Evaluation of factors causing employees’ fluctuation

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Abstract
Nowadays, the situation with employment is very changeable and people working at Human Resources departments in many companies should know how to react to these changes. These employees are responsible to ensure that the company has enough employees to carry out all requirements and fulfill long-term objectives and goals a company has set up. When a worker is not satisfied with his employer anymore or vice versa, they start looking for a new workplace. This phenomenon, when people „job-hop” from one company to another for various reasons is called fluctuation. The low rate of turnover can be even beneficial for a company because new staff can bring new know-how. However, an excessive rate of releases can cause dysfunction in a company. Various companies have problems with employee turnover and this is the reason why we wanted to examine causes why people change their workplaces, we wanted to analyze factors that have a significant impact on fluctuation rate, explain this term and give information of its development. Our goal was to analyze this questionnaire based on the satisfaction and dissatisfaction of employees working in a chosen company, not fluctuation itself. As a methodology, we conducted a survey among employees to find out what are their reasons to change a workplace. In the end, we provided solutions suggestions that can be implemented by the company.

Keywords: employee, employment, factors, fluctuation,

JEL classification: E24, J33, M5

1. Introduction
Employees are stakeholders who take a pivotal role in achieving organizational success, competitive advantage and effectiveness (Kang & Sung, 2019). Employee fluctuation nowadays is seen as one of the foremost challenges for managers and a vital factor in achieving the organization’s goals (Tseng & Wu, 2017; Ruso et al., 2021). According to Vojtovič (2013), fluctuation is defined as the loss of employees. According to Werther and Davis (1992, p. 328), it is the total amount of departures and arrivals of employees in a company. Departures can be voluntarily initiated by employees, which we call leaving from work based on Bares (2016). Also, can be initiated by employers – release from work. or degraded. (Sirota, 2017).

Fluctuation can be divided according to different criteria as stated in a book written by Koubek (2015). The fundamental classification of fluctuation is natural (objective, forced), and undesirable, whereas the fluctuation that is objectively necessary, such as retirement, maternity leave, basic military service, or health reasons, is considered to be natural (Koubek, 2015). When we talk about natural fluctuations, it means a situation when a worker reaches retirement age and is no longer able to work. A natural fluctuation is also considered to be the death of a worker or the entry into employment immediately after leaving school. If a worker has difficulties with work ethic and is fired, this fact is evaluated as an unnatural form of turnover (Harpelund, 2019). There are other reasons, that are subjective and very individual, for which we consider fluctuation undesirable, such as dissatisfaction with salary and remuneration, working environment, workplace relationships, etc, according to Papulová and Papula (2011).
We differ 3 types of factors, which influence turnover: corporate, personal, and social causes according to Baumgartner (2015). Corporate causes of fluctuation, based on Bednář (2017) are those that relate to the company and performing of work therefore they are affectable by a company itself. Personal causes relate to employees as individuals and only a person who is affected by one of these factors can change the situation, company is hardly included according to Šikýř (2016). While the abovementioned factors may be changed by the company itself or by an individual employee, the social causes cannot be affected by either of them based on author Tegze (2018).

According to Horváthová (2011), turnover is a very negative occurrence for every organization, because it can lead to costs for recruitment of new employees. These costs are estimated to be 100%, almost 150% of the annual salary of the top employee. Author Meifert (2013) stated that organizations are losing due to fluctuation, because employees are holders of human capital, including their knowledge and know-how specific for a particular organization, which they take with them away while leaving, contributing to the know-how of their new employer. Moreover, employees’ turnover could lead to the loss of business opportunities (Yang et al., 2020). Due to significant losses caused by fluctuation, employee retention should be the key question in defining strategies of every organization (Campbell et al., 2017; Scheidler et al., 2018).

2. Data and Methods

The main aim of the research was to analyze the factors influencing the fluctuation of the employees in the selected company based on a questionnaire survey of employee satisfaction. Via questionnaire, we wanted to find and analyze reasons, why people want to change their current work according to their satisfaction/dissatisfaction, not fluctuation itself. Based on the results obtained from the survey, we wanted to propose recommendations for the human resources manager in the given company. The information was collected and obtained by studying the available Slovak and foreign literature, from professional articles available on the Internet or in the university library. For more information, we've studied textbooks and scripts, fluctuation statistics, job portals, and employment agencies reports.

