# "Employee Development and Its Impact on Turnover"

Thesis submitted for the Degree of Master of Philosophy (M.Phil.)

University of Dhaka

Prepared by

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M. Phil. Program

Session: 1999-2000

Regn No. 406/99-2000

Institute of Business Administration
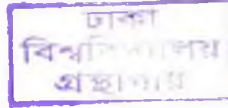
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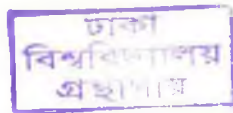Session : 1999-2000

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# Acknowledgement

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# List of Acronyms and Abbreviations

| Acronym | Abbreviation |
|---|---|
| ED | Employee Development |
| EIL | Employee Intend to Leave |
| HR | Human Resource |
| HRM | Human Resource Management |
| HRD | Human Resource Development |
| IT | Information Technology |
| FI | Financial Institution |
| ET | Employee Turnover |
| SPSS | Special Package for Social Science |
| SQ | Service Quality |
| BCC | Bangladesh Computer council |
| BCS | Bangladesh Computer Shamity |
| FGD | Focused Group Discussion |
| ICT | Information & Communication Technology |
| MNC | Multi National Company |

# Executive Summary

This study portrays the existing scenario of employee development practices using data extracted from surveys conducted for finding out the employee development practices in Bangladeshi banks and IT companies and also presenting some organization wise cases. In the past, HR role was concentrated to hiring firing and letter issuance-dispatching-filing stage. Now it has started to perform more than that such as: employee motivation, employee development, employee retention, facilitating organizational development initiatives etc. and thus contributes to the achievement of organizational goals. Employers have started to understand that the more they invest in human resources, the more output they are likely to obtain which lead them to emphasize on employee capability development. On the flip side, some HR actions have legal implications. But in the country context legal explanation does not seem to be adequate. There is a lack of uniformity of the interpretation of law that leads to practice by organizations in different way.

In companies of Bangladesh, there are two kinds of source for recruitment: 1. External sources and 2. Internal sources. Generally most of the employees – both from IT and banking sector - have faced two phases of interviews. Majority of the senior level employees have gone through only one phase of interview, whereas many employees in entry level have passed through more than two selection tests. Initial screening is a must step in the selection process of almost all the companies, specially IT and banks. Another common step is the oral viva for both types of organizations. Banks mostly use written tests whereas IT companies' percentage of usage is not high in this case.

Apart from this, it was found that biasness based on gender is not alarmingly high as  jobs in banking and IT industries cannot be stereotyped as 'male' or 'female' jobs as in other industries like manufacturing or construction. Age and religion based discrimination is almost nonexistent in these both industries. But there is high discrimination based on educational qualifications. There are instances where candidates from less prominent universities or colleges prove themselves worthy during recruitment process, but still get deferential treatment because of their

background or exam results. Statistics reveal that nepotism is also another major issue in recruitment and selection process -there is widespread practice of recruiting people based on their family ties or locality or references.

Orienting employees to their workplaces and their jobs is one of the most neglected functions in organizations of Bangladesh. Though many banks and IT companies informally orient their employees with the organization, it doesn't suffice to ease the anxiety and motivate an individual to blend in the company. Though in some cases, banks have formal orientation - most of the IT's do not have any kind of orientation. But both types of organizations have oriented majority of their employees informally.

Recruiting, selecting, orienting and then placing employees in jobs do not ensure success. In most cases, there may be gap between employee knowledge and skill and what the job demand. The gap must be filled through training programs. Hence, personnel training and retraining is one of the major way that work organizations attempt to maintain the competency levels of their human resources and increase their adaptability to changing organizational demands. Generally, absence of well-established training and development policy, lack of adequate budget, inadequate needs assessment, inappropriate training and development objectives, trying outdated training and development methods, lack of close supervision and follow up are some of the major problems that most organizations in Bangladesh are facing.

It can be seen that organizations mostly focus on technical trainings. A large chunk of IT employees received technical training only. In banking sector, every bank has more or less training facilities. They get almost equal training in all aspects their style of training is classroom training whereas IT companies mostly rely on on-the-job training. Again it was showed in the survey that the number of trainings received by the employees in IT sector is not very high compared to banking sector. The survey revealed that 111 employees received 2 to 5 trainings, 38 employees received 5 – 10 trainings and only 4 respondents received more than 10 trainings. Among those who have received more than 10 trainings all of them are from banking sector. Though a majority of the respondents were highly satisfied with the relevancy of their training

with their job, they have found the value addition average and the effectiveness of training needs identification process low. Besides the commitment of the supervisor to go for on the job training is rated average by a high number of employees. This may be due to the fact that, the performance appraisals are not used to identify training needs of individuals and thus imparting training to employees may improve their knowledge about their job but does not essentially help them to cope with their deficiencies.

Along with this, job rotation is another form of employee training in banks. 135 out of 233 employees said that they were sent to job rotations, and they were mostly bank employees. 78 employees said that there was no job rotation for them yet. These were mostly IT employees. Flexible timing and working from home policy is almost nonexistent in both of the sectors though it is practiced in case of IT companies sometimes.

Smooth flow of communication and feedback process is vital management of any organization. Most of the banks and IT companies do not have any special programs for helping communication in the organization, step up meetings (skipping a level, junior employees talk to senior managers) and town hall meetings (CEO addressing the employees). But the majority employee perception is that the opportunity to interact with seniors is high, especially in IT sector. Again it was seen that on an average feedback on performance is not given on a regular basis and it is not constructive enough, as 40% of the respondents rated their received feedback as average, 28% as low, 15% very low. The feedback in banking sector is higher than IT sector on a general basis. But majority of the respondents do not get much opportunity to feedback and criticize in their companies. The companies have to go a long way to implement participatory management in Bangladesh. Employee counseling has emerged as the latest HR tool to attract and retain its best employees and also to increase the quality of the workforce. There is counseling and mentoring policy in almost all the organizations albeit in an informal way.

The trend in the organizations of Bangladesh is to make the employees stay in their offices even after their job is done beyond the closing hour, which is not only detrimental to the motivation

and work-life balance of the employees, but also reduces the organizational effectiveness and productivity. The loan policy is satisfactory according to the majority of the respondents.

There are performance awards in almost all organizations. In Banks the rate of performance award is the highest. Majority of the organizations have annual performance appraisal, whereas a substantial number of organizations have appraisals after 3, 4 and 6 months. Again most of the employees perceive this appraisal as fair.

Retention bonus, policy and exit interviews are almost nonexistent in the companies. Most of the employees are neutral about the compensation package and do not have any clear idea about the pay policy, specially the IT companies whose pay is not structured. Most of the respondents (who were from local banks) were in disagreement with the statement of 'Company gives enough recognition for well done work'. So it can be concurred that, the reward based on performance practice has to improve a lot.

Now a day, safety is considered as the most vital issue for all occupation & work situation in all the developed countries of the world. The sick leave and health benefits are not satisfactory in most of the organizations according to the survey results.

This is not to say that all employee turnovers can or should be eliminated. But given the high costs involved and the impact on productivity and customer service, a well thought-out program designed to retain employees can easily pay for itself in a very short period of time. After discussing with the HR mangers from banks and IT companies the business costs and impact of employee turnover in banking and IT sectors can be grouped into four major categories. They are costs due to a person leaving, new hiring costs, training costs and lost productivity costs.

It is surprising to learn that it will cost at least 150% of a person's base salary to replace him or her. Actually, the more the person is paid, the higher that percentage will be. Because the more payment this person gets, obviously, the more of the value of their contribution to the growth and success in the business. Most businesses will probably pay their top employees triple (or more)

what they pay to a bookkeeper. The business values the contributions of the person at a higher level, at least in strictly monetary terms.

This study empirically evaluated the causes of turnover in Bangladesh, broadly categorized them under six Employee Development (ED) practices; Realistic job information during selection process and orientation, work family balance, career development, compensation, job analysis, and supervisor support and assessed their likely impact on the Employee Turnover in the Bangladeshi Banks and IT Companies. These six ED practices are labeled as the independent variables. Employee Intend to Leave (EIL) is labeled as the dependent variable. To find out the impacts of ED practice on employee turnover, the researcher has done descriptive analysis, checked the consistency and reliability of the questionnaire, conducted Pearson's product moment correlation analysis, and conducted Multivariate analysis and Stepwise regression.

The statistical computer package SPSS version 16.0 was utilized to analyze the data. The sample for this study is for 233 employees of 81 local and multinational banks and IT companies. Questions are designed in a five point Likert scale to measure ED practices and employee intention to leave.

Before the Pearson's product moment correlation analysis, the Cronbach's coefficient was used to get the inter item consistency reliability. Cronbach's alphas were 0.8096 for realistic job information, 0.7152 for job analysis, 0.8120 for work family balance, 0.7247 for career development, 0.8613 for compensation, 0.9132 for supervisor support and 0.8765 for Employees intention to leave suggesting that each instrument's internal consistency was satisfactory.

It is found that realistic job information, job analysis, career development, compensation and supervisor supports have negative relationships with EIL. Out of six variables Compensation, Career Development and Supervisor support are significantly correlated. The relationship between the work family balance and EIL was found to be not negative. Though the literature supports the negative relationship, it was not true for employees in banks and IT. When

considering the HR practices in the model, it indicated that 66% of the variance in EIL is explained by six HR practices.

Multivariate analysis suggests that two out of the six HR practices namely compensation and supervisor support were found to be explanatory factors having significant effects on EIL. Compensation was found to be the strongest ED practice predictor of EIL. Descriptive statistics reveal that employees of banks and IT companies are neutral (neither agree nor disagree) on an average about ED practices except job analysis, where they have indicated that job analysis situation had been favorable. These results suggest that all companies should improve the ED practices. Work family balance and EIL was positively correlated. This can be due to the freedom enjoyed by IT employees.

Findings suggest that most of the employees believe that banks and IT are in support for work family balance. There is no significant difference between the means of the male and female population who intend to leave. Compensation and job analysis were found to be strong ED practice predictors of EIL. The implication of this finding is that compensation and job analysis are the most critical ED practices to be implemented by banks and IT to reduce EIL. The findings of this research study will be important both on the theoretical level and practical level. It was almost possible to substantiate empirically the research model developed for this study. The relationship of ED and employee turnover can be an original contribution to the knowledge in the field of HRM. From the perspective of the banks and IT executives, these findings should assist in developing a set of ED practices that can potentially assist a firm to reduce the degree of the EIL.

Employee turnover can be reduced by hiring right person, avoiding new recruits out of desperation, hiring older workers, redesigning the orientation program, showing interest to the employee's welfare, consulting employees, providing an employee-friendly work environment, showing appreciation, leveling workload, providing excellent supervision, identifying and creating succession plans for critical roles, etc. Employee management practices can help to

create a source of sustained competitive advantage, especially when they are aligned with a firm's competitive strategy.

This is concluded from the fact that ED practices can affect turnover rate by their influence over employee skills and motivation and through organizational structures that provide employees with the ability to control how their roles are performed. So, if superior ED practices increase employees' discretionary effort, it can be expected that to directly affect intermediate outcomes, such as turnover and productivity, over which employees have direct control.

Perceptions of job security, compensation level, job satisfaction, organizational tenure, demographic variables such as age, gender, education, and number of dependents, organizational commitment, whether a job meets an individual's expectations, and the expressed intention to search for another job were all predictive of employees' leaving, and perceptions of organizational culture influenced turnover. Thus, the theoretical rationale for examining the effects of ED practices on turnover lies in their effects on these individual level factors.

This study was limited to investigating the impact of ED practices on employee turnover in Bank and IT companies in Bangladesh. Further investigations in other types of industries may provide additional insights into the findings of the study. Future research will be conducted by the researchers longitudinally in order to assess the impact of the factors over time.

# Chapter One: Introduction

Employee Development (ED) is the framework for helping employees developing their personal and organizational skills, knowledge, and abilities. Employee Development includes such opportunities as employee training, employee career development, performance management and development, coaching, mentoring, succession planning, key employee identification, tuition assistance, and organization development. The focus of all aspects of Employee Development is on developing the most superior workforce so that the organization and individual employees can accomplish their work goals in service to customers. Employee Development can be formal such as in classroom training, a college course, or an organizational planned change effort. Employee Development can be informal as in employee coaching by a manager. Healthy organizations believe in Employee Development and cover all of these bases.

# 1.1 Background of The Study

Many companies are floundering today in their attempts to improve employee retention because they have placed the responsibility for it in the hands of human resources instead of the managers (Leigh Branham, 1997). Most employees make a number of transitions between jobs during their working lives. These may include both job changes within a single employer and leaving one firm to take a job to another firm. In either case, there are usually the intentions to grow and increase in skills, responsibility, and remuneration, and/or improve the "fit" between employee skills and desires and job requirements. Each day completed by an employee is an investment; to leave before the full term is to get no return on the investment (Bennisonn and Casson, 1984). The reason behind choosing banking sector and IT sector for this study is, they play an important role in our economy. Such institutions play a pivotal role in capital formation and stimulate the level of industrialization, poverty alleviation and human development. In a sense, healthy banks and healthy economies seem to go together (Faruk, Kashem,2005). And a healthy banking system depends on the performance of sound personnel. In order to make sure that their employees are good performer they have to know first, the reasons of dissatisfaction and also the reasons of leaving organization as a dissatisfied employee.

There can be many different reasons for taking decisions regarding staying or not to staying with an organization. The loss of an organization's employee can be divided into three broad groups, induction crises, natural wastage, and retirement (Bennisonn, and Casson, 1984). The reason for the induction crisis can be found in jobs not fulfilling employees' expectations. And it happens within very short period of time. There is a strongly held belief that the rate of natural wastage responds to the level of morale within the organization. This is broadly true but there is an overriding factor that operates first: the level of vacancies in the labor market for the occupation under study is a much more important variable. Retirement can be predicted with a reasonable degree of accuracy. Retirement rules are usually based on age or lengths of service or a combination of both (Bennisonn, and Casson, 1984).

Talented workers want to feel they are being paid comparably to what other companies pay for similar work in the industry. Equity Theory recognizes that individuals are concerned not only with the absolute amount of rewards for their efforts but also with the relationship of this amount to what others receive (Robbins, 1999). They also care about being paid equitably with others in similar positions making comparable contributions. When these two conditions exist along with interesting and meaningful work, acceptable working conditions and good management practices, the prospect of making a little more money in another organization where these softer factors are unknown is usually not enough to pull the employee away (Branham, 1997).

Although many companies use contract employees to address fluctuations in business, working side by side with someone who is making twice the rate of pay without any commitment or loyalty to the company can be a real morale killer (Branham, 1997). Keeping good employees has more to do with how organization manages than what they pay. They stay or leave sometimes based on their relationship with their manager and their opportunity to both contribute and advance in their job. One recent study showed that 50 percent of the typical employee's job satisfaction is determined by the quality of his/her relationship with the manager. Reducing turnover also starts with commitment of top executives (Branham, 1997). Work environment is another important factor, which has influence on job retention. Study found that politics-free work environment is significantly correlated to job satisfaction of employees (Pahik and Pesonjee, 1997).

Current thinking suggests that organizations should aim for an optimal rate of turnover rather than the lowest possible rate. One scholar suggests that the optimal rate occurs where the curve of turnover costs crosses the curve of retention costs. So organization can reduce turnover, but only by incurring retention costs, such as higher salary, better benefits, quality-of work-life and development programs, and so on (Fisher, Schoenfeldt and Shaw, 2004). In addition, employees should give opportunities to fulfill their increasing demand, a balance between work and family life.

Again, employment turnover costs in many organizations are very high and can significantly affect the financial performance of an organization. It is possible, though not easy, to put figure on these costs to estimate the actual dollar loss from departure of an employee (Cascio, 1991). Turnover costs like direct- include recruitment, selection, and training of new personnel, which process takes much time and also expenses. Turnover costs like indirect include such things as increased workloads and overtime expenses for coworkers, as well as reduced productivity associated with low employee morale. This situation might lead one to believe that all turnovers are dysfunctional and that the lowest possible rate of voluntary turnover would be best. However, this is not necessarily true. Turnover also has benefits. An organization with a turnover rate that is too low may become stagnant and hide bound, lack of opportunities for employees to move up, and retain poor performers it would be better off without (Fisher, 2004).

# 1.2 Significance of The Study

The effective performance of an organization depends not just on the available human resources, but its quality and competence as required by the organization from time to time. The difference between two nations largely depends on the level of quality of citizens. Similarly, the difference in the level of performance of two organizations also depends on utilization value of employees. Moreover, the efficiency of production process and various areas of management depend to a greater extent on the level of employee development. The term human resources refer to the knowledge, skills, creative abilities, talents, aptitude,

values and beliefs of an organization's work force. The more important aspects of human resources are aptitude, values, attitudes and beliefs.

The vitality of HR to a nation and to an industry depends upon the level of its development. For the organization to be dynamic, growth-oriented and fast-changing it should develop their HR. Though the positive personnel policies and programs motivate the employees, buy their commitment and loyalty but these efforts cannot keep the organization dynamic. Organization to be dynamic should possess dynamic employees. Employees to be dynamic acquire capabilities continuously adopt the values and beliefs and aptitude in accordance with changing requirements of the organization. Similarly, when employees use their initiative, take risks, experiment, innovate and make things, happen, the organization may be said to have an enabling culture. The competent employees can be dynamic in an enabling culture. Thus, the organization can develop, change and excel, only if it possess developed employees. Thus, ED plays significant role in making the employees vital, useful and purposeful.

A Employee Department (ED) is necessary for the proper functioning of any and every organization. The general mistake that most of the entrepreneurs do while setting up a new venture is that they put the HR practices among the last things to be done. This eventually leads to subsequent problems which become insurmountable.

The initial stage of a new set up is the most challenging phase as it struggles to make a place for itself in the market and also to earn profit. Amidst of all this managing the workforce becomes an added workload.

The entrepreneurs must find a right balance of HR practices which has a strategic focus on the procedures rather than people; ensuring the right selection of the candidates.

Efficient employees are the most important asset of any organization; and they should be picked up carefully. A employee management team is here required to ensure that no one does make any mistake in choosing the suitable candidate.

It is not wise to consider investing in a proper selection procedure as a waste as it will comeback as twofold after the right employee is appointed to work. For this anyone might need to have a

strong and efficient HR team who will take care of all the workforce management. They need to upgrade the HR department about the requirement and leave it up to them to find an appropriate employee suiting company's requirements. Initiative should be taken to craft and put in place competitive HR strategies to make the organization work efficiently.

A proper functioning of ED is crucial for the success of a business set-up as even after the employees are appointed and they join the organization, it is the responsibility of the ED to upgrade the employees about every minute detail and remind them company goals time to time and that too strategically. Also they need to ensure that there is minimum employee turnover as retaining an employee who has worked with the organization and is aware about the know-how's of the company.

Therefore, the well working of an organization is directly related to the efficiency of its Employee Management team. The entrepreneurs should have a good understanding and should be well versed with the different aspects of Employee and it's that its functioning has a pivotal role to play in the success of any organization.

Some more issues with Employee Training and Development are illustrated below:

➢ **Optimum Utilization of Employees** – Training and Development helps in optimizing the utilization of employee that further helps the employee to achieve the organizational goals as well as their individual goals.

➢ **Development of Employees** – Training and Development helps to provide an opportunity and broad structure for the development of employees' technical and behavioral skills in an organization. It also helps the employees in attaining personal growth.

➢ **Development of skills of employees** – Training and Development helps in increasing the job knowledge and skills of employees at each level. It helps to expand the horizons of human intellect and an overall personality of the employees.

➢ **Productivity** – Training and Development helps in increasing the productivity of the employees that helps the organization further to achieve its long-term goal.

➢ **Team spirit** – Training and Development helps in inculcating the sense of team work, team spirit, and inter-team collaborations. It helps in inculcating the zeal to learn within the employees.

➢ **Organization Culture** – Training and Development helps to develop and improve the organizational health culture and effectiveness. It helps in creating the learning culture within the organization.

➢ **Organization Climate** – Training and Development helps building the positive perception and feeling about the organization. The employees get these feelings from leaders, subordinates, and peers.

➢ **Quality** – Training and Development helps in improving upon the quality of work and work-life.

➢ **Healthy work environment** – Training and Development helps in creating the healthy working environment. It helps to build good employee, relationship so that individual goals aligns with organizational goal.

➢ **Health and Safety** – Training and Development helps in improving the health and safety of the organization thus preventing obsolescence.

➢ **Morale** – Training and Development helps in improving the morale of the work force.

➢ **Image** – Training and Development helps in creating a better corporate image.

➢ **Profitability** – Training and Development leads to improved profitability and more positive attitudes towards profit orientation.

Training and Development aids in organizational development i.e. Organization gets more effective decision making and problem solving capability. It helps in understanding and carrying out organizational policies. Training and Development helps in developing leadership skills, motivation, loyalty, better attitudes, and other aspects that successful workers and managers usually display.

Modern business practice requires an integrated employee system to replace manual processes for the operational control of employee relations. This has resulted in reduced labor requirements and administrative processes. The corresponding increase in productivity due to centralized computing streamlines operations and assists managers to focus on more mission critical aspects of employee management. Although paperwork hasn't been totally reduced, employee managers can now spend more time on core business objectives as opposed to attending to minor administration tasks.

One area where a computerized employee system is fully utilized is in the screening, tracking and reporting on application processes associated with filling vacancies. With internet integration, job posting, the tracking of open positions and the ability to store resumes electronically, human resource managers can fulfill recruitment, screening and conduct all operations from a centralized computer terminal. The ability to performing searches and track jobs and applications greatly expedites processes that would otherwise be very time consuming to execute.

The financial management module of human resource systems permits managers to conduct payroll operations seamlessly. With software to control salary and wage rates, superannuation contributions, employee performance details, sick leave and annual leave entitlements and incidents, there is no longer any need for a huge payroll division to organize company payments. The automatic reporting essentially means that once the manager setups and structures employee details, the system can operate without manual processing and minimal labor oversee.

The operational requirements of employee management entail tracking, archiving and staying on top of rules, regulations, and compliance, as well as health and safety issues. A centralized human resource system minimizes the administration associated with maintaining operating

requirements. New government regulations and legislation can be tracked over the internet for system integration.

The Employee Development system is necessary for companies of all sizes, whether they operate locally or globally. Keeping track of labor, forecasting labor requirements, facilitating day to day employee management and providing financial reporting to the accounting department are essential components to company operations. With the ability to cut costs, save time and increase productivity, Employee Development is an investment that companies will long reap benefit from.

# 1.3 Problem Definition

In the contemporary competitive world of business, it is considered to be an important task to manage employee turnover for any organization. Naturally people want diversities in his/her everyday life; seeks for new and challenging jobs and good working environment in job place. To provide these things to the employees in an economic way is very difficult and cumbersome. But it is also crucial for any organization to retain its talented employees. Every organization wished to have high productivity, fewer turnovers and to be profitable. Managing turnover successfully is a must to achieve the above goals. In Bangladesh, it is very important to manage turnover for both government and non-government sectors. In government sectors, although some fringe benefits are given to the employees regularly do not satisfy them sufficiently.

In private sectors, though salary and benefits are high but security of job is less. Due to these reasons turnover rate in private sectors are higher than public sectors. Turnover rate also varies from manufacturing to service sectors. Very few researches have been conducted related to turnover in Bangladesh so far. The owners of the business organizations do not concentrate on this important issue because of less awareness. They have little idea about how detrimental the effect of turnover is into the productivity of their organizations.

