

Minimizing Employee Turnover

Coralys Batista-Alicea
Master in Engineering Management
Hector J. Cruzado, PhD
Graduate School
Polytechnic University of Puerto Rico

Abstract — This paper presents a plan that was created to minimize the amount of employee turnover in an outsourcing company. It involves team leaders, human resources, manager and talent from the groups. The employee turnover can be calculated and divided by groups. This helps the company and team organize the attack plan to keep the resources inside the company. The plan can be implemented in all levels and company but is designed for outsourcing companies since the solutions and approach are more viable for that industry. It is a learning experience for all levels and can be enhanced over time.

Key Terms – Turnover, minimize, employees

EMPLOYEE TURNOVER

Many organizations are experiencing a high number of employees abandoning the organization in less than a year. One of the most affected companies are the outsourcing industries. The company focused on this project organization is limited to providing support services in a small scale since the talent and knowledge restarts to zero every year.

The main objective is to minimize the amount of employees leaving the company and keep the talent inside the organization.

An employee turnover refers to the number or percentage of workers who leave an organization and are replaced by new employees. The time between each transition affects the productivity and standard of a company. In this case, an outsource company is highly affected by the turnover of talent in short period of times. Measuring employee turnover can be helpful to employers that want to examine reasons for turnover or estimate the cost to hire new employees, for budget purposes. The percentage of employees that abandon a company can be calculated with equation (1).

$$\text{Employee Turnover rate} = (\text{Employees left}/\text{Average number of employees}) * 100 \quad (1)$$

TYPES OF EMPLOYEE TURNOVER

There are different types of employees' turnover. The mayor categories are the following: voluntary and involuntary. The major difference between them are better job offers or forced layoff from the department, respectively. For this plan, the type of employee turnover that will be attacked is the voluntary. The voluntary category has a sub-division called: functional or dysfunctional, where the dysfunctional has a sub- category: avoidable and unavoidable [1]. See Figure 1 for the hierarchy.

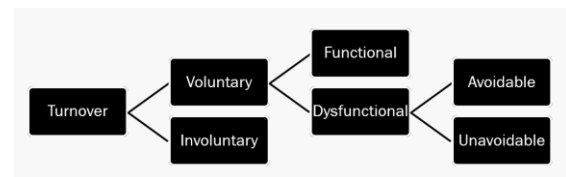


Figure 1

Turnover Hierarchy Voluntary vs involuntary

Still, the involuntary leave is a impact for the organization but, most of the time is the correct decision to keep the organization on business.

- The voluntary separation occurs when a employee decides to leave the company. An exit interview is conducted every time an employee leaves the company. Collected the data from past separations of a total of 237 employees. The major reasons are the following based on the data looks as the following:
 - 50 employees leave for money
 - 15 employees leave due to work vs life balance
 - 5 employees leave for better benefits
 - 25 employees leave for not sharing the same objectives/goals as the company

- 40 employees leave because they are not happy with the company (communications and awards)
- 40 employees leave because they do not feel challenged
- 50 employees leave due to limited opportunities to grow inside the organization
- 12 leave for other reasons like personal, relocations, family or health.

These reasons are the direction for the plan developed.

LEADERSHIP TEAM

To implement the plan a team was created. It is better to work with different points of views and areas of expertise to implement the plan. It was divided in these roles: human resources, managers, team leads, supervisors and leaders.

Human Resources

A great organization needs a great human resources team in order to be successful. They are the first to interact with the employees and are the ones that receive employees' feedbacks, answered surveys and they conduct the exit interview.

Manager

They open the job opportunities in the team. They usually are responsible to share information from hire management to the employees. They conduct overall performance and metrics to know the health of their departments. They also approve promotions and recognitions in their department.

Supervisors

Supervisors are the thin line that divides the hierarchy. Usually a supervisor can act as a manager when the manager is absent and can take decisions without consulting the manager. They interact more with the employees since they usually sit near them and oversee the operation. The supervisor is the person to go when requesting information not related to their role or daily tasks.

Team Leads

The team lead is the person to go with technical questions or work questions. They oversee the performance of the projects being worked. They can not perform as acting supervisors when the supervisor is absent. When the supervisor is absent, the manager takes the role.

Leaders (Talent)

The leaders are the outstanding employees that bring the work together. They are those that know all the processes and details to provide a great outcome. However, they do not oversee employees or manage any decision in the group. This is the team that the company needs to give all their attention in order to increase the knowledge in the department.

THE PLAN

The plan is consisted by the following process that requires all teams involved and the results should be seen in a month or less. The process was divided in steps in order to create attention and not pouring too much information at a single event.

The first step is creating a bulletin board with a white background and different methods to add information. Methods like the following sticky notes, box for letters, colorful markers and pre-created magnet comments or opinions. This was placed in the lunchroom where at anytime any employee could add information to the board. Also, communication from managers or higher management could be added in a non-formal way to keep the message getting to the employees. After one week (or two depending on how employees respond) add divisions to the board.

The divisions should be the following:

- Comments – Here employees can add any comments regarding any post in board or any other related comment.
- Questions – This area is cleaned on a monthly basis, since each month the questions found here should be answered in the monthly meeting.

- Ideas – Any idea should be discussed and considered.
- Awards – This can be a area to add recognitions by managers or co-workers on a monthly basis.
- Agenda – Add the month agenda with internal activities, external activities, important meetings and key dates.
- Performance – Highlight the department that had the best performance in the last month.
- Other – Leave an area for any other non-related add in. This area will be used by all the employees and managers can have a better idea of what is heard on the highway and secretly. This can clear up any miss-information or questions that could worry employees and affect their performance.

After the board is implemented, a month later gather all the data and meet with all employees in a room to answer questions, comments and give out rewards. The questions should be clarified and leave area to discuss any other question that can create a great conversation. Give out coffee or candies to the employees that take their time to attend the meeting.

The second phase of the plan included creating leadership roles inside the team. This can be an extra task (non-paid) opportunity to develop leadership and skills. This can be a role of technical reviewer, or a speaker in a seminar that the employee is highly skilled. This will help the team in having pass-down knowledge and the opportunity to shine in their team.

The third phase includes one-o-one meetings on a weekly basis (depending on the job). The meeting can be to discuss performance, questions, vacations and opportunities. It should be a casual meeting on the employee desk, depending on the items to be discuss they can take a small ergonomic walk in the building to talk. This increases communication from supervisor-employee, manager-supervisor and leads-supervisors. The goal is to rotate the weekly meeting with the different roles and involve human resources in at least one

time every three months. This can help human resources to have a better idea on what is happening on the floor and gather information for future employees (hiring events).

CONCLUSION

After a month of implementing plan the results were easily noticed. The number of employees abandoning the company decreased. However, the plan is still in place and gathering information of the employees' feedback to find areas for improvement.

A company that lacks communication from high management to employees have a higher rate of employees turnback. Human resources have added to their employee hunting small details of job requisites that will mitigate the communications problems. Also, a small arrangement will be done with the employees that seek growing in the company where they will not have to wait a full year to move, instead, with a recommendation letter from any of their hire management and a growing plan (worked together) they will be allowed to have a leadership, upgrade on their career.

REFERENCES

- [1] Shaw, J. D., Delery, J. E., Jenkins Jr, G. D., & Gupta, N. (1998). An organization-level analysis of voluntary and involuntary turnover