensified during WWI and became more widespread in the 1920s. However, others have suggested that the changes in quit behavior in the 1920s were the result of immigration declines (Goldin, 2000)

METHODOLOGY AND DESIGN

Prior to this chapter, we focused on literature review on effects of employee turnover on organization performance, this chapter reflects on the research methods and procedures of the study. The chapter further covers other areas such as the research design, study area, target population, sampling techniques, data collection methods, data analysis and ethical considerations.

Research design

According Sunaina singh research design is the plan or framework used to conduct a research study. It involves outlining the overall approach and methods that will be used to collect and analyze data in order to answer research questions or test hypotheses (singh, 2023)

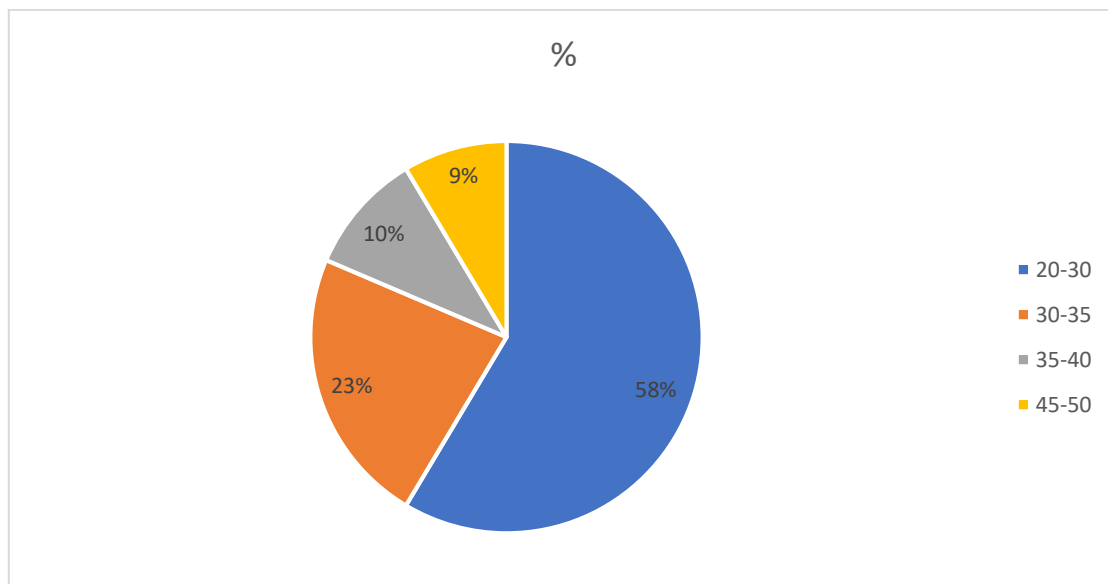
The research project embraced a descriptive research design on grounds that the project envisioned to collect quantitative and qualitative data that explained the conditions and features of the effects of employee turnover on organizational performance.

According to Voxco Descriptive research design is a type of research design that aims to systematically obtain information to describe a phenomenon, situation, or population. More specifically, it helps answer the what, when, where, and how questions regarding the research problem rather than the why. (Voxco, 2021)

DATA FINDINGS AND INTEPRETATION OF RESULTS

The previous chapters focused on the introduction, literature review and research methodology of the study. This chapter focuses on data that was collected in the form of questionnaires, which were distributed to the research participants at Vitalite Malawi. The chapter presents the data gathered in the form of tables, bar graphs, and pie charts together with a brief discussion. The main aim of this study is to assess the effect of employee turnover on organization performance at Vitalite call center department.