### 1.3.1 Main Problem

Employee turnover is a big problem in HR domain of Bangladesh. Employees are fired, employees resign and the management attitude is of total indifference towards the cost of employee turnover. A genuine attempt to figure out the causes of the employee turnovers in the context of two selected sector is our main concern. In view of the above our main problem is to figure out the possible causes, effects and solutions of employee turnover in the context of Employee Development practices in Bangladesh in two selected industrial sectors.

### 1.3.2 Sub Problems

1. To find out the causes and effects of employee turnover.
2. To find out the impacts of Employee Development on turnover.
3. To find out the Employee Development practices.

# 1.4 Objective of The Study

### 1.4.1 Broad Objective

The broad objective of the study is to analyze the practices of Employee Development in Bangladesh and to find out the causes and impacts of Training & Development on employee turnover.

### 1.4.2 Specific Objectives

1. To find out the causes and effects of employee turnover on the organization,
2. To find out the current practices of Employee Development at different stages,
3. To find out the impacts of Employee Development on employee turnover, and

4.  To recommend some way outs how employee turnover can be reduced through modifying Employee Development practices.

# 1.5 Research Questions

## 1.5.1 Broad Research Question

What are the practices Employee Development in Bangladesh and what are impacts of Employee Development practices on turnover?

## 1.5.2 Specific Research Questions

1.  What are the current practices of Employee Development at different stages?
2.  What are the causes and effects of employee turnover on the organization?
3.  What are the impacts of Employee Development on turnover?
4.  How employee turnover can be reduced through Employee Development Practices?

# 1.6 Scope of The Study

- The study is limited to Employee Development practices, causes of turnover, its impact and their possible remedies and recommendations.
- . The study covered both public and private sectors.
- The data used in the study was collected from both national and multinational organizations in Bangladesh.
- The study was conducted on the Employee Development practices of the IT and Banking sectors of Bangladesh.

- The survey was done on officer and above level employees only.
- The study was limited to fulltime employees only.

# 1.7 Limitations

The major limitations we have encountered this far in carrying out this study are-

i. Only two sectors of industries are covered in the study.

ii. In some cases to take interview of more officials in the same company were not possible due to their unwillingness as their senior official has already given an interview.

iii. Some organizations have given their ideal scenario rather than the real scenario happening inside the organizations which might add slight variation in the findings of the study.

iv. Some of the respondents were unwilling to participate in the survey for the fear of getting exposed.

# Chapter Two: Literature Review

Employees are an organization's greatest assets; without them, every day business functions such as managing cash flow, making business transactions, communicating through all forms of media, and dealing with customers could not be completed. Humans and the potential they possess drive an organization. Today's organizations are continuously changing. Organizational change impacts not only the business but also its employees. In order to maximize organizational effectiveness, human potential—individuals' capabilities, time, and talents—must be managed. Employee management works to ensure that employees are able to meet the organization's goals.

# 2.1 Definition of Employee Development

Employee Development (ED) is the framework for helping employees develop their personal and organizational skills, knowledge, and abilities. Employee Development includes such opportunities as employee training, employee career development, performance management and development, coaching, mentoring, succession planning, key employee identification, tuition assistance, and organization development.

The focus of all aspects of Employee Development is on developing the most superior workforce so that the organization and individual employees can accomplish their work goals in service to customers.

Employee Development can be formal such as in classroom training, a college course, or an organizational planned change effort. Or, Employee Development can be informal as in employee coaching by a manager. Healthy organizations believe in Employee Development and cover all of these bases.

# 2.2 Major Functions of Employee Development

According to Cherrington "employee management is responsible for how people are treated in organizations. It is responsible for bringing people into the organization, helping them perform their work, compensating them for their labors, and solving problems that arise" (Cherrington, 1995). There are seven management functions of a human resources (HR) department that will be specifically addressed: staffing, performance appraisals, compensation and benefits, training and development, employee and labor relations, safety and health, and human resource research.

Generally, in small organizations—those with fewer than a hundred employees—there may not be an HR department, and so a line manager will be responsible for the functions of HRM. In large organizations—those with a hundred employees or more—a human resource manager will coordinate the HRM duties and report directly to the chief executive officer (CEO). HRM staff in larger organizations may include human resource generalists and human resource specialists. As the name implies, an HR generalist is routinely involved with all seven HRM functions, while the HR specialist focuses attention on only one of the seven responsibilities.

Prior to discussing the seven functions, it is necessary to understand the job analysis. An essential component of any HR unit, no matter the size, is the job analysis, which is completed to determine activities, skills, and knowledge required of an employee for a specific job. Job analyses are "performed on three occasions: (1) when the organization is first started, (2) when a new job is created, and (3) when a job is changed as a result of new methods, new procedures, or new technology" (Cherrington, 1995).

Jobs can be analyzed through the use of questionnaires, observations, interviews, employee recordings, or a combination of any of these methods. Two important tools used in defining the job are (1) a job description, which identifies the job, provides a listing of responsibilities and duties unique to the job, gives performance standards, and specifies necessary machines and equipment; and (2) the job specification, which states the minimum amount of education and experience needed for performing the job (Mondy and Noe, 1996).

## 2.2.1 Staffing

Both the job description and the job specification are useful tools for the staffing process, the first of the seven HR functions to be discussed. Someone (e.g., a department manager) or some event (e.g., an employee's leaving) within the organization usually determines a need to hire a new employee. In large organizations, an employee requisition must be submitted to the HR department that specifies the job title, the department, and the date the employee is needed. From there, the job description can be referenced for specific job related qualifications to provide more detail when advertising the position—either internally, externally, or both (Mondy and Noe, 1996).

Not only must the HR department attract qualified applicants through job postings or other forms of advertising, but it also assists in screening candidates' resumes and bringing those with the proper qualifications in for an interview. The final say in selecting the candidate will probably be the line manager's, assuming all HR requirements are met. Other ongoing staffing responsibilities involve planning for new or changing positions and reviewing current job analyses and job descriptions to make sure they accurately reflect the current position.

## 2.2.2 Performance Appraisals

Once a talented individual is brought into an organization, another function of HRM comes into play—creating an environment that will motivate and reward exemplary performance. One way to assess performance is through a formal review on a periodic basis, generally annually, known as a performance appraisal or performance evaluation. Because line managers are in daily contact with the employees and can best measure performance, they are usually the ones who conduct the appraisals. Other evaluators of the employee's performance can include subordinates, peers, group, and self, or a combination of one or more (Mondy and Noe, 1996).

Just as there can be different performance evaluators, depending on the job, several appraisal systems can be used. Some of the popular appraisal methods include (1) ranking of all employees

in a group; (2) using rating scales to define above-average, average, and below-average performance; (3) recording favorable and unfavorable performance, known as critical incidents; and (4) managing by objectives, or MBO (Mondy and Noe, 1996).

Cherrington (1995) illustrates how performance appraisals serve several purposes, including:(1) guiding human resource actions such as hiring, firing, and promoting; (2) rewarding employees through bonuses, promotions, and so on;(3) providing feedback and noting areas of improvement; (4) identifying training and development needs in order to improve the individual's performance on the job; and (5) providing job related data useful in human resource planning.

## 2.2.3 Compensation and Benefits

Compensation (payment in the form of hourly wages or annual salaries) and benefits (insurance, pensions, vacation, modified workweek, sick days, stock options, etc.) can be a catch-22 because an employee's performance can be influenced by compensation and benefits, and vice versa. In the ideal situation, employees feel they are paid what they are worth, are rewarded with sufficient benefits, and receive some intrinsic satisfaction (good work environment, interesting work, etc.). Compensation should be legal and ethical, adequate, motivating, fair and equitable, cost-effective, and able to provide employment security (Cherrington, 1995).

## 2.2.4 Training and Development

Performance appraisals not only assist in determining compensation and benefits, but they are also instrumental in identifying ways to help individuals improve their current positions and prepare for future opportunities. As the structure of organizations continues to change—through downsizing or expansion—the need for training and development programs continues to grow. Improving or obtaining new skills is part of another area of HRM, known as training and development.

"Training focuses on learning the skills, knowledge, and attitudes required to initially perform a job or task or to improve upon the performance of a current job or task, while development activities are not job related, but concentrate on broadening the employee's horizons" (Nadler and Wiggs, 1986). Education, which focuses on learning new skills, knowledge, and attitudes to be used in future work, also deserves mention (Nadler and Wiggs, 1986).

Because the focus is on the current job, only training and development will be discussed. Training can be used in a variety of ways, including (1) orienting and informing employees, (2) developing desired skills, (3) preventing accidents through safety training, (4) supplying professional and technical education, and (5) providing supervisory training and executive education (Cherrington, 1995).

Each of the training methods mentioned has benefits to the individual as well as to the organization. Some of the benefits are reducing the learning time for new hires, teaching employees how to use new or updated technology, decreasing the number and cost of accidents because employees know how to operate a machine properly, providing better customer service, improving quality and quantity of productivity, and obtaining management involvement in the training process (Cherrington, 1995). When managers go through the training, they are showing others that they are taking the goals of training seriously and are committed to the importance of employee development.

The type of training depends on the material to be learned, the length of time learners have, and the financial resources available. One type is instructor-led training, which generally allows participants to see a demonstration and to work with the product first-hand. On-the-job training and apprenticeships let participants acquire new skills as they continue to perform various aspects of the job. Computer-based training (CBT) provides learners at various geographic locations access to material to be learned at convenient times and locations. Simulation exercises give participants a chance to learn outcomes of choices in a nonthreatening environment before applying the concept to real situations.

Training focuses on the current job, while development concentrates on providing activities to help employees expand their current knowledge and to allow for growth. Types of development

opportunities include mentoring, career counseling, management and supervisory development, and job training (Cherrington, 1995).

## 2.2.5 Employee and Labor Relations

Just as employee developers make sure employees have proper training, there are groups of employees organized as unions to address and resolve employment-related issues. Unions have been around since the time of the American Revolution (Mondy and Noe, 1996). Those who join unions usually do so for one or both of two reasons— to increase wages and/or to eliminate unfair conditions. Some of the outcomes of union involvement include better medical plans, extended vacation time, and increased wages (Cherrington, 1995).

Today, unions remain a controversial topic. Under the provisions of the Taft-Hartley Act, the closed-shop arrangement states employees (outside the construction industry) are not required to join a union when they are hired. Union-shop arrangements permit employers to hire non-union workers contingent upon their joining the union once they are hired. The Taft-Hartley Act gives employers the right to file unfair labor practice complaints against the union and to express their views concerning unions (Cherrington, 1995).

Not only do HR managers deal with union organizations, but they are also responsible for resolving collective bargaining issues—namely, the contract. The contract defines employment related issues such as compensation and benefits, working conditions, job security, discipline procedures, individuals' rights, management's rights, and contract length. Collective bargaining involves management and the union trying to resolve any issues peacefully—before the union finds it necessary to strike or picket and/or management decides to institute a lockout (Cherrington, 1995).

## 2.2.6 Safety and Health

Not only must an organization see to it that employees' rights are not violated, but it must also provide a safe and healthy working environment. Mondy and Noe (1996) define safety as "protecting employees from injuries caused by work-related accidents" and health as keeping "employees free from physical or emotional illness" (p. 432). In order to prevent injury or illness, the Occupational Safety and Health Administration (OSHA) was created in 1970 in USA. Through workplace inspections, citations and penalties, and on-site consultations, OSHA seeks to enhance safety and health and to decrease accidents, which lead to decreased productivity and increased operating costs (Cherrington, 1995).

Health problems recognized in the workplace can include the effects of smoking, alcohol and drug/substance abuse, AIDS, stress, and burnout. Through employee assistance programs (EAPs), employees with emotional difficulties are given "the same consideration and assistance" as those employees with physical illnesses (Mondy and Noe, 1996).

## 2.2.7 Conducting Research on Employee

In addition to recognizing workplace hazards, organizations are responsible for tracking safety- and health-related issues and reporting those statistics to the appropriate sources. The human resources department seems to be the storehouse for maintaining the history of the organization— everything from studying a department's high turnover or knowing the number of people presently employed, to generating statistics on the percentages of women, minorities, and other demographic characteristics. Data for the research can be gathered from a number of sources, including surveys/questionnaires, observations, interviews, and case studies (Cherrington, 1995). This research better enables organizations to predict cyclical trends and to properly recruit and select employees.

# 2.3 Employee Turnover

Organizations invest a lot on their employees in terms of induction and training, developing, maintaining and retaining them in their organization. Therefore, managers at all costs must minimize employee's turnover. Although, there is no standard framework for understanding the employees turnover process as whole, a wide range of factors have been found useful in interpreting employee turnover (Kevin, Joan and Adrian, 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 to minimize turnover. With globalization which is heightening competition, organizations must continue to develop tangible products and provide services which are based on strategies created by employees. These employees are extremely crucial to the organization since their value to the organization is essentially intangible and not easily replicated (Meaghan and Nick, 2002). Therefore, managers must recognize that employees as major contributors to the efficient achievement of the organization's success (Abbasi and Hollman 2000). Managers should control employee turnover for the benefit of the organization success. The literature on employee turnover is divided into three groupings: sources of employee turnover, effects of turnover and the strategies to minimize turnover.

## 2.3.1 Definition of Employee Turnover

Employees' turnover is a much studied phenomenon. But there is no standard reason why people leave organization. Employee turnover is the rotation of workers around the labor market; between firms, jobs and occupations; and between the states of employment and unemployment (Abassi and Hollman, 2000). The term "turnover" is defined by Price (1977) as: the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period. Frequently, managers refer to turnover as the entire process associated with filling a vacancy: Each time a position is vacated, either voluntarily or involuntarily, a new employee must be hired and trained.

This term is also often utilized in efforts to measure relationships of employees in an organization as they leave, regardless of reason. "Unfolding model" of voluntary turnover represents a divergence from traditional thinking (Hom and Griffeth, 1995) by focusing more on the decisional aspect of employee turnover, in other words, showing instances of voluntary turnover as decisions to quit. Indeed, the model is based on a theory of decision making, image theory Beach, (1990). The image theory describes the process of how individuals process information during decision making. The underlying premise of the model is that people leave organizations after they have analyzed the reasons for quitting. Beach (1990) argues that individuals seldom have the cognitive resources to systematically evaluate all incoming information, so individuals instead of simply and quickly compare incoming information to more heuristic-type decision making alternatives.

## 2.3.2 Measuring Employee Turnover

Most organizations simply track their crude turnover rates on a month by month or year by year basis.

The formula is simply:

$$Employee turnover rate = \frac{\text{Total number of leavers over period}}{\text{Average total number employed over period}} X\ 100$$

The total figure includes all leavers, even people who left involuntarily due to dismissal, redundancy or retirement. It also makes no distinction between functional (that is, beneficial) turnover and that which is dysfunctional.

Crude turnover figures are used by all of the major employee turnover surveys, including the annual CIPD and CBI surveys, as they are necessary for effective benchmarking purposes. However, it is also useful to calculate a separate figure for voluntary turnover and to consider some of the more complex employee turnover indices, which take account of characteristics such as seniority and experience.

# 2.4 Sources of Employee Turnover

## 2.4.1 Job Related Factors

Most researchers (Bluedorn, 1982; Kalliath and Beck, 2001; Kramer et al., 1995; Saks, 1996) have attempted to answer the question of what determines people's intention to quit by investigating possible antecedents of employees' intentions to quit. To date, there has been little consistency in findings, which is partly due to the diversity of employees included by the researchers and the lack of consistency in their findings. Therefore, there are several reasons why people quit from one organization to another or why people leave organization. The experience of job related stress (job stress), the range factors that lead to job related stress (stressors), lack of commitment in the organization; and job dissatisfaction make employees to quit (Firth, Mellor, Moore and Loquet2004). This clearly indicates that these are individual decisions which make one to quit. They are other factors like personal agency which refers to concepts such as a sense of powerlessness, locus of control and personal control.

Locus of control refers to the extent to which people believe that the external factors such as chance and powerful others are in control of the events which influence their lives quit (Firth, Mellor, Moore and Loquet2004). Manoand Tzafrir(2004) argue that employees quit from organization due to economic reasons. Using economic model they showed that people quit from organization due to economic reasons and these can be used to predict the labor turnover in the market. Good local labor market conditions improve organizational stability (Schervish, 1983). Large organizations can provide employees with better chances for advancement and higher wages and hence ensure organizational attachment (Idson and Feaster, 1990). Trevor (2001) argues that local unemployment rates interact with job satisfaction to predict turnover in the market. Role stressors also lead to employees' turnover.

Role ambiguity refers to the difference between what people expect of us on the job and what we feel we should do. This causes uncertainty about what our role should be. It can be a result of misunderstanding what is expected, how to meet the expectations, or the employee thinking the

job should be different (Muchinsky, 1980). 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 organization (Tor and Owen, 1997). If roles of employees are not clearly spelled out by management/ supervisors, this would accelerate the degree of employees quitting their jobs due to lack of role clarity.

## 2.4.2 Voluntary vs. Involuntary Turnover

There are some factors that are, in part, beyond the control of management, such as the death or incapacity of a member of staff. Other factors have been classed as involuntary turnover in the past such as the need to provide care for children or aged relatives. Today such factors should not be seen as involuntary turnover as both government regulation and company policies create the chance for such staff to come back to work, or to continue to work on a more flexible basis (Simon and Hamer,2007).

## 2.4.3 Organizational Factors

Organizational instability has been shown to have a high degree of high turnover. Indications are that employees are more likely to stay when there is a predictable work environment and vice versa (Zuber, 2001). In organizations where there was a high level of inefficiency there was also a high level of staff turnover (Alexander, Bloom and Nuchols, 1994). Therefore, in situations where organizations are not stable employees tend to quit and look for stable organizations because with stable organizations they would be able to predict their career advancement. The imposition of a quantitative approach to managing the employees led to disenchantment of staff and hence it leads to labor turnover. Therefore management should not use quantitative approach in managing its employees. Adopting a cost oriented approach to employment costs increases labor turnover (Simon and Hamer, 2007). All these approaches should be avoided if managers

want to minimize employee turnover and increase organizational competitiveness in this environment of globalization.

Employees have a strong need to be informed. Organization with strong communication systems enjoyed lower turnover of staff (Labov, 1997). Employees feel comfortable to stay longer, in positions where they are involved in some level of the decision-making process. That is employees should fully understand about issues that affect their working atmosphere (Magner, Welker and Johnson,1996). But in the absence openness' in sharing information, employee empowerment the chances of continuity of employees are minimal. Carsten et al. (1987) points out that a high labor turnover may mean poor personnel policies, poor recruitment policies, poor supervisory practices, poor grievance procedures, or lack of motivation. All these factors contribute to high employee turnover in the sense that there is no proper management practices and policies on personnel matters hence employees are not recruited scientifically, promotions of employees are not based on spelled out policies, no grievance procedures in place and thus employees decides to quit.

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 organization and vice versa. There are also other factors which make employees to quit from organizations and these are poor hiring practices, managerial style, lack of recognition, lack of competitive compensation system in the organization and toxic workplace environment (Abassi and Hollman, 2000).

However, over time there have been a number of factors that appear to be consistently linked to turnover. An early review article of studies on turnover by Mobley et al (1979) revealed that age, tenure, overall satisfaction, job content, intentions to remain on the job, and commitment were all negatively related to turnover (i.e. the higher the variable, the lower the turnover). In 1995, a meta-analysis of some 800 turnover studies was conducted by Hom and Griffeth, which was

recently updated (Griffeth, Hom and Gaertner, 2000). Their analysis confirmed some well-established findings on the causes of turnover. These include: job satisfaction, organizational commitment, comparison of alternatives and intention to quit. These variables are examined in more detail below, as are a number of other factors where the evidence on the link to turnover is less conclusive.

Aggregate level economic studies provide consistent and significant evidence of the impact of labor market conditions on turnover rates at an aggregate level. As Mobley et al (1979) pointed out, at an aggregate level the relationship between economic factors such as employment levels or job vacancies and turnover has been well established. At an individual level, the labor market approach emphasizes expected utility and rational economic choice among employees and the perceived availability of alternative job opportunities.

The relationship between alternatives and turnover on an individual level has been researched widely since March & Simon's 1958 seminal work on ease of movement. Much of the subsequent research focused on the link between job satisfaction, perceived alternative opportunities and turnover. Later, researchers began to focus on the role of both actual and perceived opportunities in explaining individual turnover decisions.

Subsequent research has indicated that actual alternatives are a better predictor of individual turnover than perceived opportunities. Research on the impact of unemployment rates as a proxy for actual opportunities in employee turnover revealed that unemployment rates affected the job-satisfaction/turnover intent relationship but not actual turnover (Kirschenbaum and Mano-Negrin, 1999). They concluded that macro level analysis predicted turnover patterns but perceptions of opportunities did not. This point was reinforced in their study on medical centers in various locations used measures of perceived and objective opportunities in internal and external labor markets. The authors concluded that objectives opportunities were a better set of explanations of actual turnover behavior than either perceived internal or external labor market opportunities.

Nevertheless, while actual alternatives appear to be a better predictor of turnover, there is also well-established evidence of the link between perceived alternatives and actual turnover. In their most recent meta-analysis, Griffeth et al (2000) confirmed that perceived alternatives modestly predict turnover.

# 2.4.4 Organizational Commitment

Many studies have reported a significant association between organizational commitment and turnover intentions (Lum et al, 1998). Tang et al's (2000) study confirmed the link between commitment and actual turnover and Griffeth et al's (2000) analysis showed that organizational commitment was a better predictor of turnover than overall job satisfaction.

Researchers have established that there are different types of organizational commitment. Allen & Meyer (1990) investigated the nature of the link between turnover and the three components of attitudinal commitment: affective commitment refers to employees' emotional attachment to, identification with and involvement in the organization; continuance commitment refers to commitment base on costs that employees associate with leaving the organization; and normative commitment refers to employees' feelings of obligation to remain with the organization. Put simply, employees with strong affective commitment stay with an organization because they want, those with strong continuance commitment stay because they need to, and those with strong normative commitment stay because they feel they ought to. Allen and Meyer's study indicated that all three components of commitment were a negative indicator of turnover. In general, most research has found affective commitment to be the most decisive variable linked to turnover.

## 2.4.4.1 Job Satisfaction

The relationship between satisfaction and turnover has been consistently found in many turnover studies (Lum et al, 1998). Mobley et al 1979 indicated that overall job satisfaction is negatively linked to turnover but explained little of the variability in turnover. Griffeth et al (2000) found

that overall job satisfaction modestly predicted turnover. In a recent New Zealand study, Boxall et al (2003) found the main reason by far for people leaving their employer was for more interesting work elsewhere. It is generally accepted that the effect of job satisfaction on turnover is less than that of organizational commitment.

### 2.4.4.2 The Link between Satisfaction and Commitment

Some researchers have established a relationship between satisfaction, organizational commitment and turnover. Lum et al's (1998) study of pediatric nurses suggested that organizational commitment has the strongest and most direct impact on the intention to quit whereas job satisfaction has only an indirect influence. They suggested that satisfaction indirectly influences turnover in that it influences commitment and hence turnover intentions.