As a methodology, we conducted a questionnaire survey on a sample of 113 employees working in all departments of the company, including agency workers. The questionnaire focuses on employee satisfaction and contains 17 questions. The anonymous questionnaire was provided in the online form and all questions were formulated so that the respondent could answer clearly. The questionnaire was realized during January 2020 and finished in June 2020 during the starting period of coronavirus pandemic and first lockdown.

To find out which factors are influencing the fluctuation in the studied company, we used Likert scales. Respondents had to choose the reasons that would cause them to leave the company. We used center measures for evaluation, so we calculated arithmetic mean, median and modus.

3. Results and Discussions

Questions were focused on various areas. One of them was aimed at the work loading of employees. Results from the graph are saying that majority of employees are not satisfied (48%) with their work loading, or they are even overloaded with tasks (24%). Only 18% of respondents are satisfied with the loading and just 10% are very satisfied.
The following question focused on the company social program, where various events organized by the company and benefits are included. 43% of respondents expressed that they are satisfied with this program and a small portion of workers (10%) are even very satisfied with offered benefits. However, some respondents stated they are not very happy about this program (36%) and 12 people are very unsatisfied (11%) with the social benefits offered by the company.

The following graph is analyzing answers, to whether employees can fully use their qualifications within the tasks they receive in the company. According to the graph, we assume that majority of respondents 53% are unsatisfied with the usage of their qualifications in their workplace and 10% are very unsatisfied with this issue. Only 3% of employees are fully able to embrace their competence and 34% of workers are partially satisfied.
In another question, we asked if respondents are planning to leave the company in the near future. In a graph, we can see that 38% of people are not currently planning to leave and 37% are satisfied with their workplace. 13% of our respondents are considering leaving, but they have not started any action. However, 12% of people want to leave and they have started to look for another company.

One question in the survey focused on satisfaction with working conditions, like cleanliness, lighting, temperature, or noise. In the graph below, we can see that majority of people are very (30%) or just unsatisfied (42%) with working conditions in the company. Only 5% of employees are very satisfied and 23% are satisfied with the working conditions provided by.
the company. In addition to the mentioned factors of working conditions in the workplace, another factor appeared during the pandemic: the home office. The coronavirus has changed the attitude of employees to perform work during the home office, which requires a higher work commitment. Employees had to face the challenge of reducing their work time due to a large number of online meetings. The employees thus had to work overtime, especially administrative staff.

The next question focused on job security provided by the company. From graph 16, we can assume that more than half (52%) are mostly secured with their job and 22% have absolutely no doubts about their workplace. 17% feel insecure and 9% stated that they do not have a sense of job security at all.

Among the last questions, respondents had to rank which factors may influence their decision to leave the company where the research had been conducted. The subject of questioning was factors influencing the fluctuation of employees. Respondents evaluated the significance of individual factors using the Likert scale. Respondents had to choose on a scale from 1 to 5, where 1 - strongly disagree, 2 – disagree, 3 – neither agree nor disagree, 4 – agree and 5 – strongly agree. According to table 1, one of the most important factors is unsatisfactory
remuneration, followed by job security and impossibility of education. Then a little bit less important factors, but still should be considered by the company are bad working conditions bad relationships among colleagues, the impossibility of promotion and recognition of personal success by the manager.