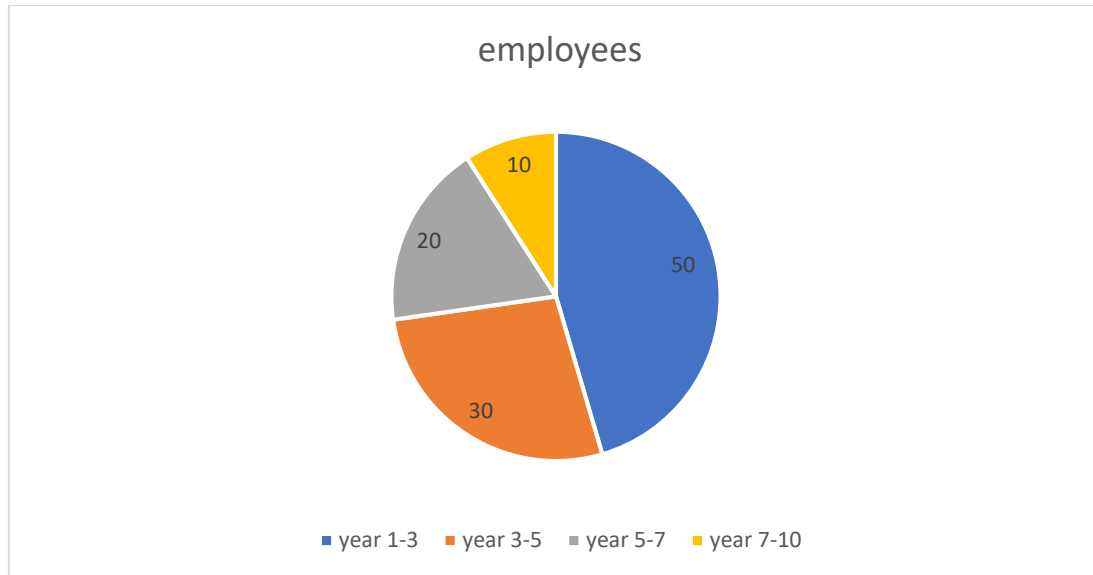
Age of the employees



All employees at Vitalite were advised to state their age as per the study sought to determine the employees age groups. The findings were shown in pie chart above 4.2 above in which it presented that the majority of the employee were between 20-30 years, represented by 58%, 23% were within the age of 30-35 years, 10% were within the age of 35-40 years and 9% were within the age bracket of 45-50 years. This shows that majority of the employee are young and active and had not stayed in the company for a long time hence they do not understand the problems that affects most of the employees to

quit the organization. This also entails that a majority of participants of the study are in their youthful age and may stay in their positions to get more experience.

Length of service



indicates that majority (50%) of the respondents have been working for the department for 1 to 3 years, 30% of the respondents have been with the department for 3 to 5 years, 20% of the respondents have been tendering their service for 5 to 7 years, while 10% of the respondents have been rendering their services to the department for 7 to 10 years. The results above clearly show that a large number of respondents have only been working at the department for not more than 3 years. This entails that there is a problem at Vitalite group as a large number of participants have only been working at the department for not more than 3 years. Based on this it can be concluded that the organization is failing to retain its employees.

CONCLUSION

Objective 1: To identify the factors that cause employee turnover at the Vitalite call center 55% of respondents disagreed with their salary satisfaction, 41.8% mentioned lack of career advancement, 69.3% agreed with lack of promotion, 49.5% agreed with unsatisfactory working conditions, and 7.7% agreed with work stress as being the factors that cause employee turnover at Vitalite. Empirical literature has supported the above as factors that cause employee turnover in organisations. A number of studies (Assey, 2009; Melaku, 2014; Ongori, 2007) conducted have illustrated that the causes of employee turnover in organizations cannot be clarified on the basis of one factor only but through an incorporation of several factors. The factors identified as the cause of employee turnover at Vitalite need to be addressed in a holistic manner. Objective 2: To identify performance challenges caused by employee turnover as a whole because of employee turnover. The study found that 53.9% of the respondents agreed that there is wastage of resources, 66% agreed with a reduction in work productivity, 58.3% agreed with employees not able to meet deadlines. Furthermore, 70.4% agreed with disruptions in service delivery, 57.2% agreed with employees spending too much time training new staff and 74.4% agreed with increased workload as performance challenges faced by Vitalite. Empirical literature is in support of the above study findings. High employee turnover has a number of consequences that could result in many complaints about services not being of a good standard.

RECOMMENDATION

- Training opportunities to be made available by the organization to keep employees intrigued and rotation of employees into different job positions to encourage variety and motivation. Training and development motivate employees to make long-term commitments to their place of work.
 - Employees in the department should be recognized and rewarded for their contribution, especially when they achieve goals. The management should create a recognition program for the department's employees. Recognition and reward for employees who performed outstandingly contribute to the working culture of respect and gratitude for employees and job did, which in turn reinforces employee commitment to the organization and improves performance.
 - management should provide benefits that will attract the best employees to remain in the organisation in order to improve service delivery. Aligning employee remuneration with employee job responsibilities will help in motivating employees to improve their performance.
- 6. Limitations of the study**
The biggest limitation of the study was the lack of funds and time. Therefore, the study could not be broadened. The second limitation would be that Vitalite does not have more than 200 employees as compared to other solar energy who are in business of the same cariber that have thousands of employees. As factors could be different from one department to another,

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