Elangovan (2001) noted that the notion of job satisfaction and organizational commitment being causally related has not been incorporated in most turnover models. His study indicated there were strong causal links between stress and satisfaction (higher stress leads to lower satisfaction) and between satisfaction and commitment (lower satisfaction leads to lower commitment). He further noted a reciprocal relationship between commitment and turnover intentions (lower commitment leads to greater intentions to quit, which in turn further lowers commitment). In summary, only commitment directly affected turnover intentions.

## 2.4.5 Training and Career Development

Martin (2003) detected a complex relationship between turnover and training. He suggested that establishments that enhance the skills of existing workers have lower turnover rates. However, turnover is higher when workers are trained to be multi-skilled, which may imply that this type of training enhances the prospects of workers to find work elsewhere. The literature on the link between lower turnover and training has found that off-the-job training is associated with higher turnover presumably because this type of training imparts more general skills (Martin, 2003).

## 2.4.5.1 Impact of Training on Mobility

Shah and Burke (2003) reviewed some of the literature on the relationship between turnover and training. In a British study examining the impact of training on mobility, Green et al (2000) concluded that, in aggregate, training has on average no impact on mobility. However, training that is wholly sponsored by the individual (or their families) is on balance likely to be a prelude to job search. In contrast, when employers pay for training the downward effect on mobility is more likely.

Lynch (1991, 1992) concluded that both on-the-job and off-the-job training have a significant effect on job mobility. While formal on-the-job training reduces the likelihood of mobility, particularly for young women, off-the-job training increases the likelihood of mobility. In a study of six local labor markets in Britain, Elias (1994) found that women who received employer-provided and job-related training had a lower probability of changing employer or making the transition to non-employment, but for men training made no significant difference to this type of turnover.

## 2.4.5.2 Effect of Vocational Training

In a study examining the effect of apprenticeships on male school leavers in the UK, Booth and Satchell (1994) found that completed apprenticeships reduced voluntary job-to-job, voluntary job-to-unemployment and involuntary job termination rates. In contrast, incomplete apprenticeships tended to increase the exit rate to these destinations relative to those who did not receive any training. Winkelmann (1996) reported that in Germany apprenticeships and all other types of vocational training reduce labor mobility in spite of the fact that the German apprenticeship training is intended to provide general and thus more transferable training.

## 2.4.6 Career Commitment

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 do not believe that the organization can satisfy their career needs or goals. This is consistent with 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.

## 2.4.7 The Role of 'Shocks'

Lee & Mitchell's (1994) 'unfolding model' of employee turnover represented a significant departure from the previous labor market- and psychologically oriented turnover literature. This model is based on the premise that people leave organizations in very different ways and it outlines four decision pathways describing different kinds of decisions to quit. A notable feature of the unfolding model is its emphasis on an event or 'shock' (positive or negative) that prompts some decisions to quit.

Morrell et al (2004) tested the unfolding model by studying the voluntary turnover of nurses in the UK. Their findings indicated that shocks play a role in many cases where people decide to

leave. Furthermore, they found that shocks not only prompted initial thoughts about quitting but also typically had a substantial influence over the final leaving decision. They also noted that decisions to quit prompted by a shock are typically more avoidable. The authors suggest that their research illustrates the importance for managers of understanding avoidability i.e. the extent to which turnover decisions can be prevented.

## 2.4.8 Unionization

Martin (2003) looked at the effect of unions on labor turnover and found clear evidence that unionism is associated with lower turnover. He suggested that lower turnover is a result of the ability of unions to secure better working conditions thus increasing the attractiveness for workers of staying in their current job. According to Martin, the relationship between lower turnover and unionisation has been well established by researchers using both industry-level and individual data.

## 2.4.9 Influence of Co-workers

A 2002 study by Kirschenbaum and Weisberg of 477 employees in 15 firms examined employees' job destination choices as part of the turnover process. One of their main findings was that co-workers' intentions have a major significant impact on all destination options - the more positive the perception of their co-workers desire to leave, the more employees themselves wanted to leave. The researchers suggest that a feeling about co-workers' intentions to change jobs or workplace acts as a form of social pressure or justification on the employee to make a move.

## 2.4.10 Supervision/Management

Mobley et al (1979) concluded that a number of studies offered moderate support for a negative relationship between satisfaction with supervision and turnover (ie the higher the satisfaction with supervision, the lower the turnover).

# 2.5 Models of Employee Turnover

So far, much of the discussion has centered on the contingent aspects of the turnover process. The goal of 'effective management of turnover' dictates that a high level of sophistication, and thereby particularity, needs to be achieved by organizations in order to selectively influence the turnover process. Voluntariness may need to be defined differently for each organization (Samuel, 1969) and measurement of turnover may need to be at a level of detail far greater than that currently employed by many organizations (Campion, 1991). Additionally, even where problems in costing turnover (Cheng and Brown, 1998; Hom, 1992) can be resolved, there remain inescapably problematic aspects to determining relationally defined aspects such as availability (Abelson, 1987) and functionality (Dalton et al., 1982). In the light of these contingent complications, the aim of a comprehensive theory of turnover can seem unrealistic. This aim seems further complicated if an attempt to predict turnover behavior is our goal, although as Lee and Mowday (1987) point out, "although researchers tend to emphasize prediction as a criterion in judging models, we should not lose sight of the importance of understanding as a goal of scientific enquiry."

The phenomenon of turnover is of interest to organizations and theorists because it is significant (Price, 1977), potentially costly (Mobley, 1982) and relatively clear cut (Porter and Steers, 1973). It also describes the end result of a decision process (Lee and Mitchell, 1991). All these characteristics also indicate that the phenomenon is likely to attract interest from 'modellers'.

## 2.5.1 The Psychological School

Within what we have chosen to call the psychological school, analysis of labor turnover is geared towards explaining or predicting individuals' decisions to leave. Psychological accounts thus concern themselves more with individual choice, and although they offer mainly unitary models which assume homogeneity amongst employees, they may be more readily suited to assisting the development of policies or strategies to enable the effective management of turnover than economic or labor market accounts. Labor market accounts focus more on macro issues such as

opportunity or unemployment, or, they portray employees as actors equally subject to external forces, and thus preclude the use of selective or focused human resource strategies. Psychological accounts focus on employees, and they are thus more readily suited to enabling the effective management of turnover, by offering potential to concentrate efforts or resources on a key group of employees, or even on an individual employee. This is important if we bear in mind the need for assessing functionality and also availability. Broadly speaking, these accounts may be classed as voluntarism, as they emphasize the role of individual choice, whereas economic accounts are more typically determinist, as they emphasize the formative role of external influences such as alternative opportunities (Muchinsky and Morrow, 1980).

The power of the psychological school of modeling, as we shall see, lies partly in its ability to describe turnover again in a unitary fashion, albeit from a different perspective. Although the dimension of choice is explicitly recognized within psychological accounts of turnover, these accounts often assume that decisions about leaving an organization only include considerations of work issues (Lee and Mitchel,l 1991). Intuitively this should be seen as problematic as often the reasons people have for leaving an organization have nothing to do with their life at work (Lee et al., 1996). Yet this is not a necessary limitation of a unitarist account of turnover which could easily include non-work factors as reasons for leaving.

One criticism of the pure economic account can be that it fails to capture the complexity of the process of turnover within an individual firm. Pure economic analyses of turnover may also generate solutions that are inoperable, e.g. the firm may not have the ability to vary pay, or to influence the labor market variables. Psychological accounts can be seen to address this, in so far as they incorporate a range of no pecuniary variables, which also increases scope for managerial and organizational agency.

## 2.5.2 March and Simon's Model

March and Simon (1958) indicate in their model of determinants of labor turnover that job satisfaction is the principal lever affecting 'employee perceptions of the desirability of movement'. We can judge the extent to which their model has been influential by the frequency

with which it is cited by contemporary turnover theorists (Hom and Griffeth, 1995; Kirschenbaum and Mano-Negrin, 1999). Indeed Lee and Mitchell (1994) indicate that the success of this model may have hampered research.

March and Simon's (1958) landmark chapter on the decision to participate may have overly influenced the subsequent conceptual models of employee turnover.

March and Simon's model (below) has limitations, as does any attempt to capture and code a complex process. Such models provide ways of seeing a given situation, with a view to better understanding it, but Morgan's caveat on metaphor also applies here, "in creating ways of seeing they tend to create ways of not seeing. (Morgan, 1997)."
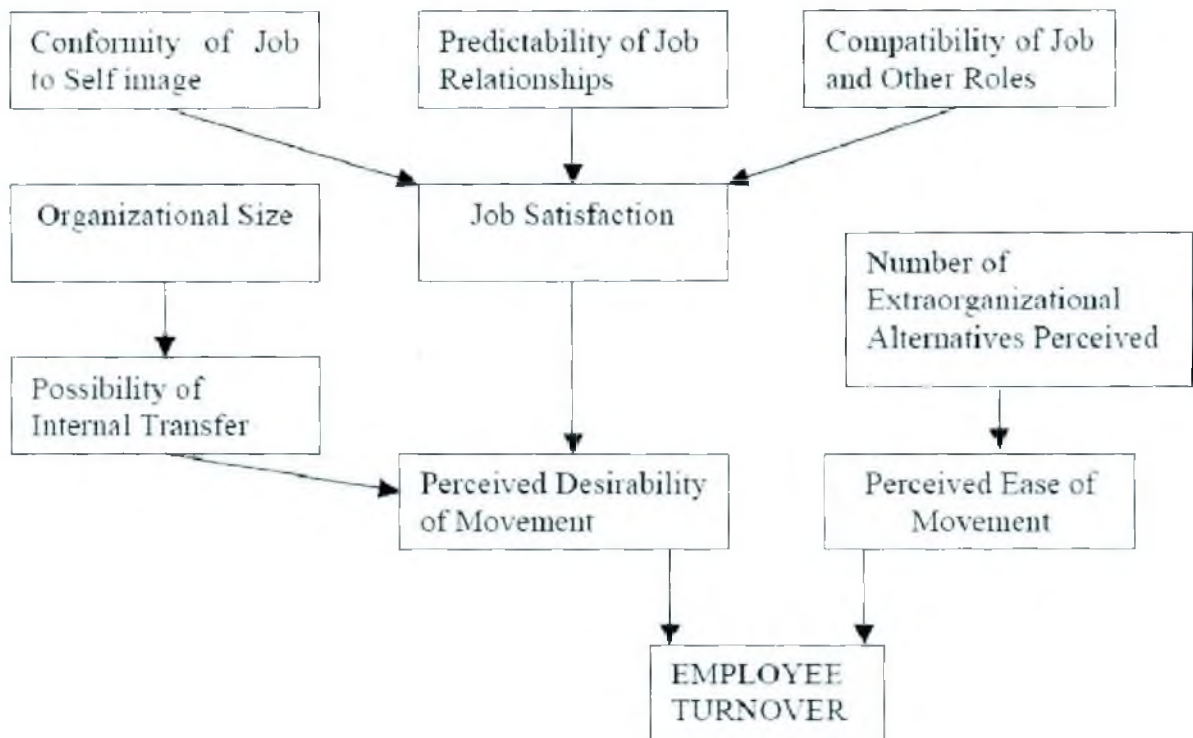


Figure 2.1: Simplified version of March and Simon's employee turnover model.

The importance of this model can be assessed in terms of the number of ideas which it incorporates that are still the object of turnover researchers' attention. The labor market account

of turnover can be incorporated within this model in terms of the internal and extra-organizational opportunities, with expected utility being assessed in terms of 'perceived desirability' and 'perceived ease'. The conformity, predictability and compatibility components of job satisfaction potentially relate to the psychological account.

March and Simon's account of motivation is based on the theory of 'organizational equilibrium', which can be traced back to Barnard (1938). This describes how a balance is struck both for the organization and its employees in terms of inducements and contributions which ensures continued survival of the organization. The organization offers inducements (i.e. pay) to encourage employees to participate, and contribute (i.e. work). Where these inducements are increased, this reduces the propensity of the employee to leave and vice versa. Leaving is ultimately determined by two distinct factors, namely 'perceived desirability of movement' which is influenced by job satisfaction and 'perceived ease of movement' i.e. assessment of perceived alternatives or opportunity (Hom and Griffeth, 1995).

Limitations of the model include an overemphasis on the importance of pay as a motivator, at the expense of other intrinsic sources of satisfaction. Although pay may be conceptualized as motivating (Lawler, 1981), and although the model refers more generally to job satisfaction, an underlying construction of equilibrium assumes the commensurability of variables. This is possible where we have an organization and its employees in a utility relationship, characterized by exchange of inducement and contributions, but far harder if we include elements such as professionalism (Bartol, 1979) or role stress (Kemery et al., 1985) neither of which are as readily applied to an organization. Assumptions of equilibrium and balance ultimately limit research to variables which are commensurable, which is deeply problematic if we wish to include both economic and psychological elements in analysis of turnover.

A further limitation in March and Simon's model is that it only partially helps us address the idea that different forms of commitment may influence turnover, yet there has been consistently strong support for the idea that commitment (in various guises) is important to the assessment of turnover (Allen and Meyer, 1990; Boshoff and Mels, 2000; Chang, 1999; Porter et al., 1974).

Although the dimensions of calculative, (exchange or continuance) commitment (Becker 1960; Somers, 1995) may be captured by an emphasis on pay, research indicates there are other 'non-instrumental' components of commitment (Gaertner and Nollen, 1989) such as normative or moral commitment (Jaros, Jermier, Koehler and Sincich, 1993), or career commitment (Bedeian et al., 1991) which influence turnover.

March and Simon's model presents a static view of the decision to leave. Firstly, as a content model, it offers little sense of the processual dimension to turnover. Secondly, although there is included within this framework an expected utility element, this does not lend enough weight to the possibility that turnover decisions may be influenced by aspirations of longer term development, and may be predicted not only by career type, but also by career stage and by an employee's assessment of a particular organizations career development opportunities (Krau, 1981). This goes beyond a labor market view of 'alternative opportunities', but includes the notion that, "…a company is not only the place of a technical-economic activity providing jobs, but also a means for implementation of aspirations and need fulfillment (ibid. 789)."

Subsequent development of theory within the psychological school of turnover research can be outlined with reference to three further models, namely Price and Mueller's (1986) causal model, Mobley et al.'s (1979) 'expanded' model and Sheridan and Abelson's (1983) catastrophe model. We have already indicated that classification of the literature on turnover is wont to be arbitrary. Our rationale for choosing to assess these three models is that they represent a broad range of approaches to analyzing the turnover phenomenon, as well as each representing a departure from March and Simon's account. In this way we hope to cover the literature within the psychological school comprehensively insofar as we might offer analysis in sufficient detail, though we accept we have omitted to discuss other significant accounts of turnover in equal detail (Hom and Griffeth, 1991; Lee, Mitchell, Holtom, McDaniel and Hill, 1999; Porter and Steers, 1973; Steers and Mowday, 1981).

## 2.5.3 Price and Mueller's Causal Model

Price and Mueller's casual model places emphasis on analyzing the causal determinants of turnover, and outlining the causal pathways between antecedent variables such as 'reutilization' and the ultimate dependent variable 'turnover'. This stress on a comprehensive list of determinants is in contrast to other models (such as March and Simon's), which seek a more generic account of factors such as job satisfaction, and can be traced back to Price's goal of codification which is to provide researchers with, "…a list of mutually exclusive and exhaustive determinants to conduct the study efficiently (Price, 1977)."

The advantages of this approach are that it offers a methodical and comprehensive review of the literature and empirical data on turnover. The benefits of this comprehensive review can be seen in terms of the model below, where selection of hypothetical determinants has empirical as well as a priori theoretical support. There is also substantial research evidence (Price, 1977; Price and Mueller, 1981: 9-25) to support many of the causal linkages in the 1986 model.
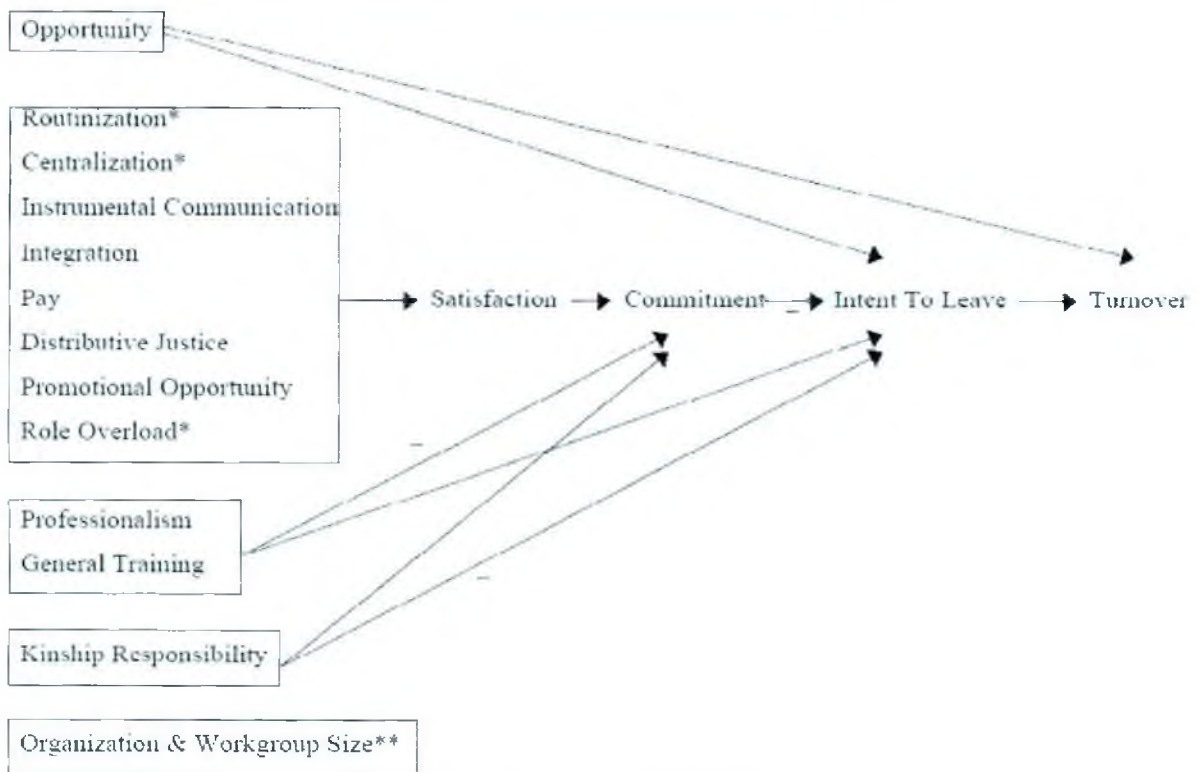


Figure 2.2: Price and Mueller's Causal Model

In the model, * means negatively causally related and ** means included as an interacting (moderating) variable for analysis of routinization.

Although this model represents a second generation refinement and extension of the (1977) 'structural' model of turnover, the support for it in Price and Mueller's research was weak (1986), and the causal claims of their model are further undermined by their having found significant relationships between null pathways (Hom and Griffeth, 1995). Additionally, although it was hypothesized that turnover and absence were each dimensions of a withdrawal construct (Price and Mueller, 1986), the model was even less good at explaining employee absence (ibid. 205).

A further limitation is that testing of this model has been restricted to hospital staff (Hom and Griffeth, 1995). Other researchers emphasize the need for occupational heterogeneity in turnover studies (Mathieu and Zajac, 1990), although there is evidence to suggest that there are few differences between the study of nurses and other occupations in terms of turnover and theory testing (Hom et al., 1992).

Price and Mueller's model has been included in this review of the psychological school of turnover research because it represents one tradition or perspective which researchers on turnover may take. Supplementing the account of a seminal content model (March and Simon 1958), the analysis of a causal or structural account is helpful because it highlights an alternative, dynamic account of turnover. Such a perspective has its advantages, in that it is more implicitly processual, and thus formally reflects the view that turnover is the result of a decision process. Nonetheless, it is also limited particularly where the causal relationships postulated are as prescriptive and rigorous as in the model above. Price and Mueller's model outlines a series of unidirectional causal relationships with turnover as the dependent variable, yet despite (discrete) empirical support for the existence of these relationships; so far there is inadequate support for the model as a whole.

The failure of Price and Mueller's account to explain turnover (Price and Mueller, 1986) may be evidence that a comprehensive theory requires more than just the ordered summation of empirical findings, and rigorous testing of causal pathways. It may be that the lack of an underlying theory of behavior or action such as is offered in March and Simon's account, limits the potential for this model to offer explanation.

## 2.5.4 Mobley Griffeth, Hand and Meglino's Expanded Model

Mobley Griffeth, Hand and Meglino's Expanded Model offers an account which portrays 'search and quit intentions' as the precursor to turnover. Incorporating ideas from expectancy theory, and from earlier turnover models, this model offers a more comprehensive account than either Price and Mueller or March and Simon, principally because it is multivariate in scope, including organizational, environmental and individual variables. The model suggests there are four principal determinants of the decision to quit, namely job satisfaction, expected utility of alternate roles within the organization, expected utility of alternate roles outside the organization, and non-work values and roles.