Table 1: Factors influencing turnover of employees

<table>
<thead>
<tr>
<th>Factors influencing turnover of employees</th>
<th>Unsatisfactory Remuneration</th>
<th>Impossibility of promotion</th>
<th>Impossibility of education</th>
<th>Bad relationship among colleagues</th>
<th>Bad working conditions</th>
<th>Recognition of personal success</th>
<th>Job security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arithmetic mean</td>
<td>4,10</td>
<td>2,17</td>
<td>2,94</td>
<td>2,25</td>
<td>2,75</td>
<td>1,67</td>
<td>3,50</td>
</tr>
<tr>
<td>Median</td>
<td>4,00</td>
<td>2,00</td>
<td>3,00</td>
<td>2,00</td>
<td>2,50</td>
<td>1,00</td>
<td>3,00</td>
</tr>
<tr>
<td>Modus</td>
<td>4,00</td>
<td>3,00</td>
<td>4,00</td>
<td>2,00</td>
<td>2,00</td>
<td>1,00</td>
<td>3,00</td>
</tr>
</tbody>
</table>

Source: Own elaboration

4. Conclusion

The main goal of this research was to analyze how a particular company is dealing with fluctuation. We had to find and analyze reasons, why people want to change their current work according to their satisfaction/dissatisfaction, not fluctuation itself. The practical part of this work focused on the analysis of the questionnaire about employee satisfaction. We created an anonymous questionnaire for employees with various questions, focused on working conditions, job security or social program of the company, and many others.

Huge dissatisfaction is connected with work loading which can lead to the decision of workers to leave the company due to overloading. We would suggest making an analysis, what is the average loading per worker if there is enough technological equipment to fulfill the tasks and if needed reorganize tasks between employees.

When it comes to benefits offered by the company, there is a dispute about whether the money used for these events should not have been used for higher wages of employees. From the general point of view, there are not many companies offering such opportunities. The social program should continue within the company because it is one of the biggest advantages with the possibility to keep the current employees and attract new ones for open positions. Improvement of this program depends on the budget. When it comes to health, it is the multinational companies, where we also include our researched company, that have provided their employees with more health benefits. In many cases, they cared not only for them but also for their families during the outbreak of the pandemic. It is our researched company that has provided and still provides drapes, respirators or disinfection, bought germicidal radiators in the production hall, overpaid tests for employees, or expanded vitamin packages, which already had a tradition in the company. This health care offered to employees is quite rare and the company worked hard to secure their employees during such difficult times.

Usage of qualifications is another big issue in the company. Workers stated that they do not use it fully, which can lead to a higher turnover of employees. Usually, if workers think they
are overqualified for the job and they agreed to work in such a position, it is connected only with their individual decision to do so. The company has no power to change it, even when there is a possibility that these workers will leave one day for a more suitable job.

When it comes to factors why employees would be willing to leave, remuneration is the most important. The level of salaries has a significant impact on the personal decisions of workers whether to stay or not. Some companies can solve this problem by providing an extra salary payment, the so-called „13th salary”. Others with lower income may refinance transport costs or offer meal vouchers at least once a year. However, this company should think about the option of a 13th salary or annual percentage increase based on revenues of the company. Remuneration is followed by job security. People want to be sure they have a stable job and a stable income. Another important factor is education. A possibility for workers to learn new things and gain new knowledge is very important, so the company could provide workshops and training not only for administrative workers but also for employees in production to decrease the fluctuation.

Another big problem is working conditions. Employees must work under harsh conditions, such as big noise, dust, or high temperatures in the summer, so more equipment for their employees should be implemented: using earphones against excessive noise, a dust-proof respirator and to equip individual workplaces with air-conditioning to allow employees to perform better work, what can lead to an increase of production. If these conditions improve, the general public opinion about the company will change for the better, and overall fluctuation will decrease as well.

The Covid-19 pandemic highlighted new factors that are causing employee turnover: employees had to acquire new technical skills and learn to work with systems such as Zoom, MS Teams, Webex, and others. The employees had to learn self-discipline within the work at home office, where no one checked them and it was up to them how to assign working hours and work tasks. As the research was launched before the start of the pandemic in January 2020 and took place during the first lockdown until June 2020, we would like to continue the research on staff turnover now at the time of the pandemic and compare these results from both surveys.

To sum up, we would recommend that the company should focus on areas where dissatisfaction of respondents has been noted, or that suggestions, that have been proposed to improve individual areas, will be also applied in practice. This would prevent unwanted employee turnover from the company, decrease costs related to the recruitment of new staff and training of new staff.

References