The theoretical basis for Mobley et al.'s construct of job satisfaction is Locke's (1975) theory that this arises from individualized evaluation of the job and comparison with ones personal values (Mobley, 1982). This has advantages over Price and Mueller's account because it emphasizes individual difference. For example, whereas Price and Mueller see routinization as a global construct which they hypothesize is negatively related to satisfaction, Mobley et al.'s account allows for the possibility that a factor such as this might influence different employees in different ways. So, whereas one individual might find routine dissatisfying, or demotivating, another may value the same level of routine in their work, perhaps because it affords them stability, or suits their non-work roles. That the model allows scope for individual difference can be taken as evidence that it is a more useful heuristic device in the effective management of turnover than Price and Mueller's model.
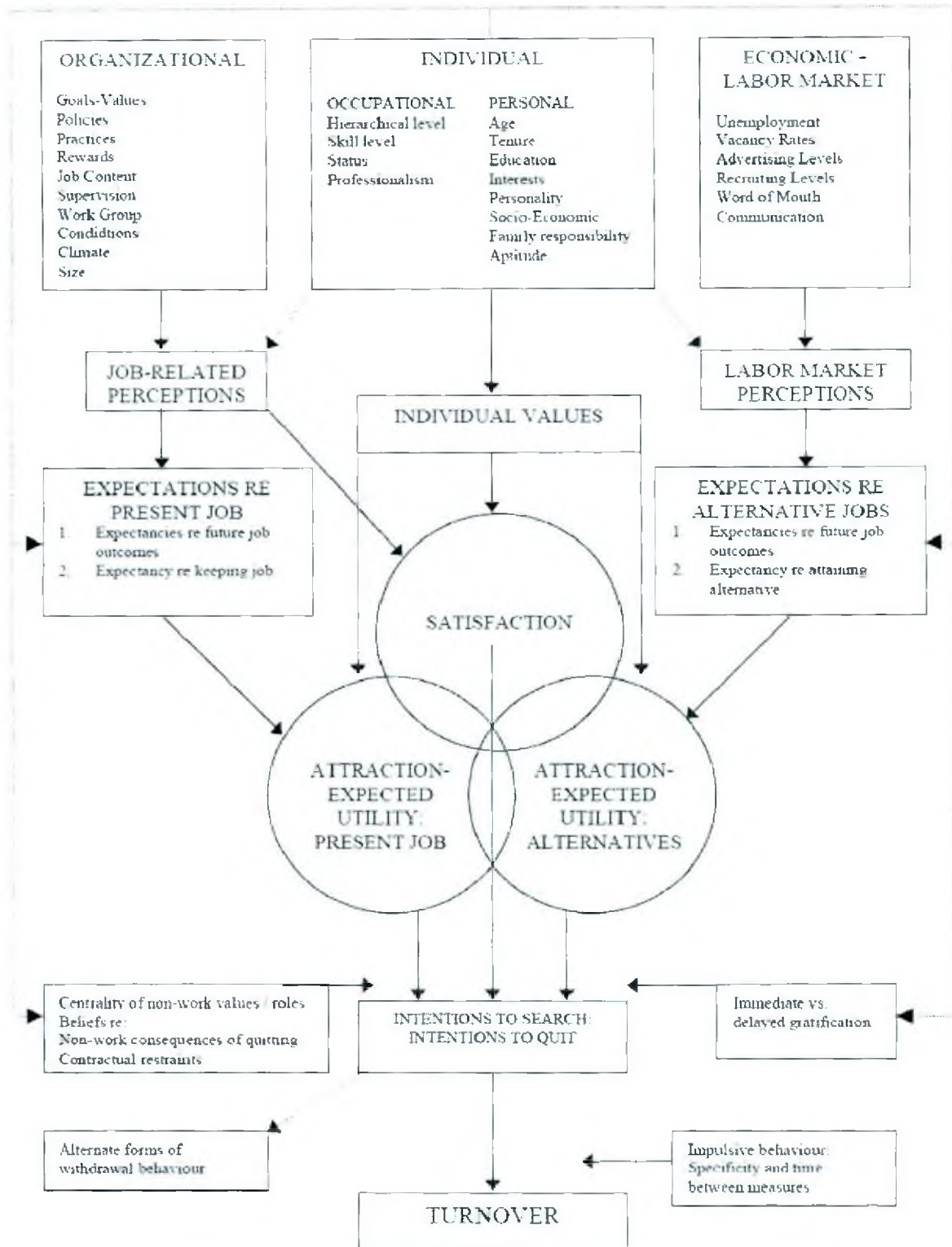
Figure 2.3: Mobley Griffeth, Hand and Meglino's 1979 Expanded Model

Whereas Price and Mueller's model offers an account of once and for all causal relationships which for the most part are theorized to apply equally to all organizational members, Mobley et al.'s account allows us to see how certain initiatives may selectively influence satisfaction. It also stresses the importance of employee perceptions, which undermines a straightforward translation of the labor market account of turnover, such as the 'opportunity' variable in Price and Mueller's model would suggest. Equally this emphasis on perceptions makes explicit the problems with rendering variables such as 'distributive justice' (from Price and Mueller) commensurable and quantifiable. Although this emphasis on individualized perception may mean that a precise ordering of relationships between (say) distributive justice and turnover is ultimately unrealizable because of epistemological and logistical constraints, it may increase the scope to use the 'expanded' model as a basis for understanding rather than prediction.

A further advantage this model offers over Price and Mueller's account is that it emphasizes expectancy that is anticipation of future outcomes. Whereas it is clear that satisfaction is a present-oriented evaluation (Mobley, 1982), by itself this does not address the expectancy of future satisfaction. Whereas Price and Mueller's model posits a direct link from satisfaction to turnover, there is no explicit recognition that expectancy is a key factor in determining turnover decisions. The inclusion of expected utility in the assessment of both internal and external job options means that the 'expanded' model is more rigorous in its assessment of the satisfaction construct. It should be intuitively obvious that it is possible for individuals to be dissatisfied at work, yet to remain in the hope or expectation that things will improve, particularly in occupations where a period of apprenticeship or basic training is mandatory.

For example, junior doctors may work very long hours whilst qualifying, yet tolerate this knowing that it is only to be for a relatively short period of their career. Equally, it may well be that satisfied employees leave, either because they are aware the situation is about to change for the worse, or in the expectation that they may increase their levels of satisfaction. None of these three scenarios is accounted for adequately in Price and Mueller's model, yet the inclusion of an expectancy dimension and an emphasis on individualized evaluation allows for these leaving scenarios to be explained and modeled within the 'expanded' model.

One limitation of this model is a function of its complexity and comprehensiveness. Because it addresses economic, individual, environmental and organizational variables as well as emphasizing values, and expectancy, empirical assessment of the model as a whole is difficult (Mobley, 1982). Such an assessment would need to be detailed enough to capture individual assessments of particular variables, as well as find a means of translating measures of expected utility for internal and external work options. As a result research (Griffeth and Hom, 1988; Youngblood, Mobley and Meglino, 1983) has only validated, or partly validated portions of the model (Hom and Griffeth, 1995).

Another limitation which this model shares with that of Price and Mueller (1986) is that it sees search or quit intention as an immediate precursor to turnover behavior. Recent research (Dalton et al., 1999; Vandenberg and Nelson, 1999) has undermined the validity of assessment of 'intent to' variables, and it may be that given method and epistemic constraints, inclusion of an intent variable as a turnover proxy would limit the operationalizing of both the 'expanded' model and other, similar models (e.g. Boshoff and Mels, 2000; Lum et al, 1998).

# 2.6 Effects of Employee Turnover

Employee turnover is expensive from the point of view of the organization. Voluntary quits which represents an exodus of human capital investment from organizations and the subsequent replacement process entails manifold costs to the organizations. These replacement costs include for example, search of the external labor market for a possible substitute, selection between competing substitutes, induction of the chosen substitute, and formal and informal training of the substitute until he or she attains performance levels equivalent to the individual who quit (John , 2000). Addition to these replacement costs, output would be affected to some extend or output would be maintained at the cost of overtime payment.

The reason so much attention has been paid to the issue of turnover is because turnover has some significant effects on organizations (DeMicco and Giridharan, 1987; Dyke and Strick, 1990;

Cantrell and Saranakhsh, 1991; Denvir and Mcmahon, 1992).Many researchers argue that high turnover rates might have negative effects on the profitability of organizations if not managed properly (Hogan, 1992; Wasmuth and Davis, 1993; Barrows, 1990). According to Hogan (1992), nearly twenty years ago the direct and indirect cost of a single line employee quitting was between $ 1400 and $4000. Turnover has many hidden or invisible costs and these invisible costs are result of incoming employees, co-workers closely associated with incoming employees, co-workers closely associated with departing employees and position being filled while vacant. And all these affect the profitability of the organization.

On the other hand turnover affects on customer service and satisfaction. Catherine (2002) argue that turnover include other costs, such as lost productivity, lost sales, and management's time, estimate the turnover costs of an hourly employee to be $3,000 to $10,000 each. This clearly demonstrates that turnover affects the profitability of the organization and if it's not managed properly it would have the negative effect on the profit.

Research estimates indicate that hiring and training a replacement worker for a lost employee costs approximately 50 percent of the worker's annual salary (Johnson et al., 2000) – but the costs do not stop there. Each time an employee leaves the firm, we presume that productivity drops due to the learning curve involved in understanding the job and the organization. Furthermore, the loss of intellectual capital adds to this cost, since not only do organizations lose the human capital and relational capital of the departing employee, but also competitors are potentially gaining these assets (Meaghan et al., 2002).

Therefore, if employee turnover is not managed properly it would affect the organization adversely in terms of personnel costs and in the long run it would affect its liquidity position. However, voluntary turnover incurs significant cost, both in terms of direct costs (replacement, recruitment and selection, temporary staff, management time), and also (and perhaps more significantly) in terms of indirect costs (morale, pressure on remaining staff, costs of learning, product/service quality, organizational memory) and the loss of social capital (Dess et al., 2001).

# 2.7 Costs of Turnover

The extent of the impact of turnover on an organization cannot be fully understood if there is no attempt to quantify the costs. The more complex approaches to costing turnover give a more accurate and higher estimate of the costs. Such approaches often take into account the costs associated with lost productivity (ie the productivity of a new employee during their first few weeks or months in the role and that of resignes during the notice period) and the effect on morale of the remaining workforce.

One such framework is that proposed by Tziner and Birati (1996) which builds on the earlier Cascio model of separation costs, replacement costs and training costs. The authors demonstrate how their conceptual framework can be translated into a formula and applied in practice. The Tziner and Birati framework includes:

> ➤ Direct costs incurred in the replacement process (recruiting, hiring, training and socializing new employees, including the extra effort by supervisors and co-workers to integrate them.

> ➤ Indirect costs and losses relating to interruptions in production, sales and the delivery of goods to customers.

> ➤ Financial value of the estimated effect on performance as a result of the drop in morale of the remaining workforce following dysfunctional turnover.

While such approaches are arguably more accurate in that they cover all the costs associated with turnover, in practice these can prove too complex and time-consuming for many organizations. The UK Chartered Institute of Personnel and Development (CIPD) suggests that because of the difficulties involved in estimating and quantifying some of the indirect costs many organizations prefer to take a 'not less than' approach in attempting to cost turnover. According to the CIPD (2004), it is possible to compute a 'not less than' figure by working out what it costs on average to replace a leaver with a new starter in each major employment category. This figure can then

be multiplied by the crude turnover rate for that employee group to calculate the total annual costs of turnover. The CIPD suggests that the major turnover costs are:

- ➤ Administration of the resignation (including exit interviews)
- ➤ Recruitment costs (including advertising)
- ➤ Selection costs
- ➤ Costs of cover (temporary employees or overtime) during the vacancy period
- ➤ Administration of recruitment and selection process
- ➤ Induction training for new employees.

# 2.8 Strategies to Minimize Employee Turnover

Strategies on how to minimize employee turnover, confronted with problems of employee turnover, management has several policy options viz. changing (or improving existing) policies towards recruitment, selection, induction, training, job design and wage payment. Policy choice, however, must be appropriate to the precise diagnosis of the problem. Employee turnover attributable to poor selection procedures, for example, is unlikely to improve were the policy modification to focus exclusively on the induction process. Equally, employee turnover attributable to wage rates which produce earnings that are not competitive with other firms in the local labor market is unlikely to decrease were the policy adjustment merely to enhance the organization's provision of on-the job training opportunities.

Given that there is increase indirect and indirect costs of labor turnover, therefore, management are frequently exhorted to identify the reasons why people leave organization's so that appropriate action is taken by the management. Extensive research has shown that the following categories of human capital management factors provides a core set of measures that senior management can use to increase the effectiveness of their investment in people and improve overall corporate performance of business:

Therefore; information accessibility would make employees feel that they are appreciated for their effort and chances of leaving the organization are minimal. Workforce optimization, the organization's success in optimizing the performance of the employees by establishing essential processes for getting work done, providing good working conditions, establishing accountability and making good hiring choices would retain employees in their organization. The importance of gaining better understanding of the factors related to recruitment, motivation and retention of employees is further underscored by rising personnel costs and high rates of employee turnover (Badawy, 1988; Basta and Johnson, 1989; Garden, 1989; Parden, 1981; Sherman, 1986).

With increased competitiveness on globalizations, managers in many organizations are experiencing greater pressure from top management to improve recruitment, selection, training, and retention of good employees and in the long run would encourage employees to stay in organizations. Job involvement describes an individual's ego involvement with work and indicates the extent to which an individual identifies psychologically with his/her job (Kanungo, 1982). Involvement in terms of internalizing values about the goodness or the importance of work made employees not to quit their jobs and these involvements are related to task characteristics.

Workers who have a greater variety of tasks tend stay in the job. Task characteristics have been found to be potential determinants of turnover among employees (Couger, 1988; Garden, 1989; Goldstein and Rockart, 1984). These include the five core job characteristics identified by Hackman and Oldham (1975, 1980): skill variety, which refers to the opportunity to utilize a variety of valued skills and talents on the job; task identity, or the extent to which a job requires completion of a whole and identifiable piece of work - that is, doing a job from beginning to end, with visible results; task significance, which reflects the extent to which the job has a substantial impact on the lives or work of other people, whether within or outside the organization; job autonomy, or the extent to which the job provides freedom, independence, and discretion in scheduling work and determining procedures that the job provides; and job feedback, which refers to the extent to which the job provides information about the effectiveness of one's performance (Tor et al., 1997).

Involvement would influence job satisfaction and increase organizational commitment of the employees. Employees who are more involved in their jobs are more satisfied with their jobs and more committed to their organization (Blau and Boal, 1989; Brooke and Price, 1989; Brooke et al., 1988; Kanungo, 1982). Job involvement has also been found to be negatively related to turnover intentions (Blau and Boal, 1987). Job satisfaction, career satisfaction, and organizational commitment reflect a positive attitude towards the organization, thus having a direct influence on employee turnover intentions.

Job satisfaction, job involvement and organizational commitment are considered to be related but distinguishable attitudes (Brooke and Price, 1989). Satisfaction represents an effective response to specific aspects of the job or career and denotes the pleasurable or positive emotional state resulting from an appraisal of one's job or career (Locke, 1976; Porter et al., 1974; Williams and Hazer, 1986).

Organizational commitment is an effective response to the whole organization and the degree of attachment or loyalty employees feel towards the organization. Job involvement represents the extent to which employees are absorbed in or preoccupied with their jobs and the extent to which an individual identifies with his/her job (Brooke et al., 1988).The degree of commitment and loyalty can be achieved if management they enrich the jobs, empower and compensate employees properly. Empowerment of employees could help to enhance the continuity of employees in organizations.

Empowered employees where managers supervise more people than in a traditional hierarchy and delegate more decisions to their subordinates (Malone, 1997). Managers act like coaches and help employees solve problems. Employees, he concludes, have increased responsibility. Superiors empowering subordinates by delegating responsibilities to them leads to subordinates who are more satisfied with their leaders and consider them to be fair and in turn to perform up to the superior's expectations (Keller and Dansereau, 1995). All these makes employees to be committed to the organization and chances of quitting are minimal.

# Chapter Three: Methodology

# 3.1 Research Design

Out of three types of research designs available, namely exploratory, descriptive and casual, the research design of this study is Descriptive.
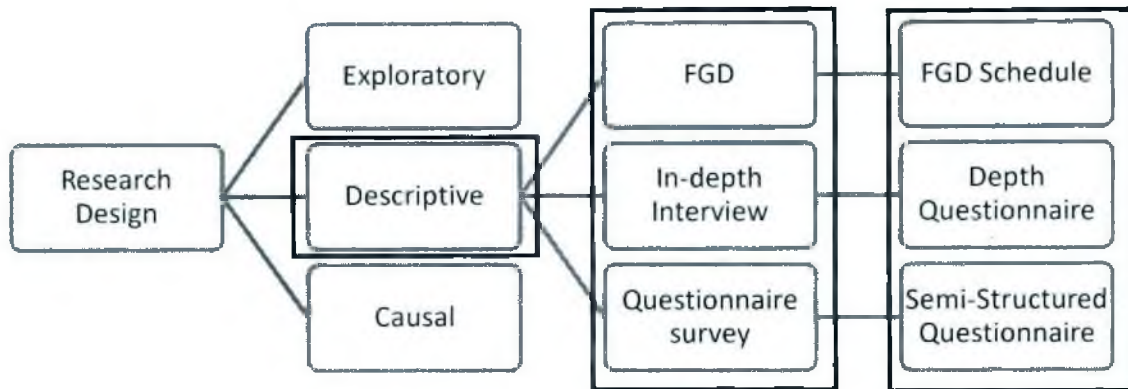


Figure 3.1: Research Design Tree diagram of the study

### 3.1.1 Rational

Descriptive research, also known as statistical research, describes data and characteristics about the population or phenomenon being studied. Descriptive research answers the questions *who*, *what*, *where*, *when* and *how*.

This study conducted here describes; what are the practices of Employee Development (ED) and where and how they are implemented and what are the impacts of ED on employee turnover.

# 3.2 Type of Study

Mainly this is a mixed study; both qualitative and quantitative. Some quantitative tools are used to summarize data collected.

## 3.2.1 Rational

As in the study perception of the stakeholders of the IT industry and banking sectors are taken to get to know about the practices of Employee Development and causes of turnover and we have used quantitative tools, so this is both a qualitative and quantitative study.

# 3.3 Research Technique

Various research techniques were used in this study which includes the following:

## 3.3.1 Experience Surveys

This was done by asking knowledgeable individuals about a particular research problem.

- In-depth interview
- Questionnaire survey
- Focused group discussion

## 3.3.2 Secondary Data Analysis

Data collected for a purpose other than the project at hand, Economical, Quick source for background information.

- Document review

## 3.3.3 Case Studies

- Intensely investigates one or a few situations similar to the problem
- Investigate in depth
- Careful study

# 3.4 Research Instruments

### 3.4.1 In-depth Interview

The researcher used a semi structured questionnaire for the in depth interview (A qualitative research technique. It is a face to face conversation between a researcher and a respondent with the purpose of exploring issues or topics in detail.).

### 3.4.2 Survey Questionnaire

The researcher used a structured questionnaire (A questionnaire used in large surveys where specific answers are anticipated. They include the use of multiple choice and scale questions.) for the survey.

### 3.4.3 FGD Schedule

A focused group discussion (FGD) is an unstructured free flow discussion. A FGD was conducted by the researcher with 7 people. Among these 7 people, 4 was executives from a bank, 3 were from different IT companies. The discussion was held for 3 hours at a restaurant. The researcher acted as a moderator and others took down the necessary notes.

# 3.5 Sources of Data

The research study used two sources of data both primary and secondary.

### 3.5.1 Primary Sources

Under the primary sources the following methods were used:

- Direct observation
- Focused Group discussion
- Structured questionnaire Survey

- Face to face in depth interview

## 3.5.2 Secondary Sources

While in the secondary source the following options were used:

- Related journals and articles,and
- Website articles.

# 3.6 Level of Measurement

Among four level of measurement available, we have used

- Nominal scale and
- Ordinal scale.

## 3.6.1 Rational

Nominal scale is used to get to know about the respondents' profile. Such as age, sex, etc.

Ordinal scale is used to get to know about the performance of the different types of strategic alliances in different sectors. Like in this study 5 point Likert scale is used.

# 3.7 Data Collection Mechanism

- ➢ The researcher has gone through a focused group discussion to get to know the current Employee Development practices and impacts of ED on employee turnover in Bangladesh.
- ➢ The researcher has prepared a structured questionnaire survey. This survey was directly targeted to the employees.
- ➢ The researcher has interviewed some top level Human Resource Managers to get to know their views regarding causes, costs and solutions of employee turnover.
- ➢ The researcher has talked to some academicians to get to know about their views on current Human Resource Development practices and employee turnover.

# Chapter Four: Profile of The Sample

# 4.1 Sample Size

In all 233 employees from 81 different companies were surveyed with a structured questionnaire with both open and close ended answer options. The major sample description is provided in the following section.

# 4.2 Sample Selection

Convenience sampling was followed for this research. The problem with convenience sampling is that, it does not entirely ensure representativeness of the chosen sample. But it is efficient in approximating estimate quickly and inexpensively.

Only Software companies and Banks were chosen for the survey as Software companies and banks employ a large number of employees and IT industry is growing very fast. There are a good numbers of Banks and IT firms operating in Bangladesh, it was expedient for surveying and their scenario reflects the HR practices in Bangladesh.

Some online survey was done for the same reason.

# 4.3 Description of the Sample

## 4.3.1 Respondents Distribution

Among 233 respondents, 133 are chosen from banking sector and the other 100 are chosen from IT sectors.

## 4.3.2 Employee level and position

Most of the respondents (126 out of 233) were mid-level manager with the position of Senior Software Engineer and Architect/Business Analyst (in the case of IT companies) and Principal Officer, First Assistant Vice President, Assistant Vice President and Senior Assistant Vice President (in the case of Banks) . The following chart shows the number of employees from different levels.
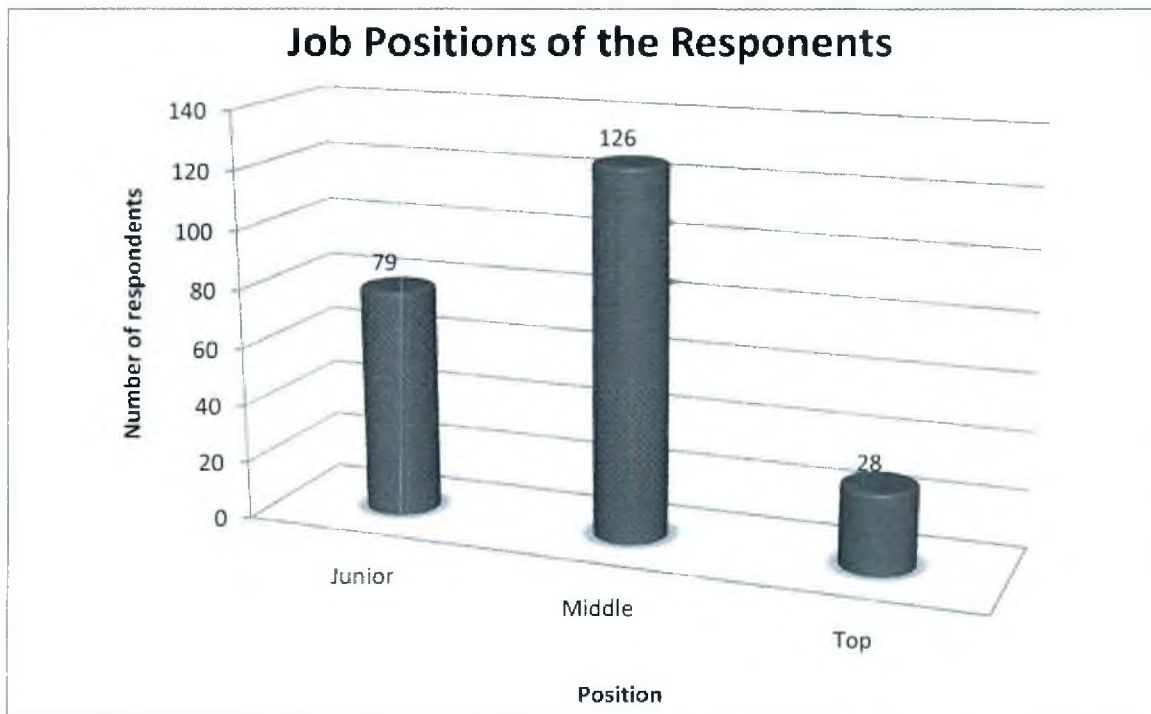


Figure4.1: Number and level of employees surveyed from different organizations
Source: Questionnaire Survey

## 4.3.3 Job Experience

The numbers of years served in total in the industry and the numbers of years served in the current company were found to be different for many of the employees. There are many employees who have longer experience in the industry but working for last few years in the

current company. Actually there is no direct relationship of industry experience and the experience length in the current industry *company*

The following bar chart shows the number of employees surveyed according to years served in the industry and in the current firm.
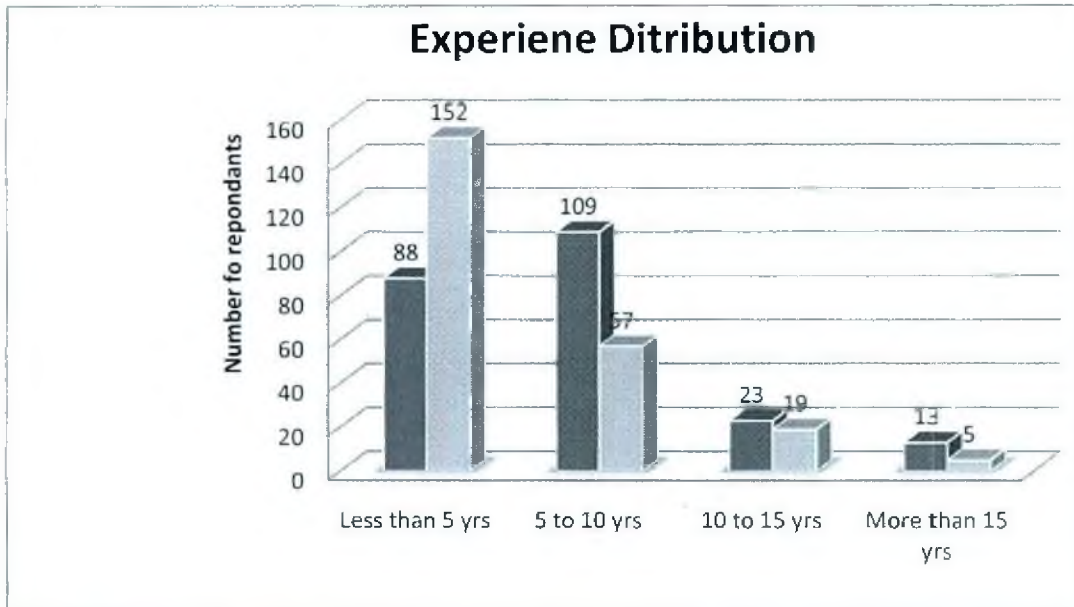


Figure 4.2: Number of employees surveyed according to years served in the industry and in the current organization

Source: Questionnaire Survey

## 4.3.4 Age Distribution

The following pie chart shows the number of employees surveyed from different age group. About 88employees were from the age group of 30-37 which is 38% of the total respondents and 66 employees were from the age group of 38-45 representing 28% of the total respondents. Some were below 30 and few were above 50. The majority of the employees were in their thirties and forties. This is obvious as most of our respondents were from mid-level management.
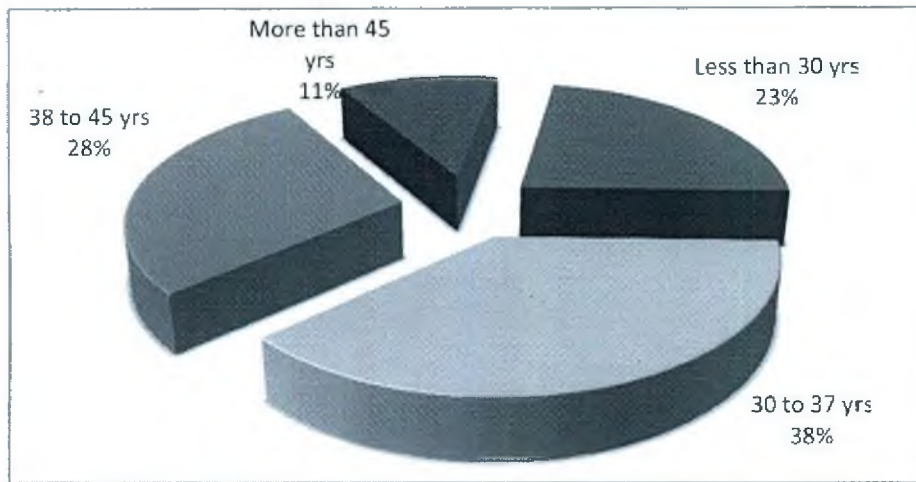
Figure 4.3: Percentage of employees surveyed from different age group

Source: Questionnaire Survey

## 4.3.5 Gender Distribution

Most of the personnel that we surveyed were male. Among the 233 respondents, only 39 of them were female; which is only 17% of our total respondents. And only 2 of the female respondents were from top level management. It clearly indicates the dominance of males in IT and Banking industry of Bangladesh.
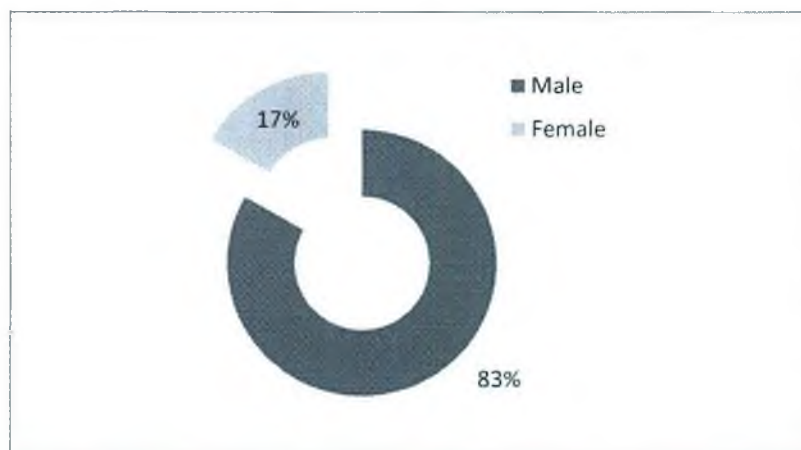


Figure 4.4: The number of male and female in the sample

Source: Questionnaire Survey

## 4.3.6 Academic Qualification

Most of the respondents were Master's Degree holders. Few computer science under-graduate students work for IT companies fulltime. So they are shown in the following table of academic qualification as H.S.C. Pass.
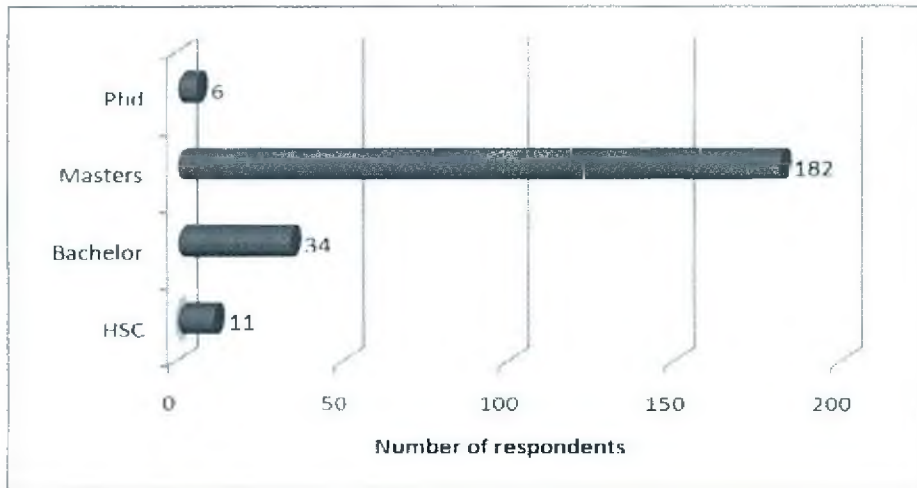


Figure 4.5: Academic Qualification of the respondents

Source: Questionnaire Survey

## 4.3.7 Company Profile

A total of 81 companies were surveyed among which 47 were Financial Organizations and 34 were Software companies.
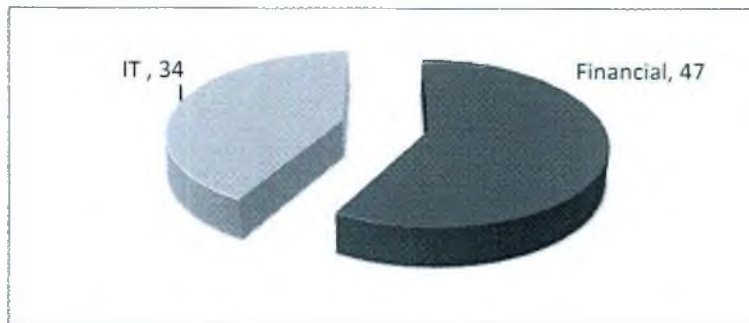


Figure 4.6: Number of companies according to industry type

Source: Questionnaire Survey

Among all the organizations, 68 were local and 13 were Multinational. Among the multinational companies, only 3 were Banks and the rest 10 were Software companies.
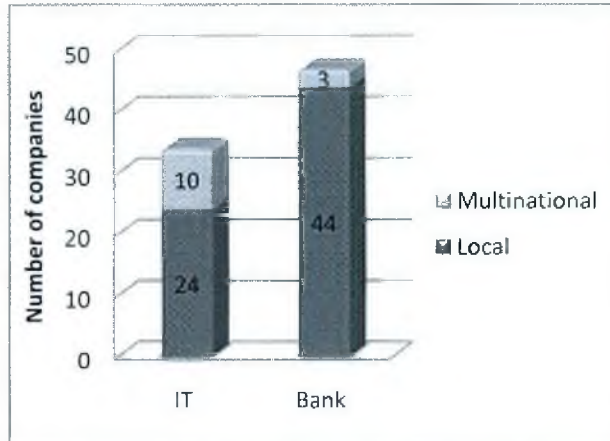


Figure4.7: Number of companies according to organization type

Source: Questionnaire Survey

Among the 47 banks surveyed, 6 were Government owned and the rest were Private Commercial Banks, having both the types- conventional banking and Islami Banking. All of the 34 software companies were private.



|  | Banks | IT |
|---|---|---|
| Private | 41 | 34 |
| Public | 6 | 0 |
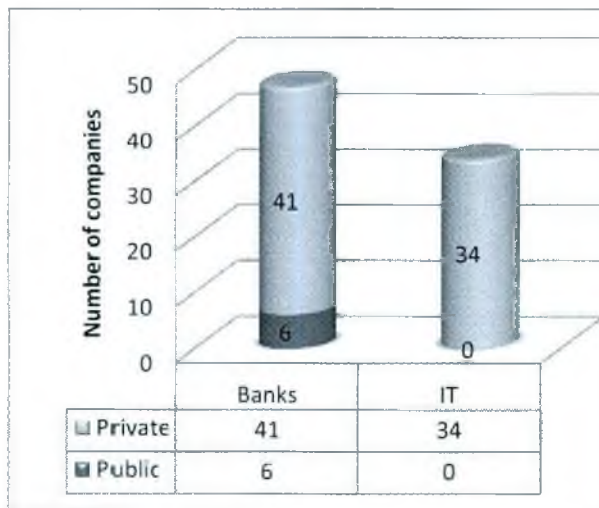
Figure4.8: Number of companies according to ownership type

Source: Questionnaire Survey

## 4.3.8 Services Offered

The service mix of the banks were found to be quite similar, all of them offering

- ❖ Deposit Accounts (Savings account, Current Account, Fixed Deposit)
- ❖ Personal Loans (Home loan, car loan, Education loan etc)
- ❖ Corporate Loans
- ❖ SME Loans
- ❖ Electronic Card services
- ❖ Foreign Remittance etc

The service mix a firm offers is extremely diversified in IT sector. Most of the firms offer a huge range of services from software development, data processing, and web page development to selling of PC and other peripheral devices. Following figure shows number of firms that offer a particular service. Obviously software development is the most common service offered in this sector. Though a large number of firms also offer

- ❖ Training
- ❖ Data entry
- ❖ Data processing
- ❖ Networking

The followings are the other services also provided by the firms

- ❖ E-commerce
- ❖ 3D Animation & Non Linear Video
- ❖ Editing
- ❖ MIS
- ❖ GIS
- ❖ LIS
- ❖ M&E systems
- ❖ E- book development
- ❖ ERP/MRPII-Implementation
- ❖ Time sharing services
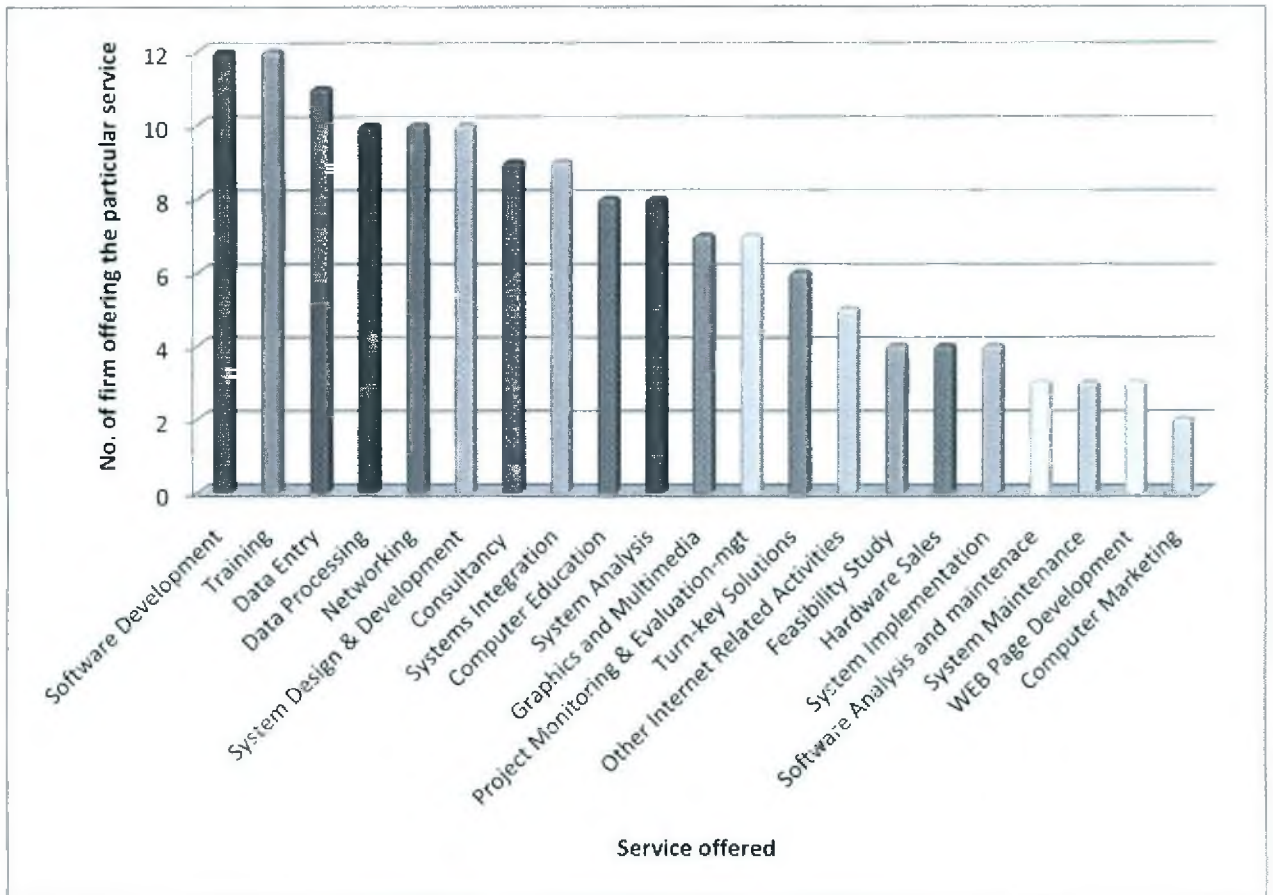
Figure4.9: Services offered by IT companies

Source: Questionnaire Survey

From the above figure it is quite clear that this industry is a highly diversified industry which also indicates that this industry has not yet reached maturity in Bangladesh, rather it is still in its growth stage.

# Chapter Five: Analytical Plan

# 5.1 Data Analysis

The sample for this study is for 233 employees of 81 local and multinational banks and IT companies. A set of questionnaire was used in the study to find out the human resource development practices in Bangladesh and at the same time questions were designed in a five point Likert scale to measure the impacts of ED practices on employee intention to leave.

The responses of the different questions in a particular category of HR practice are averaged to make a particular value of the category. Several questions were asked to find out the employee's intention to leave as well. The average value of the question responses were averaged to get a particular employee's intention to leave from the organization.

In a nutshell, the data analysis plan consists of three different stages shown below-



| Export Questionnaire survey answers to Excel sheet | Export data from Excel sheet to SPSS | Graphs , Charts, Equation from Excel & SPSS output |
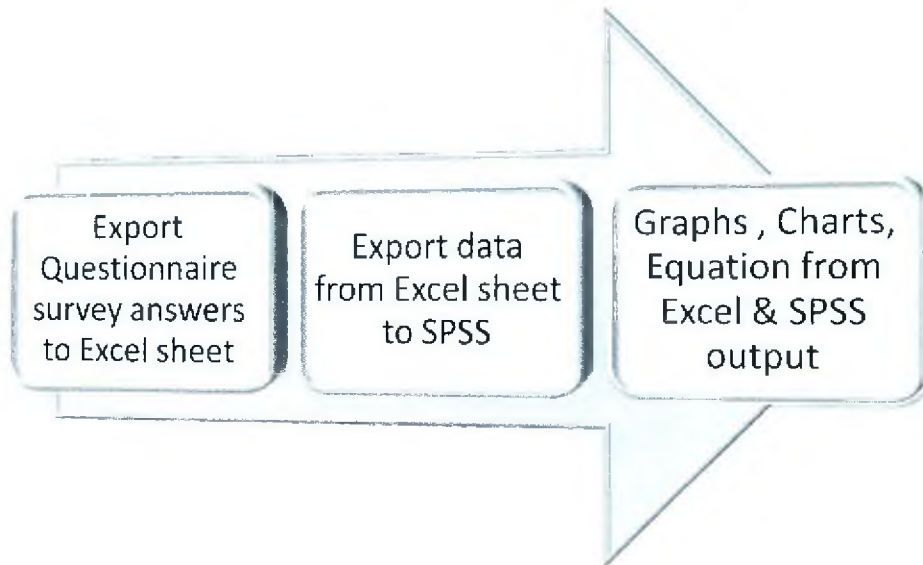
Figure 5.1: Data analysis steps

Before the main regression analysis, the Cronbach's coefficient was used to get the inter item consistency reliability. Cronbach's alpha can be written as a function of the number of test items and the average inter-correlation among the items as shown in the following formula-

$$\alpha = \frac{N \cdot \bar{c}}{\bar{v} + (N - 1) \cdot \bar{c}}$$

Where

N = the number of items,

c-bar= the average inter-item covariance among the items and

v-bar= the average variance.

The results of Pearson's product moment correlation analysis is used to test the relation between the Employee intention to leave (EIL) with a particular ED practice. The desired level of significance is 0.01 and One-tailed test is used.

After computing Pearson's coefficient, each of the independent variables (ED practices)is tested against the dependent variable (EIL) to compute the correlation.

Multivariate analysis evaluates the simultaneous effects of all the independent variables on dependent variable regressing the different independent variables against the dependent variable EIL.

The strengths of influence that each of the independent variable had on the dependent variable. i.e. EIL was determined by the use of multiple regression coefficients of the independent variables. A stepwise regression is done to find out the extent of contribution of each variable to R square value or the total explanatory power of the regression model.

# 5.2. Interpretation

The different options of the 5 point rating scale have different weights ranging from 1 to 5. The following table shows the weights of the rating points.

Table 5.1: Weights of the rating points

| Rating Point | Weight |
|---|---|
| Strongly Agree | 5 |
| Agree | 4 |
| Neutral | 3 |
| Disagree | 2 |
| Strongly Disagree | 1 |

Suppose the three reasons for Employee turnover is dissatisfaction with ABC, EFGH and XY category. ABC category consists of three different sub-categories A, B and C whereas EFGH contains four different items E, F, G, H and XY has X, Y.

For example to test the employee satisfaction level of ABC category three questions were asked in the questionnaire and the following responses were obtained from a particular respondent-

Table 5.2: Sample questionnaire

| | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| | 5 | 4 | 3 | 2 | 1 |
| I am satisfied with A | | | | | |
| I am satisfied with B | | | | | |
| I am satisfied with C | | | | | |

So, the average value of ABC category of the respondent is (2+1+2)/3 = 5/3 = 1.67

Similarly the average values of EFGH, XY and intention to leave are also found for that particular respondent from averaging the questionnaire responses. In the same way average values of all the categories are computed for all the 233 respondents using the average function of excel. After that, the following calculations are done using SPSS.

## 5.2.1 Internal consistency

## Reliability

[DataSet1]

## Scale: ALL VARIABLES

Table 5.3: Case Processing Summary (analytical plan)

|  |  | N | % |
|---|---|---|---|
| Cases | Valid | 233 | 100 |
|  | Excluded[a] | 0 | 0 |
|  | Total | 233 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

Table 5.4: Reliability Statistics (sample questionnaire)

| Cronbach's Alpha | N of Items |
|---|---|
| 0.82 | 3 |

This output sheet shows that for the 3 questions in the ABC category, the internal consistency – Cronbach's alpha- was measured by using data from 233 responses. The Cronbach's alpha is 0.82, which indicates that the internal consistency is satisfactory. Similarly internal consistencies of the other two categories are calculated.

## 5.2.2 Correlations

Each of the independent variables was tested against the dependent variable to compute the correlation. The SPSS result sheet for measuring correlation between compensation and EIL is as follows:

## Correlations

[DataSet1]

**Table 5.5: Correlations (using data for analytical plan)**

|  |  | Intension to leave | Compensation |
|---|---|---|---|
| Intension to leave | Pearson Correlation | 1 | -.73[**] |
|  | Sig. (1-tailed) |  | .000 |
|  | N | 233 | 233 |
| ABC | Pearson Correlation | -.73[**] | 1 |
|  | Sig. (1-tailed) | .000 |  |
|  | N | 233 | 233 |

[**]. Correlation is significant at the 0.01 level (1-tailed).

This shows the Pearson coefficient is negative, thus indicating that ABC is negatively correlated to EIL. Similarly the coefficient for the other variable, EFGH is computed.

## 5.2.3 Multivariate analysis

Multivariate analysis evaluates the simultaneous effects of all the independent variables on dependent variable. The results of regressing all the independent variables against the dependent variable EIL are shown in the Table computed in SPSS:

Table 5.6: Multivariate analysis (using sample data for analytical plan)

| R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|---|---|---|---|---|---|---|---|---|
|  |  |  |  | R Square Change | F Change | df1 | df2 | Sig. F Change |
| .816[a] | .666 | .657 | .63522 | .666 | 6.3888 | 6 | 226 | .00005 |

a. Predictors: (Constant), ABC. EFGH, XY

The square of the multiple R is 0.666 indicates that the 66% of variance in Employee Turnover is explained by the three independent variables jointly. The F value is 6.388 that is significant at P

= 0.0005 suggesting that three independent variables have significantly explained the 67percent of the variance in Employee Turnover.

## 5.2.4 Strengths of influence

The strengths of influence that each of the independent variable had on the dependent variable. i.e. EIL was determined by the use of multiple regression coefficients of the independent variables. The influence of each independent variable is shown in Table.

Table 5.7: Strengths of influence (using data for analytical plan)

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | 5.224 | .240 | | 21.751 | .000 |
| | ABC | -.817 | .075 | -.844 | -10.903 | .000 |
| | EFGH | .121 | .084 | -.108 | -1.446 | .149 |
| | XY | .099 | .081 | .072 | 1.230 | .220 |

*a. Dependent Variable: Intension to leave*

As shown in the table ABC has the strongest significant effect on EIL with a standardized beta of -0.844. According to this computation, XY shows a positive t value showing that is there is no negative relationship between XY and EIL.

A stepwise regression was done to find out the extent of contribution of each variable to R square value or the total explanatory power of the regression model. The results of stepwise regression show that there are two predictor variables that could significantly contribute to the R square value.

The output from SPSS Analysis is shown below:

Table 5.8: Variables Entered/Removed[a](for analytical plan)

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | ABC | . | Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100). |
| 2 | EFGH | . | Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100). |

a. Dependent Variable: Intension_to_leave

Their combined effect:

Table 5.9: Model Summary (for analytical plan)

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .812[a] | .660 | .657 | .63581 |

a. Predictors: (Constant), ABC, EFGH

Table 5.10: Coefficients[a] (for analytical plan)

| Model | | Standardized Coefficients Beta | $R^2$ | $+ R^2$ | t | Sig. |
|---|---|---|---|---|---|---|
| 1 | (Constant) | | | | 31.506 | .000 |
| | ABC | -.749 | .644 | .644 | -17.662 | .000 |
| | EFGH | -.130 | .657 | .013 | -3.073 | .002 |

a. Dependent Variable: Intension_to_leave

The results of the stepwise multiple regression analysis indicated that ABC had the highest beta value and contributed 65% to the variance in EIL. EFGH had the second highest beta value contributed about 1.3%.

# Chapter Six: Employee Development Practices

Employee Development is a modern version of personnel development. It is concerned with the "people" dimension in management. Since every organization is made up of people, acquiring their services, developing their skills, motivating them to high levels of performance, and ensuring that they continue to maintain their commitment to the organizations are essential to achieving organizational objectives.

# 6.1 Employee Development in Bangladesh

Employee Development (ED) has been an important issue in the socio-economic arena in Bangladesh. An effective employee development practice is required for the accomplishment of corporate goals. Business enterprises cannot keep pace in the changing world without employee development. In this context, the present study has been undertaken to evaluate the employee development practices in some select industries of Bangladesh.

HR practices in Bangladesh are better than the past. In the past, HR role was concentrated to hiring firing and letter issuance-dispatching-filing stage. Now it has started to perform more than that such as: employee motivation, employee development, employee retention, facilitating organizational development initiatives etc. and thus contributes to the achievement of organizational goals. These value added job has just begun in Bangladesh. For a good tomorrow, this is a starting point.

Employers have started to understand that the more they invest in human resources the more output is likely to come which lead them to emphasize on employee capability development. As such in many organizations, employee development is viewed as part of business plan. In these organizations, training budget is calculated as a percentage of total budgets of the organization. As a matter of fact, employer - employee relationships is better than the past. Employers now recognize the importance of employee's participation in business planning, major decision making and organizational change process. Many organizations now conduct employee opinion surveys for collecting employee feedback and improve employer-employee relationships.

Some HR actions have legal implications. But in the country context legal explanation does not seem to be adequate. There is lack of uniformity of the interpretation of law that lead to practice by organizations in different way. There is also ambiguity of existing legal policy or detailed policy framework on HR actions seems to be incomplete.

# 6.2 Major ED practices

Nowadays, organizations in Bangladesh operate in a complex and changing environment that greatly enhances or influences their growth and expansion. To cope up with this changing environment and technological advancement organizations need to develop and train their employees. In addition the survival and growth of any organization depends on the quality of employees of the company. Skills and knowledge can easily become obsolete in same way as machines or technology. So if an organization is to survive these must be constantly kept up to date through effective Employee Development practices. Employee Development practices are especially important in industries with rapidly changing technology such as banking and IT industries. Having this in mind, the study has been conducted among 233 employees of 47 banks and 34 IT companies to assess their employee development practices. During the survey, human resource managers and others were asked to describe several HRM practices of their organizations. To provide richer detail for the existing employee development practices, some example of its applications are described in case studies. While providing many implications for practical application, the case studies along with the survey results, reveals the current scenario of employee development practices in the banking and IT industry.

## 6.2.1 Recruitment & Selection

Employee Recruitment is defined as any practice or activity carried on by the organization with the primary purpose of identifying and attracting potential employees. The goal of an organizational recruitment program is to ensure that the organization has a number of reasonably qualified applicants (who would find the job acceptable) to choose from when a vacancy occurs as the attraction, retention and motivation of high caliber persons are keys to success. Selection refers to the process by which it attempts to identify applicants with the necessary knowledge, skills, abilities and other characteristics that will help the company

achieve its goals, companies engaging in different strategies need different types and numbers of employees. The strategy a company is pursuing will have a direct impact on the types of employees that it seeks to recruit and selection. There are two kinds of source used for recruitment .They are:

1. External source

2. Internal source.

In both banking industry, it has been found out that generally recruitment is done both externally and internally. The questions under this topic were aimed to find out the number and type of steps followed during the recruitment process of various organizations and the factors that affect the recruitment and selection process.

### 6.2.1.1 Response Summary

### 6.2.1.1.1 Number of steps

In response to the question "How many steps does the company follow at the time of hiring new employees", 13 of the 133 respondents informed that they had to go through only one step, whereas 78 of the employees were selected after two steps of interview. About 32 respondents had to go through three phases and 6 people had to go through four. Among the 133 respondents only four people had to go through 5 or more phases to get selected. The graphical representation of the summary response is given below:



Figure 6.1: Response summary of steps involved in the hiring process in Banking sector

Source: Questionnaire survey

For IT sector the scenario is almost same, among 100 responses, maximum 58 has to go through at least 2nd step to get into the organization. And very few, only 3 have to go at least 5 or more steps to get into the organization.

Table 6.1: Response summary of steps involved in the hiring process in IT sector

| Number of steps | Number of respondents |
|---|---|
| 1 | 10 |
| 2 | 58 |
| 3 | 25 |
| 4 | 4 |
| 5 or more | 3 |
| total | 100 |

Source: Questionnaire survey

It was found that the banks had more than one step in all entry level posts. But for few senior level posts, only interview is the only step. The 10 respondents who had been selected through one phase are from the IT companies. The majority of the local banks and IT companies selected their candidates through two steps for any position. Among the 57 respondents who had to go through three phases to get selected in their organizations 32 were from local and multinational private banks whereas 25 were from multinational IT companies. The 10 people who went through four phases were all from multinational IT and banks. The remaining 7 respondents had to face five or more tests to get selected, and all of them are from multinational banks.

## 6.2.1.1.2 Description of the steps

The summary of the response to the query "Please mention which steps" is shown in the figure 6.2. It can be seen from the figure that all the respondents have faced oral viva, and all of them had faced initial screening phase and appeared in for written tests. From this we can decipher that, the common practice in banks are initially screen a candidate during the time of recruitment, take a written test and (if he/she passes) conduct an in-depth interview. Only 6 of the respondents had to sit for online assessments. According to the bank personnel, there is a lot of chance of dishonesty if one gives the online test from home and arranging an online assessment exam for a large number of candidates in some location is not feasible,

considering the large number of PCs' required and technical glitches that may arise during the exam.
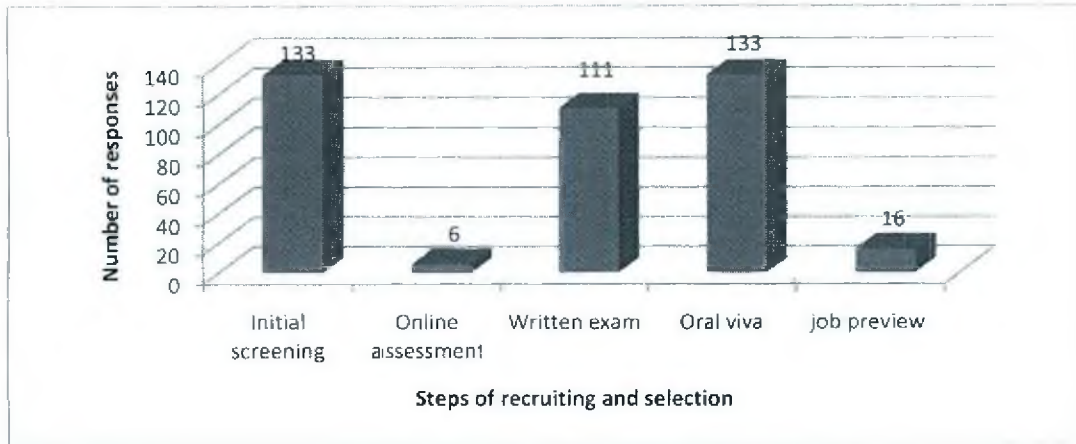


Figure 6.2: Response summary for description of the steps involved in the hiring process in banking sector

Source: Questionnaire survey

It can be seen from the figures that all the respondents have faced oral viva, and most of them had faced initial screening phase and appeared in for written tests. From this we can decipher that, the common practice in local IT companies and banks is initially screen a candidate during the time of recruitment, take a written test and (if he/she passes) conduct an in-depth interview.

Table 6.2: Response summary of description of steps involved in the hiring process in IT sector

| Number of steps | Number of respondents |
|---|---|
| Initial screening | 96 |
| Online assessment | 3 |
| Written exam | 83 |
| Oral viva | 100 |
| job preview | 9 |

Source: Questionnaire survey

Only 3 of the respondents had to sit for online assessments for IT sector.

## 6.2.1.1.3 Biasness in Recruiting

### Gender

The respondents were also asked to comment on the level and type of biasness (if any) they have experienced during their recruitment and selection. In case of biasness because of gender the response was somewhat like this:
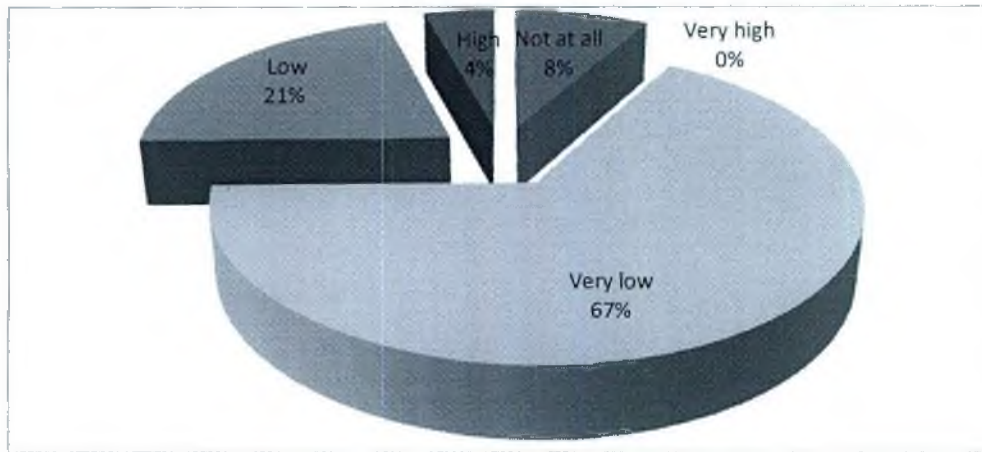


Figure6.3: Biasness based on Gender in banking sector

Source: Questionnaire survey

From this figures it can be seen that the discrimination among candidates because of gender is quite low, as 67% of the respondents ascertained they had faced very low biasness because of their gender during recruitment. 21% asserted that they had faced slight bigotry because of their sex, whereas 4% identified that biasness shown against them because of their gender was high during their recruitment.

For IT sector the number is also very low. Biasness due to gender is very low. About 80% respondents thinks that there is very low biasness due to gender. There is some amount of discrimination based on gender during recruitment of the organizations in Bangladesh. It may be higher in other sectors other than banking and IT as jobs in banking and IT industries cannot be stereotyped as 'male' or 'female' jobs as in other industries like manufacturing or construction.

## Age

The table 6.3shows that 15 people did not face any discrimination at all due to their age. About 137 respondents have faced very low discrimination during recruitment because of their age, 75 of them faced low discrimination when 5 of the employees faced high biasness against them because of their age. The reason that the discrimination is low in both of these industries is the usual jobs that exist in these industries do not require extensive menial labor which may lead to discard relatively old people during recruitment. So though there is presence of biasness based on age during recruitment, it is at a very low level.

Table 6.3: Biasness based on Age

| Sector | Not at all | Very low | Low | High | Very high | Total |
|---|---|---|---|---|---|---|
| Banking | 9 | 75 | 46 | 3 | 0 | 133 |
| IT | 6 | 62 | 30 | 2 | 0 | 100 |
| Total | 15 | 137 | 76 | 5 | 0 | 233 |
| Percentage | 6.4% | 58.8% | 32.6% | 2.2% | 0% | 100% |

Source: Questionnaire survey

## Education

According to following table, there is a presence of biasness based on educational qualification in both IT and Banking sector:

Table 6.4: Biasness based on educational qualification

| Sector | Not at all | Very low | Low | High | Very high | Total |
|---|---|---|---|---|---|---|
| Banking | 0 | 0 | 14 | 83 | 36 | 133 |
| IT | 0 | 2 | 7 | 65 | 26 | 100 |
| Total | 0 | 2 | 21 | 148 | 62 | 233 |
| Percentage | 0% | 0.9% | 8.6% | 63.9% | 26.6% | 100% |

Source: Questionnaire survey

As it can be seen from the table no respondents think that they did not witness any biasness based on education during recruitment. According to 2 people there is very low biasness and 20 people believe that there is biasness, but it's at a low level. But the majority of

respondents, 148 people, have identified high level of discrimination because of education, whereas 63 people experienced or witnessed very high discrimination. In both banking and IT industry, there is not only discrimination based on educational qualification, but also universities/colleges graduated from and exam results. There are instances where candidates from less prominent universities or colleges prove themselves worthy during recruitment process, but still get deferential treatment because of their background or exam results.

## Religion

When asked if they faced biasness based on religion, 211 out of 233 respondents replied that there was no discrimination against them because of religion, whereas 20 respondents faced very low level and 2 persons faced low level discrimination because of their religion.

Table 6.5: Biasness based on Religion

| Sector | Not at all | Very low | Low | High | Very high | Total |
|---|---|---|---|---|---|---|
| Banking | 116 | 15 | 2 | 0 | 0 | 133 |
| IT | 95 | 5 | 0 | 0 | 0 | 100 |
| Total | 211 | 20 | 2 | 0 | 0 | 233 |
| Percentage | 90.5% | 8.6% | 0.9% | 0% | 0% | 100% |

Source: Questionnaire survey

So, it can be imperatively said that the biasness based on religion is almost non-existent during the recruitment process in the banking and IT sector.

## Nepotism

According to 63% of the respondents, there is high level of nepotism in recruitment and selection of employees. 14% believe that discrimination due to nepotism is very high whereas 5% of the people think that it is very low. About 15% have faced low biasness due to nepotism, and 3% of the respondents believe there's no nepotism at all.

Table 6.6: Biasness based on Nepotism

| Sector | Not at all | Very low | Low | High | Very high | Total |
|---|---|---|---|---|---|---|
| Banking | 4 | 5 | 21 | 82 | 21 | 133 |
| IT | 2 | 6 | 14 | 66 | 12 | 100 |
| Total | 6 | 11 | 35 | 148 | 33 | 233 |
| Percentage | 2.6% | 4.7% | 15% | 63.5% | 14.2% | 100% |

Source: Questionnaire survey

This clearly shows that there is widespread practice of recruiting people based on their family ties or locality. The lack of effective and professional human resource practice in these organizations has generated this detrimental situation.

**Reference**

The response below shows that there is a high level of biasness due to reference during recruitment process. 129 of 233 respondents faced high level discrimination because of this issue, whereas 26 people highly discriminated because they did not have reference. According to 37 respondents, the biasness is low and 33 have faced very low level of discrimination. 8 employees believe that there is no discrimination at all.

Table 6.7: Biasness based on Reference

| Sector | Not at all | Very low | Low | High | Very high | Total |
|---|---|---|---|---|---|---|
| Banking | 4 | 5 | 21 | 82 | 21 | 133 |
| IT | 2 | 6 | 14 | 66 | 12 | 100 |
| Total | 8 | 33 | 37 | 129 | 26 | 233 |
| Percentage | 3.4% | 14.2% | 15.8% | 55.4% | 11.2% | 100% |

Source: Questionnaire survey

The high level of biasness is basically present in the banking industry, as most of the respondents who think that there is low level or no discrimination based on reference are mostly from the IT organizations. The reference is important as it adds something to the first impression. So, to get the job in the first place sometimes it is observed that reference is important.

## 6.2.1.2 Case Study

The recruitment process in Standard Chartered Bank and CSLsoft Limited are given below to give a clear picture of the recruitment and selection process occurring in different organizations:

### Standard Chartered Bank

The Bank's Management Trainee Development Scheme takes place in Dhaka, where they recruit management trainees. Alternatively, candidates can apply to their local cities. It is the aim of management to recruit young, bright, energetic and enthusiastic graduates and post graduates.

The people having the following qualities are considered for selection:

- Bright, young graduate or a postgraduate, who cannot wait to start his/ her career in the financial services industry.
- Consistent academic performer throughout his/her education.
- Career-oriented person
- Energetic, ambitious, innovative and business-oriented person.

According to the official of Standard Chartered Bank recruits the most talented individuals from the external market to supplement their internal pipeline of talent. Their Human Resources department provides guidance on the use of psychometric tests and has robust recruitment criteria to ensure that all candidates are treated fairly, equally and with respect. It has a global Graduate Recruitment Program; where in the region of 150 graduates are recruited each year on a management trainee program across all businesses, functions and countries.

The bank then selects employee based on knowledge, skills and talent. They are committed to providing equality of opportunity to all employees, regardless of gender, race, nationality, age, disability, ethnic origin, or marital status.

## CSLsoft Limited

CSLsoft Limited is an equal opportunity employer, as it makes good business sense to recruit, select and appoint based on the skills, qualifications, experience and competencies of candidates rather than personal factors. Equal opportunity ensures that the best person is recruited and selected for the job regardless of the presence of some "discriminating factors". CSLsoft Limited doesn't consider the following factors to gauge the qualifications of a candidate.

- ➤ Political belief
- ➤ Religious belief
- ➤ Race
- ➤ Sex / Gender
- ➤ Color
- ➤ Marital Status

HR relationship in CSLsoft Limited is excellent and to maintain this HR has certain policies. As the inter-link of management and graded staffs happens in the plant and factory locations, the policy and strategies should be implemented in the areas keenly.

## Recruitment and Selection Policies of CSLsoft Limited

OMR (Optical Mark Recognition), used primarily for structured forms this software process converts marks on a paper to information. An example is a form that is manually completed which includes check boxes the presence or absence of which is information, is a tool to assist in planning the future people needs. Within the OMR process, potential successors are identified for certain management positions. When such a position becomes vacant, an individual may be approached about the vacancy. However, this may not be precluding advertisement, or consideration of people who respond to that advertisement. Vacant positions not filled through the OMR process are advertised.

The immediate line manager and HR personnel are accountable for the recruitment and selection. The concerned line manager is the person who will work with the person in achieving the CSFs and KPIs. He/ she is in the best position to assess the candidate's performance and judge whether the recruited person is the right one in the team.

The recruitment and selection process in CSLsoft Limited is done in four ways depending on the job category of the vacant position. Therefore, the recruitment process of this organization is classified into four types, which are done based on the job grade/ group. These are as follows:

- Entry-level management
- MT (Manager Trainee)
- Mid or / and Senior level management
- Graded staff / Non- management staff

**Defining the Position Description**

Prior to checking the recruiting options, the skills, qualifications, experience and competencies the ideal candidate needs to have, should be identified.

Having reviewed the position description the key selection criteria for the role could be identified. This will be a useful source of information when writing the advertisement as well as determining appropriate questions to ask in an interview. It is useful to separate the essential from the desirable skills, qualifications, experience and competencies in a structured format like the one below.

| Essential | Desirable |
|---|---|
|  |  |

**Checking the Recruitment Options**

The management prepares a detailed job description for the person to be recruited, mentioning criteria for the selection. The required personnel are then searched based on that description. This procedure involves four stages.

## 6.2.2 Orientation

Orienting the new employee is a critical step in helping him adjust to the workplace and the job. It helps a new person to develop a productive, lasting relationship with the organization.

The orientation effectively integrates the new employee into the organization and assists with retention, motivation, job satisfaction, and quickly enabling each individual to become contributing members of the work team.

Orienting employees to their workplaces and their jobs is one of the most neglected functions in organizations of Bangladesh. Though many banks and IT companies informally orient their employees with the organization, it doesn't suffice to ease the anxiety and motivate an individual to blend in the company.

### 6.2.2.1 Response Summary

### 6.2.2.1.1 Formal Orientation

In response to the question, "Is there any formal orientation program for the new employees in the organization?", only 32 people out 233 replied that formal orientation happened regularly and it's a part of the organizational culture. About 83 respondents informed that sometimes there are formal trainings for some new employees if they get lucky. But a staggering 118 people reported that they did not get any formal orientation at all. Majority of the formal orientation were in the bank, whereas a number of multinational IT companies also oriented new employees formally. The following figure shows the response summary:

Table 6.8: Response summary of Formal orientation program

| Sector | Yes, all the | Yes, | Never | Total |
|---|---|---|---|---|
| Banking | 17 | 74 | 42 | 133 |
| IT | 15 | 9 | 76 | 100 |
| Total | 32 | 83 | 118 | 233 |
| Percentage | 13.7% | 35.6% | 50.7% | 100% |

Source: Questionnaire survey

### 6.2.2.1.2 Informal Orientation

In case of informal orientation, the figure is different. Almost in all organizations new entrants have oriented informally by the help of colleagues/superiors/subordinates. About 154

out of 233 respondents said that new employees were informally oriented on a regular basis, whereas 36 respondents responded that 'yes, sometimes' there are informal orientations. About 43 people informed that there was no informal orientation program in their organization. The response is graphically represented below:

Table 6.9: Response summary of Informal orientation program

| Sector | Yes, all the time | Yes, Sometimes | Never | Total |
|---|---|---|---|---|
| Banking | 82 | 24 | 27 | 133 |
| IT | 72 | 12 | 16 | 100 |
| Total | 154 | 36 | 43 | 233 |
| Percentage | 66% | 15.5% | 18.5% | 100% |

Source: Questionnaire survey

## 6.2.2.2 Case Study

### Flora Limited

In Flora Limited, an IT company, the newly selected employee has to pass through the induction period that is usually of 10 days to 2 weeks. After that s/he has to write a report on her/his learning experience during this period.

An induction process should achieve the following objectives:
- ✓ To give the person an understanding of the Vision and Values of the Flora Limited, encourage a belief in them.
- ✓ To provide the person with the critical information and resources they need to perform their role.
- ✓ To make the person independently productive as soon as possible.
- ✓ To communicate quality and safety requirements and expectations.
- ✓ To welcome the person.
- ✓ To make the person feel that they are an essential part of the organization.
- ✓ To start the person in the organization with a positive attitude and facilitating a commitment to Flora Limited.

Induction does not only apply to new people. An induction program should also be planned for internally transferred people, as they need to be inducted into their new roles. The planning of the Induction Program should include the following steps:

➢ Once the candidate has accepted the offer, the new person's induction should be prepared.

➢ There is an Induction Plan template ("pre-induction", "Induction day" and "Post-Induction" checklist) in the Appendix-2 as guides to structure the person's induction. The tools are not prescriptive, but prompt on activities which could occur in the person's first 1-2 months.

➢ The tasks listed under "one week prior to commencement" of the manager's induction checklist have to be completed. This also includes completing the Induction Plan template.

➢ On the first day meet and greet the new person. Go through the remainder of the Manager's Induction Checklist, which includes outlining the activities that will be occurring over the first one to two months.

➢ The person then participates in activities, which they have pre-arranged.

➢ Completed checklists are placed on the person's Performance Management file.

## Eastern Bank Limited

In Eastern Bank Limited the Management Trainees (MT) go through the company's standard orientation / induction program to two week's duration covering visiting all important business function and locations. After completion of this standard orientation program of the company, the MTs are expected to submit a report giving feedback of their experience and highlighting the learning elements. Again, all MTs moving into a new area need the standard induction into the specifics of the business units, the people and the physical environment. Communicating into the rest of the team, about the MTs role and team members' relationship with the MTs is important to avoid resentments and smooth way for a successful transition into the new department / function. (Source: Employee Manual)

## 6.2.3 Training and Development

Training is a process of learning a sequence of programmed behavior. It refers to a planned effort by a company to facilitate the learning of job-related knowledge, skills, or behavior by employees. It attempts to improve their performance on the current job or prepare them for an intended job.

Development is a related process. It covers not only those activities which improve job performance but also those which bring growth of the personality; help individuals to the progress towards maturity and actualization of their potential capacities so that they become not only good employees but better men and women. In organizational terms, it is intended to equip person to earn promotion and hold greater responsibility.

Recruiting, selecting, orienting and then placing employees in jobs do not ensure success. In most cases, there may be gap between employee knowledge and skill and what the job demand. The gap must be filled through training programs. Hence, personnel training and retraining is one of the major way that work organizations attempt to maintain the competency levels of their human resources and increase their adaptability to changing organizational demands. Employees face the need to constantly upgrade their skills and develop an attitude that permits them to adopt change. The delivery of efficient and effective training is required to enhance the productivity of employees and improve their performance. However, the problem in training and development is that people usually like the training and learn the material taught, but behavior and performance do not always reflect the extent of training delivered and supposedly learned.

Generally, absence of well-established training and development policy, lack of adequate budget, inadequate needs assessment, inappropriate training and development objectives, trying outdated training and development methods, lack of close supervision and follow up are some of the major problems that most organizations in Bangladesh are facing. These problems later on lead the organizations to lack of optimum man-task relationship.

## 6.2.3.1 Response Summary

### 6.2.3.1.1 Types of training

About 20 respondents belonging to IT companies revealed that there organization did not have any kind of training facilities. Out of the rest 213 respondents, 36 informed that they had received technical training, 24 had training on leadership and 20 people had ethical training.

Table 6.10: Types of training in IT sector

| Number of steps | Number of respondents | Percentage |
|---|---|---|
| Technical | 36 | 36% |
| Leadership | 24 | 24% |
| Ethical | 20 | 20% |
| No training | 20 | 20% |
| Total | 100 | 100% |

Source: Questionnaire survey

It can be seen that organizations mostly focus on technical trainings. A large chunk of IT employees received technical training only. In case of IT companies, though a portion of the technical training are done in training institutes it home and abroad.
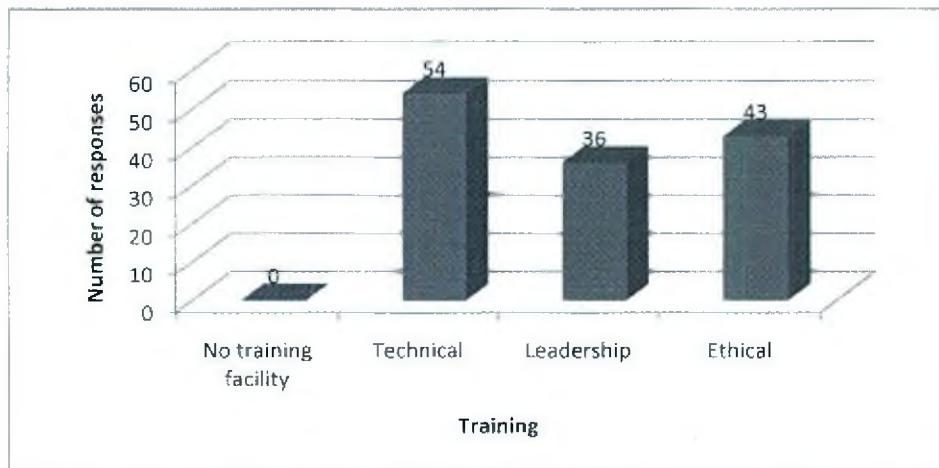


Figure 6.4: Types of training in Banking sector

Source: Questionnaire survey

In banking sector, every bank has more or less training facilities. They get almost equal training in all aspect. About 54 had said they had training on banking (technical). Another 36 had training on Leadership and 43 had training on ethical aspects.

On the job training is a training that shows the employee how to perform the job and allows him or her to do it under the trainer's supervision. On the job training is normally given by a senior employee or a manager like senior merchandiser or a manager. The employee is shown how to perform the job and allowed to do it under the trainer's supervision.

Apprenticeship training is another form of training that is conducted in IT sector. Apprenticeship training provides beginning worker with comprehensive training in the practical and theoretical aspect of work required in a highly skilled occupation. Apprenticeship program combined of the job and classroom training to prepare the employee for IT related jobs.

In case of banks, all of them have training facilities. So classroom training is the norm here. Classroom training is conducted off the job and probably the most familiar training method .It is an effective means of imparting information quickly to large groups with limited or no knowledge of subject being presented. It is useful for teaching factual material, concepts principle with other theories of orientation programs, some aspects of apprenticeship training and safety programs are usually presented utilizing some form of classroom instruction. Classroom instruction is used for technical, professional and managerial employees.

### 6.2.3.1.2 Number of training

It can be seen that the number of trainings received by the employees in It sector is not very high compared to banking sector.

In response to the question "How many trainings did you get?", About 60 out of 213 respondents said that they had less than 2 trainings which really indicates that number of training is low. The reason for that is most of them are entry level employees at the same time.

Table 6.11: Response summary of number of training program

| Sector | Less than 2 | 2 to 5 | 5 to 10 | More | Total |
|---|---|---|---|---|---|
| Banking | 20 | 81 | 28 | 4 | 133 |
| IT | 40 | 30 | 10 | 0 | 80 |
| Total | 60 | 111 | 38 | 4 | 213 |
| Percentage | 28.2% | 52.1% | 17.8% | 1.9% | 100% |

Source: Questionnaire survey

111 employees received 2 to 5 trainings, 38 employees received 5 – 10 trainings and only 4 respondents received more than 10 trainings. Among those who have received more than 10 trainings all are from banking sector.

### 6.2.3.1.3 Relevancy of the training

The response to the question "How much relevant the training was with your job responsibility?" is summarized as follows:

Table 6.12: Response summary of relevancy of training program

| Sector | Very less | Less | Average | High | Very high | Total |
|---|---|---|---|---|---|---|
| Banking | 8 | 14 | 23 | 68 | 20 | 133 |
| IT | 4 | 6 | 12 | 38 | 20 | 80 |
| Total | 12 | 20 | 35 | 106 | 40 | 213 |
| Percentage | 5.6% | 9.3% | 16.4% | 49.7% | 19% | 100% |

Source: Questionnaire survey

It can be seen that 106 out of 213 respondents were happy about the relevancy of the training with their job, whereas 35 opined that the relevancy level was average. 40 employees found a very high relation with their job content and training. 20 respondents found less relevancy of their training with their job and 12 people found very little correlation between their job nature and the training they received. This shows there is a satisfactory level of relevancy with the training and job characteristics.

### 6.2.3.1.4 Value addition of the training

The response to the query "How much value the training added to your job performance?" is shown below:

Table 6.13: Response summary of value addition of training program

| Sector | Very less | Less | Average | High | Very high | Total |
|---|---|---|---|---|---|---|
| Banking | 14 | 22 | 55 | 32 | 10 | 133 |
| IT | 5 | 11 | 19 | 34 | 11 | 80 |
| Total | 19 | 33 | 74 | 66 | 21 | 213 |
| Percentage | 8.9% | 15.5% | 34.7% | 31% | 9.9% | 100% |

Source: Questionnaire survey

Though more than 100 people found high relevancy between job content and training, 66 out of 213 people admitted that the value added by the training to their performance is high. 74 respondents thought that the value added by training was average. According to 33 people, the trainings they received had not added much value and 19 people had the opinion that it added almost no value to the job performance. 21 respondents informed that the trainings added very high value to their performance. So it can be deciphered that though the organizations are giving relevant training, the effectiveness is not up to the mark. This may be due to the fact that, the performance appraisals are not used to identify training needs of individuals and thus imparting training to employees may improve their knowledge about their job but does not essentially help them to cope with their deficiencies if any.

### 6.2.3.1.5 Commitment of supervisor

When the respondents were asked to comment on the "Commitment of the supervisor to allow you to go for off-the-job or off-site training", the response was shown in figure 6.5.

It can be seen that 15 employees rated their supervisor commitment very high, 51 rated it high enough, 84 people rated it average which means that sometimes the supervisor lets them go and sometimes they don't. In the case where commitment is very high, banking sector is reigning there.

40 people rated their supervisor commitment low as they weren't given permission most of the time and 23 said that there supervisor commitment is very low indicating the fact that the supervisor does not let the employees go even if the departmental duties can be handled by someone else.
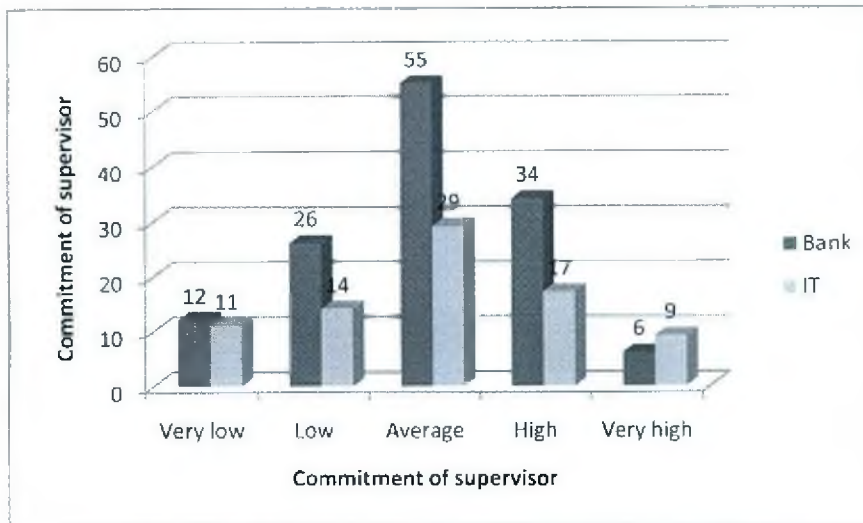
Figure 6.5: Commitment of supervisor in training

Source: Questionnaire survey

It depicts that on average, supervisors in Bangladesh banking and IT sectors tend to leave their employees for training according to their requirements, not to the employee requirements.

### 6.2.3.1.6 Effectiveness of Identification for training programs

When the respondents were asked to comment on the "Effectiveness of" training needs identification process", the response was like this:

Table 6.14: Response summary of effectiveness of identification for training programs

| Sector | Very low | Low | Average | High | Very high | Total |
|---|---|---|---|---|---|---|
| Banking | 41 | 52 | 22 | 8 | 10 | 133 |
| IT | 26 | 29 | 6 | 8 | 11 | 80 |
| Total | 67 | 81 | 28 | 16 | 21 | 213 |
| Percentage | 31.5% | 38% | 13.1% | 7.5% | 9.9% | 100% |

Source: Questionnaire survey

Though more than 100 people found high relevancy between job content and training, 81 out of 213 people admitted that the identification process for the training to their performance is low. 67 respondents thought that the identification process training was very low. According

to 28 people, the trainings they received had average need for them and 16 people had the opinion that it was highlyneededfor their job performance. 21 respondents informed that the trainings added very high value to their performance. So it can be deciphered that though the organizations are giving relevant training, the effectiveness of identification is not up to the mark. This may be due to the fact that, the performance appraisals are not used to identify training needs of individuals and thus imparting training to employees may improve their knowledge about their job but does not essentially help them to cope with their deficiencies if any.

### 6.2.3.1.7Job rotation

Job rotation is another form of employee training in banks. It is a training that requires an individual to learn different things in a work unit or department and performer each job for a specified time period. In job rotation, individuals learn several different jobs within a work unit or department. One main advantages of job rotation is that it makes flexibilities possible in the department. As all the works of different departments are intertwined, job rotation helps the employees get the big picture so that decision making is easy on his/her part in their own department. When the employees were asked if they were sent in job rotation or not the response was:



Figure 6.6: Commitment of supervisor in training

Source: Questionnaire survey

135 out of 233 employees said that they were sent to job rotations, and they were mostly bank employees. 78 employees said that there was no job rotation for them yet. These were mostly IT employees.

## 6.2.3.2 Case study

To have a lucid picture of the training process of Banks in Bangladesh let's have a glance at Standard Chartered Bank Training & Development scenario:

### Standard Chartered Bank

Standard Chartered Bank tells its employees that 'Development is critical to our future business success. Our bank's performance will only continue to improve if we develop our people —you. To develop our people is to invest in our future. We know you have the motivation to succeed, to be good at your job and progress as far as you can.

In Standard Chartered, training is a partnership between the employee and the Bank. The Bank provides a framework within which the employee can identify the training and development needs. Such training provides a consistent standard of management learning throughout Standard Chartered. It also enables the employees to take all of the programs or study for individual modules according to their particular development needs.'

### The Initial Two Years:

What the employee can expect to experience during initial 2 years training is a blend of core and discretionary elements, such as:

1. Induction i.e. the processes that introduces the new entrant to the bank, the employee's own business or function and particular department.
2. Training in specific products or technical skills.
3. Work-based assignments in respective business or function i.e. doing a job in a particular department for a period of time.
4. Cross-functional attachments – experiencing short period of time spent in another business or support function.

### Long Term Training:

Development and training does not stop after two years. After this initial training, the employees are faced with internal development programs, business-related studies and professional qualifications, and the bank also offers the opportunity to develop skills through

externally accredited courses. These are designed in conjunction with top universities and business schools including postgraduate, MBA.

Table 6.15: Courses offered by Standard Chartered Bank

| Accreditation | Internal |
|---|---|
| External Schools | Executive Development |
| MBA | Diploma in Management |
| Certificate in Management | Foundation Course |
| | Induction Course |

Source: Standard Chartered Bank employee manual, 2009

### Orientation:

Every staff member joining Standard Chartered Bank has to attend a 2-day comprehensive orientation to get a feel about the Bank and its business. This orientation program provides a good chance to meet with seniors & colleagues and to build up the team spirit.

### Product Training:

Product training is provided e.g. cash product training, operational training etc. to help the related staff to learn more about the products that the Bank is providing.

### Skill Training:

The bank provides a lot of skill related training e.g. credit workshop, sales & negotiation skills, project management, etc. to help staff enhance their skill in particular aspects.

### On-job Training:

Staff members are continuously involved in the learning process in the form of on-job training. Thus, a lot of on-job training opportunities and job rotation to increase staff's exposure are provided.

**Self-learning:**

The bank sends out CDs and books to staff for them to study on trade knowledge, credit knowledge, etc. and staff will decide when he/she will attend the Trade Skill Assessment(TSA) and Credit Skill Assessment (CSA).

**Management Development Training:**

In this training program, the employees are given strategic perspectives and business goals management skills; people management, networking and customer focus abilities to better understand and manage their jobs.

**Specific Competency Training:**

Specific Competence Training is to ensure that the staff excels in product knowledge, regulatory and unique techniques needed for the particular position.

**Learning and Development:**

Standard Chartered recognizes that it is essential that they have the best people equipped with the right skills and knowledge to perform their roles to the highest standards. They want talented professionals, who seek self-development opportunities including continuing professional development. In return the Bank offers excellent training and development. They focus development on where they believe that they will get the greatest return, by developing employees' strengths.

By observing the above scenario we can see that Standard Chartered provides a framework within which the employee can identify the training and development needs. Such training provides a consistent standard of management learning throughout Standard Chartered. It also enables the employees to take all of the programs or study for individual modules according to their particular development needs. Development Programs are carried out in the first two years of joining, applicable to all management trainees, across the Bank. Each business and function would decide the appropriate development needs for each individual, within this overall framework.

## 6.2.4 Communication

Smooth flow of communication and feedback process is vital for effective employee management of any organization. In every level the flow of communication should be ensured that every part of the organization is functioning well.

### 6.2.4.1 Response Summary

### 6.2.4.1.1 Special communication program

When asked 'Are there any special programs to help communication within the organization?' the following response was garnered:



Figure 6.7: Special communication program for Banks

Source: Questionnaire survey

Only 22 respondents said that their companies have programs to improve both lateral and vertical communication and the majority was from multinational companies. It shows that the importance of improving communication within the organization has not yet been established in the minds of local organizations. It is similar for both the industry. As for IT sector, 8% of the respondents have said that they have special communication programs and 92% have said no.

### 6.2.4.1.2 Step up meetings

In response to 'Are there any Step up meetings (Skip a level and junior employees talk to senior managers)?' 203 employees informed that there aren't any, whereas 30 people had they have step up meetings in their organizations.

Table 6.16: Response summary of Step up meetings

| Sector | Yes | No | Total |
|---|---|---|---|
| Banking | 109 | 24 | 133 |
| IT | 94 | 6 | 100 |
| Total | 203 | 30 | 233 |
| Percentage | 87.1% | 12.9% | 100% |

Source: Questionnaire survey

This situation results in unnecessary bureaucracy and interruptions in any project of the organization and more step up meetings would be congenial to smooth, efficient and effective work process in organizations of Bangladesh.

## 6.2.4.1.2 Town hall meetings

A town hall meeting is an informal public meeting which gives the members of a community an opportunity to get together to discuss emerging issues and to voice concerns and preferences for their community. A typical town hall meeting is attended by both citizens and officials, giving everyone a chance to talk personally in a relaxed environment about the things which matter to them.

The response to the question "Are there any Town hall Meetings (CEO addressing the employees)" only 33 respondents said that they have Town hall Meetings whereas 200 employees replied in negative.



Figure 6.8: Town hall meetings in banking sector

Source: Questionnaire survey

Normally the practice is not seen that much in Bangladesh. Day by day the concept is taking place in the organizations. The importance of Town hall meetings are still not that much discussed. But it is taking places slowly; specially in IT firms, where the number of employees is less in number.

### 6.2.4.1.3Opportunity to interact with seniors

When asked to comment on "the opportunity to interact with seniors" the response was as follows:

Table 6.17: Opportunity to interact with seniors

| Sector | Very low | Low | Average | High | Very high | Total |
|---|---|---|---|---|---|---|
| Banking | 4 | 11 | 15 | 96 | 7 | 133 |
| IT | 1 | 6 | 20 | 60 | 13 | 100 |
| Total | 5 | 17 | 35 | 156 | 20 | 233 |
| Percentage | 2.1% | 7.3% | 15% | 67% | 8.6% | 100% |

Source: Questionnaire survey

According to the response in IT sector, the opportunity to interact with seniors are quite high compare to the banks. 156 had said that they have high opportunity to interact with seniors.

### 6.2.4.1.4 Feedback received for performance

When asked to comment on the 'Feedback received for performance' the response was as follows:

Table 6.18: Feedback received for performance

| Sector | Very low | Low | Average | High | Very high | Total |
|---|---|---|---|---|---|---|
| Banking | 17 | 19 | 74 | 21 | 2 | 133 |
| IT | 18 | 47 | 20 | 11 | 4 | 100 |
| Total | 35 | 66 | 94 | 32 | 6 | 233 |
| Percentage | 15% | 28% | 40% | 14% | 3% | 100% |

Source: Questionnaire survey

From analyzing the above data, it can be seen that on an average feedback on performance is not given on a regular basis and it is not constructive enough, as 40% of the respondents rated their received feedback as average, 28% as low, 15% very low. On the other hand 14% of the respondents termed their feedback good and 3% respondents termed their feedback as excellent.Comparatively, in banking sector the feedback is higher than IT companies. 74 respondents have said that they get average feedback where only 20 from IT companies have said that they get average feedback.

### 6.2.4.1.5 Effectiveness of communication system

'Effectiveness of Company's communication system' was rated as follows by the respondents:

Table 6.19: Effectiveness of company's communication system

| Sector | Very low | Low | Average | High | Very high | Total |
|---|---|---|---|---|---|---|
| Banking | 8 | 14 | 25 | 73 | 13 | 133 |
| IT | 6 | 9 | 20 | 50 | 15 | 100 |
| Total | 14 | 23 | 45 | 123 | 28 | 233 |
| Percentage | 6% | 10% | 19% | 53% | 12% | 100% |

Source: Questionnaire survey

As 123 people rated the effectiveness of the communication system of their organization as high, 28 people as very high and 45 people rated theirs as average, it can be safely said that banks and IT companies have an effective communication system.

### 6.2.4.1.6 Opportunity to give feedback & criticize

When asked to comment on the "Opportunity to give feedback & criticize' the response was depicted in figure 6.9. It clearly shows that majority of the respondents (98+69 =167) do not get much opportunity to give feedback and criticize their companies, whereas 42 people mentioned that get average opportunity, 23 get high and only one person gets very high opportunity to give feedback and criticize their companies.
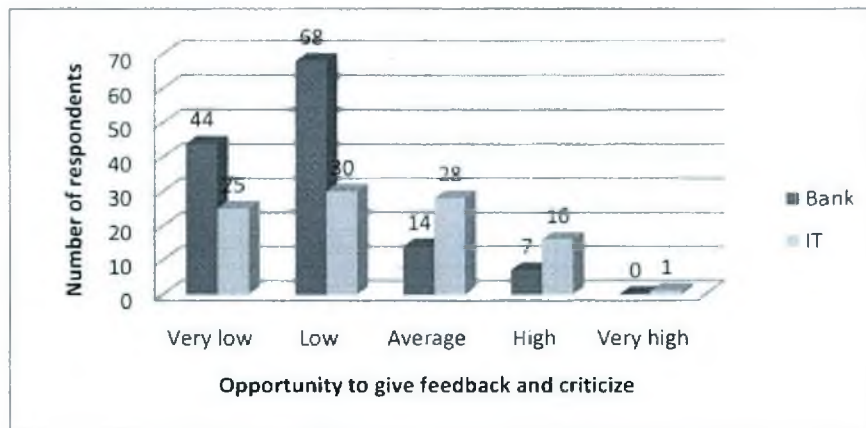


Figure 6.9: Opportunity to give feedback& criticize

Source: Questionnaire survey

The participatory management issue is still a nascent concept for organizations in Bangladesh; they have to go a long way to implement it – for the betterment of the overall organization. But local organizations in Bangladesh do not take this positively. They do not likely to be criticized by their employees. So, the opportunities of giving feedback to the organizations are also very low in Bangladesh. In IT companies and banks those who are multinational they have few options to give feedback. But employees do not intend to do that because of the job insecurity.

## 6.2.5 Counseling

### 449655 6.2.5.1 Response Summary

The latest trend catching up in the corporate HR across the world is 'Employee Counseling at Workplace'. In the world of ever increasing complexity and the stress in the lives, especially the workplaces of the employees, employee counseling has emerged as the latest HR tool to attract and retain its best employees and also to increase the quality of the workforce. The employees can be stressed, depressed, suffering from too much anxiety arising out of various workplace related issues like managing deadlines, meeting targets, lack of time to fulfill personal and family commitments, or bereaved and disturbed due to some personal problem etc.

When asked 'Is there any counseling and mentoring policy in your organization' the response was as follows:



Figure 6.10: Presence of counseling and mentoring policy in Banks and IT
Source: Questionnaire survey

Since 178 out of 233 employees said that there companies had counseling and mentoring policy, it can be said that the banks and IT companies are in the same track in this aspect.

## 6.2.6 Work Life Balance

Having a work life balance is very important for a healthy HR climate in an organization.

### 6.2.6.1 Response Summary

There seems to be a little scope for striking a balance in the work life as evident from the responses of the employees.

### 6.2.6.1.1 Work from Home policy

The response to 'Is there any work from home policy?' is summarized as follows:



Figure 6.11: Work from Home policy in IT

Source: Questionnaire survey

So obviously, there are very few IT companies those who have work from home policy. But for banks, no bank has any policy to work from home.

### 6.2.6.1.1 Flexible timing

When asked opinion about flexi - timing the response was as follows:

Table 6.20: Flexi timing option

| Sector | Very less | Less | Average | High | Very high | Total |
|--------|-----------|------|---------|------|-----------|-------|
| Banking | 100 | 33 | 0 | 0 | 0 | 133 |
| IT | 75 | 14 | 9 | 2 | 0 | 100 |
| Total | 175 | 47 | 9 | 2 | 0 | 233 |
| Percentage | 75% | 20% | 4% | 1% | 0% | 100% |

Source: Questionnaire survey

175 out of 233 respondents informed that there is no flexibility in their workplace regarding timing. 47 responded that most of the time their workplace is strict and 9 people said that

their organizations are sometimes flexible, whereas only two admitted that their organization were generally flexible about timings. All of the respondents from 'Average' and 'Flexible' category were from the IT organizations and the most of the respondents in "Very strict" and "Strict" categories were from banks.

### 6.2.6.1.1 Overstaying in the office

When the respondents were asked to express their agreement/disagreement with the statement "I am frequently required to overstay in the office though my job is done", the response was:

Table 6.21: Overstaying in the office opinion

| Sector | Strongly | Disagree | Neutral | Agree | Strongly | Total |
|---|---|---|---|---|---|---|
| Banking | 0 | 8 | 20 | 75 | 30 | 133 |
| IT | 8 | 17 | 22 | 26 | 27 | 100 |
| Total | 8 | 25 | 42 | 101 | 57 | 233 |
| Percentage | 3% | 11% | 18% | 43% | 25% | 100% |

Source: Questionnaire survey

So it's obvious from the table results that trend in the organizations of Bangladesh is to make the employees stay in their offices even after their job is done, which is not only detrimental to the motivation and work-life balance of the employees, but also reduces the organizational effectiveness and productivity.

## 6.2.7 Loan Policy

When asked opinion about Loan Policy, the response was as follows:

Table 6.22: Loan policy

| Sector | Very poor | Poor | Average | Good | Very | Total |
|---|---|---|---|---|---|---|
| Banking | 1 | 4 | 125 | 3 | 0 | 133 |
| IT | 8 | 63 | 29 | 0 | 0 | 100 |
| Total | 9 | 67 | 154 | 3 | 0 | 233 |
| Percentage | 4% | 29% | 66% | 1% | 0% | 100% |

Source: Questionnaire survey

41% of the respondents deemed the policy as good, 35% very good, 28% average, and 16% as poor. The satisfied ('good' and 'very good' categories) respondents are mainly bank employees. It shows that the loan policy of IT industry has much to improve.

## 6.2.8 Performance Appraisal

### 6.2.8.1 Response Summary

#### 6.2.8.1.1 Performance appraisal

Response Summary of 'Are there any performance awards?', are shown below:

Table 6.23: Response summary of performance appraisal

| Sector | Yes | No | Total |
|---|---|---|---|
| Banking | 128 | 5 | 133 |
| IT | 70 | 30 | 100 |
| Total | 198 | 35 | 233 |
| Percentage | 85% | 15% | 100% |

Source: Questionnaire survey

It can be seen that most of the organizations have performance awards. In Banks the rate of performance award is the highest. On the other hand, performance appraisal systems in IT companies are not that up to the mark.

#### 6.2.8.1.2 Performance appraisal cycle

Response Summary of 'What is the frequency of the performance appraisal cycle?' is shown below:

Table 6.24: Performance appraisal cycle

| Sector | 1 month | 3 months | 4 months | 6 months | Annual | Total |
|---|---|---|---|---|---|---|
| Banking | 0 | 12 | 25 | 40 | 80 | 133 |
| IT | 1 | 11 | 20 | 19 | 25 | 100 |
| Total | 1 | 23 | 45 | 59 | 105 | 233 |
| Percentage | 1% | 10% | 19% | 25% | 45% | 100% |

Source: Questionnaire survey

The data in the table tells that majority of the organizations have annual performance appraisal, whereas a substantial number of organizations have appraisals after 3, 4 and 6 months.

## 6.2.8.1.3 Performance appraisal system evaluation

Response Summary of 'How do you evaluate the performance review system?' is given below:

Table 6.25: Performance appraisal's biasness

| Sector | Very biased | Biased | Average | Fair | Very Fair | Total |
|---|---|---|---|---|---|---|
| Banking | 0 | 9 | 50 | 68 | 6 | 133 |
| IT | 2 | 14 | 39 | 40 | 5 | 100 |
| Total | 2 | 23 | 89 | 108 | 11 | 233 |
| Percentage | 1% | 10% | 38% | 46% | 5% | 100% |

Source: Questionnaire survey

Only 10% of the respondents opined that there performance evaluation is biased and 1% said that their PE was very biased, whereas 46% rated their performance appraisal as fair, 38% as average and 5% as very fair. So it can be concluded that the performance evaluation system of banks and IT organizations is on the right track.

## 6.2.8.2 Case Study

### Standard Chartered Bank

Traditionally, the formal performance appraisal system has been viewed as the primary means for managing employee performance. Performance appraisal is an administrative duty performed by managers and primarily the responsibility of the HR function. Performance management is the process through which managers ensure that employee activities and outputs are congruent with the organization's goals. It is central to gaining competitive advantage.

### Components of Performance Appraisal

At Standard Chartered Bank the components of performance appraisal are in respect of the five W's that include: Who, What, Why, When and Where of performance appraisal.

**Who**: All employees work under the supervision of managers. Therefore, the manager is the best person to do performance appraisal of his subordinates.

**What**: The appraisal at the organization includes appraisal of current performance as well as the future potential. It also includes evaluation of human traits such as behaviors, interaction with other staff members etc.

**Why**: It is concerned with creating and maintaining a satisfactory level of performance of employee in the present job, highlighting his needs and potential for personal growth.

**When**: It is carried out on yearly basis. The manager uses good work as opportunity to provide positive thrust and uses poor work as a basis for training.

**Where**: The performance appraisal is done in a cordial and friendly environment.

**Approach of Measuring Performance**

The performance of the employees can be determined by making an overall comparison among individual's performance. Hence a performance measurement system is developed that incorporates a tool for measuring performance.

**Appraising Employee Performance**

Individual Performance Management:

A longstanding question that Standard Chartered Bank and many other organization are still grappling with is whether and how to reward good performance(or, conversely, how to deal with persistent poor performers). One approach used by the bank is to make salary increments or progression on the pay scale conditional on good performance.

Performance Management At Senior Levels:

Typically, performance management systems for senior officials include elements additional to performance-pay, such as time-limited contractual appointments. The Bank has adopted this approach. Key features of its system include the following:

1. Senior officials are recruited to a unified career structure known as Grade A, which incorporates most top-level positions.

2. On the basis of evaluation, the senior position employees are paid a performance bonus.

Linking Performance to Promotions:

Some have argued tying career advancement to performance is more important than linking performance and pay. Whereas the benefits of pay for performance are uncertain, particularly in the lower echelons, there is no doubt of the need to ensure that the best people rise to management levels.

**Analysis of the performance appraisal system**

Each organization must create and communicate performance measures that reflect its unique strategy. Performance management is the process through which managers ensure that employee activities and outputs are congruent with the organization's goals. It is central to gaining competitive advantage.

A well organized executive performance management plan enables an organization to achieve critical goals such as:

1. Recognize the efforts and contributions of current staff.
2. Reward staff with compensation directly linked to performance.
3. Motivate staff to improve performance.
4. Orient staff towards goal achievement.
5. Retain key employees through the use of competitive compensation programs.
6. Attract quality employees with an effective performance management system.

The key elements of a Performance Management System include the following:

- A Formal Compensation Philosophy Statement
- Salary Administration Program
- Job Evaluation System
- Performance Appraisal System
- Reward Programs

Purpose of Performance Appraisal:

There are a number of reasons for carrying out the performance appraisal of employees such as promotion, transfer etc. Therefore, the Bank makes sure that the employees clearly understand the objectives of the performance appraisal.

Performance Measurement Criteria:

Once the Bank has determined what kind of performance it expects from the employees, it needs to develop appropriate ways to measure that performance.

*Strategic Congruence:*

The basic aim of Standard Chartered Bank is to provide speedy customer services. Therefore its performance management system should assess how well its employees are serving the customers. Strategic congruence emphasizes the need for performance management system to provide guidance to the employees so that they can achieve the Bank's and enable it to remain competitive. For this purpose the system should be flexible to adapt to changes.

*Validity:*

According to the employees, the appraisal procedure used to measure their performance lacks in one aspect. This aspect relates to the deficiency element of validity. This means that as one standardized format is used to evaluate performance, therefore it ignores many of the job specific aspects.

*Reliability:*

At Standard Chartered Bank the performance management criteria resembles test-retest reliability. According to this the employees are evaluated on annual basis and those employees who have somewhat similar ratings from year to year have greater chances of getting promotion, bonuses etc. Therefore, the Bank checks the consistency of performance of employees in this manner and determines that which employees have the potential to grow and better serve the customers.

*Acceptability:*

Diverging opinions prevail about the acceptability of the performance appraisal. Some employees accept them to be fair while others believe them to be biased and predetermined. In addition to this the views regarding fairness are perceived differently within the three categories including:

1.    Procedural
2.    Interpersonal
3.    Outcome

*Specificity:*

One of the major lacking in the performance appraisal method of Standard Chartered Bank is in the area of specificity. Amongst the various levels of employees the performance evaluation is believed not to provide specific guidance about what is expected of them and how they can meet these expectations.

*Source for Performance Information:*

In case of Standard Chartered Bank, managers are the only and most vital source of performance information. They have extensive knowledge of the job requirements and adequate opportunity to observe the way in which the employees fulfill these requirements,thus , they are the best source to assess and rate their employees.

*Rater Errors:*

Like all other organizations, in Standard Chartered Bank the performance evaluation process is affected by the rater's error. The rater error prevailing in the bank resembles the distributional errors. In the bank the managers often go by their own preference while rating

the employees. Therefore there are high chances of making leniency, strictness, and central tendency errors.

*Top Management and Employee Perspective:*

Although the performance management system at Standard Chartered Bank has a vital role to play in assessing the potential of the employees. Yet it is perceived to be a routine and cumbersome affair that has to be undertaken once a year.

This perception somewhat nullifies the true essence in the performance management should be conducted.

Shortcomings of the Appraisal System

The performance appraisal system at the Bank lacks in certain areas such as:

1. Information regarding the employee's performance is purely dependent upon their managers. However, the employees are of the view that information should also be collected from them as they are the ones who perform and are responsible for performing the various tasks.

2. Thus, a major shortcoming of the system is that the employees are not involved in the appraisal process.

3. The performance appraisal system is believed not to provide any guidance for the development of employees.

4. The employees are of the opinion that the performance appraisal should be done on quarterly basis, instead of being conducted annually.

Necessary Measures

Adopting the following measures can reduce the shortcomings of the system:

Employees should be involved in the appraisal process, i.e. information should be taken from them. The process should result in effective outcomes by telling the employees that how can they improve their performance. This would not only benefit the Bank , but would also help the employees in their personal development.

# 6.2.9 Retention & Turnover

Retaining the employees may pose a challenge to the HR in this competitive world of business. A sound HR system always tries to minimize turnover and retain the efficient employees.

## 6.2.9.1 Response summary

Our study is this context surfaces the following responses:

### 6.2.9.1.1 Retention program

Response Summary of 'Are there any retention programs in the company?' are given below:

Table 6.26: Response summary of retention program

| Sector | Yes | No | Total |
|---|---|---|---|
| Banking | 23 | 106 | 133 |
| IT | 33 | 71 | 100 |
| Total | 56 | 177 | 233 |
| Percentage | 24% | 76% | 100% |

Source: Questionnaire survey

It is evident from the above table that the majority of the companies do not have any retention policy. The retention policies are only present in multinational companies. Among 56 who have said that there are retention programs in their companies, 33 are from IT sector and 23 are from banking sector.

### 6.2.9.1.2 Retention bonus

Response summary of 'Does the company provide any retention bonus?' is shown below:

Table 6.27: Response summary of retention bonus

| Sector | Yes | No | Total |
|---|---|---|---|
| Banking | 0 | 133 | 133 |
| IT | 0 | 100 | 100 |
| Total | 0 | 233 | 233 |
| Percentage | 0% | 100% | 100% |

Source: Questionnaire survey

No company in banking and IT industry has any retention bonus.

## 6.2.9.1.3 Exit interview

The exit interview enables not only an improved understanding of the reasons why employees leave, but provides opportunities for effective communication in several additional areas as well. These include for example: clarification of complaints against employees being released; sharing of information about benefits, including maintenance of medical insurance, pension programs, and eligibility for unemployment compensation; promotion of positive relations with former employees; discussion of policies on references and eligibility for rehire; and identification of problem areas that require corrective measures. The response Summary of 'Is there any exit interview system in your organization?' is shown below:

Table 6.28: Response summary of exit interview

| Sector | Yes | No | Total |
|---|---|---|---|
| Banking | 21 | 112 | 133 |
| IT | 6 | 94 | 100 |
| Total | 27 | 206 | 233 |
| Percentage | 12% | 88% | 100% |

Source: Questionnaire survey

So we can see that only 12% respondents have informed that their company has exit interviews. The rest 88% respondents' organizations don't have any.

# 6.2.10 Compensation

Main feature of a successful HR system is the adequate compensation for the employees. Major reasons for employee dissatisfaction usually stem from poor compensation packages.

## 6.2.10.1 Response Summary

### 6.2.10.1.1 Satisfaction on compensation

It can be seen that there are almost the same number of respondents who are satisfied and dissatisfied with their current salary, whereas a majority people have taken a neutral stance

about the statement. Those who are working in banks are comparatively more satisfied than those working in IT companies.

Response Summary of 'My salary is fair for my responsibilities' is given below:
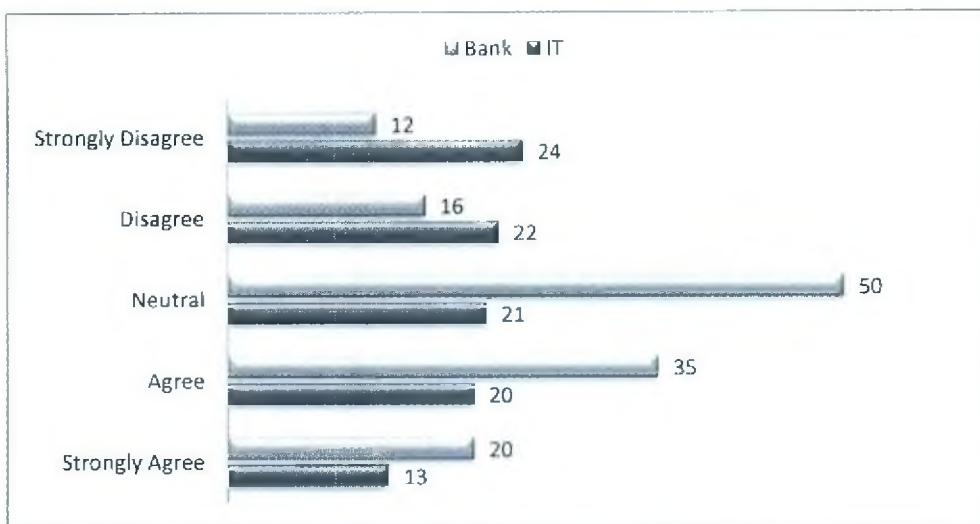


Figure 6.12: Response summary of satisfaction on salary

Source: Questionnaire survey

## 6.2.10.1.2 Understanding of payment policy

From table 6.29 it seems a common occurrence that the employees do not have a clear idea about pay policy. These respondents are chiefly from local IT companies, which indicates that though banks have structured salary system, the IT companies lack in that department. Response summary of "I have a clear understanding of our pay policy" is shown below:

Table 6.29: Understanding of the payment policy

| Sector | Very low | Low | Average | High | Very high | Total |
|---|---|---|---|---|---|---|
| Banking | 0 | 14 | 8 | 62 | 49 | 133 |
| IT | 23 | 22 | 18 | 17 | 20 | 100 |
| Total | 23 | 36 | 26 | 79 | 69 | 233 |
| Percentage | 10% | 15% | 11% | 34% | 30% | 100% |

Source: Questionnaire survey

Most of the IT Companys' payment policy is not structured except few multinational one.

## 6.2.10.1.3 Recognition

Response summary of 'Company gives enough recognition for well done work' is given below:

Table 6.30: Response on recognition

| Sector | Very low | Low | Average | High | Very high | Total |
|--------|----------|-----|---------|------|-----------|-------|
| Banking | 20 | 30 | 14 | 40 | 29 | 133 |
| IT | 1 | 3 | 12 | 45 | 39 | 100 |
| Total | 21 | 33 | 26 | 85 | 68 | 233 |

Source: Questionnaire survey

The table shows that most of the respondents (who were from local banks) were in disagreement with the statement. So it can be concurred that, the reward based on performance practice has to improve a lot.

## 6.2.10.2 Case Study

### Standard Chartered Bank

Being a leading Bank, Standard Chartered Bank presents itself to its corporate as well as individual customer as dependent upon the ability of its sales force. These are the individuals who take an active approach in getting the message out about the Bank's products and services. How effectively the sales team markets the Bank, and in turn, how successful it is, is directly related to the sales compensation program. A sound sale compensation package enables Standard Chartered Bank to focus sales activities towards desired results, and rewards these outcomes with compensation tied directly to the level of achievement.

### Rewards & Recognition

Standard Chartered Bank rewards the talented and high performing employees competitively. They regularly conduct salary surveys to ensure the reward package remains competitive in the market place. They encourage continuous discussion; encourage regular review of

employees' performance and development. This provides feedback to the staff about how they are doing. The management links this to both financial and non-financial recognition.

In addition to this, the bank provides various incentives in the form of bonuses to encourage the employees and motivate them to continue with their high performance. These include:

1. Spot Award + Rs. 5000 as cash prize
2. Surprise Award
3. Best Performance Award
4. Service Quality Award

## Daffodil Computers Ltd.

In this company benefits and rewards packages are different for management and graded staffs.

### Benefits and rewards for Management Staffs:

All management staffs get 6 bonuses in a year (6 basic), 5% PF (Provident Fund) whose basic salary is less than Tk. 9,000, an annual bonus (pro-rata basis), Leave Fare Assistance (the amount depends upon the job grade of the employee). Each year the salary increases on an average 10%- 12% of the total salary depending upon money inflations and job market.

An interest free loan facility is also there for different grades like car loan, home loan, household loans etc. In each three years after all most all management staffs are upgraded. Management staffs also get provident fund, gratuity and pension. Some other insurance policy are also provided in this company.

### Benefits and Rewards for Graded Staffs:

All graded staffs get 4 bonuses in a year (4 basic), 5% WPPF (Worker Profit Participation Fund) whose basic salary is less than Tk. 6,000, an annual bonus (pro – rata basis), Leave Fare assistance (2 basic) . After two years the salary increases on an average 20% -24% of the total salary depending upon money inflations and job market and agreement between CBA and management. They also get increments, double increments etc. Graded staffs also get provident fund and gratuity.

An interest free loan facility is also there for different graded utility loan, home loan, household loan etc. Some other insurance policy is also there.

## 6.2.11 Health and Safety

Health and safety in an organization is a key concern for HR department.

### 6.2.11.1 Response Summary

Response on this vital aspect is presented below:

#### 6.2.11.1.1 Sick leave policy

The response of "Sick leave policy is satisfactory" is given below:

Table 6.31: Response on sick leave policy

| Sector | Very low | Low | Average | High | Very high | Total |
|--------|----------|-----|---------|------|-----------|-------|
| Banking | 20 | 22 | 21 | 30 | 40 | 133 |
| IT | 11 | 16 | 5 | 40 | 28 | 100 |
| Total | 31 | 38 | 26 | 70 | 68 | 233 |
| Percentage | 14% | 16% | 11% | 30% | 29% | 100% |

Source: Questionnaire survey

So it can be seen that 59% of the respondents disagree or strongly disagree with the statement, whereas 30% agree/strongly agree. 11% have taken a neutral stance on the subject. It can be assumed from this statistics that there are many discrepancies in Bangladesh organizations' sick leave policies.

#### 6.2.11.1.2 Health benefits

The response of "How satisfactory are health benefits" is given below:

Table 6.32: Response on health benefits

| Sector | Very low | Low | Average | High | Very high | Total |
|--------|----------|-----|---------|------|-----------|-------|
| Banking | 1 | 2 | 20 | 50 | 60 | 133 |
| IT | 20 | 26 | 16 | 20 | 18 | 100 |
| Total | 21 | 28 | 36 | 70 | 78 | 233 |
| Percentage | 9% | 12% | 15% | 31% | 33% | 100% |

Source: Questionnaire survey

So it can be seen that 59% of the respondents disagree or strongly disagree with the statement, whereas 30% agree/strongly agree. 11% have taken a neutral stance on the subject. It can be assumed from this statistics that there are many discrepancies in Bangladesh organizations' sick leave policies.

### 6.2.11.2 Case Study

#### Leads Corporation Ltd

An in depth case study of Leads Corporation Ltd show the following on health and safety.

#### Health

**Pre- employment medical check-up:** The selected person before joining has to go through full medical check-up that guarantees his /her physical fitness to perform the job successfully. A medical practitioner who uses a physical capability analysis that assesses the candidate against the physical capabilities documented for each role conducts the medical check-up. A medical is also appropriate for internal candidates if they are applying for positions that require different physical capabilities.

**Medical Facilities:** Doctors are arranged to visit each location at numbers of times a week to provide necessary medical support to the employees. Moreover, the non-management staffs enjoy medical treatment at Holy Family Hospital on company arrangement.

**Health Insurance Policy:** Management staffs enjoy health insurance for self, spouse and two children up to 21 years for hospitalization only. Delta Life Insurance provides the insurance and the company pays the premium.

#### Safety

SHEQ $\Rightarrow$ SHES (Safety Health Environment Security)

| S | for | Safety |
|---|-----|--------|
| H | for | Health |
| E | for | Environment |
| Q | for | Quality |

The safety and environment issues are required because of the following reasons:

➢ Safety leads improved productivity
➢ Employees Satisfaction
➢ To comply with the national law and order
➢ To keep the work environment sound and healthy
➢ Maximum productivity through employees' satisfaction
➢ Helps loss prevention

At present, safety is considered as the most vital issue for all occupation & work situation in all the developed country of the world. It is very good sign that in our country certain organizations are also emphasized on safety like other developed country of the world. Safety aspects are also incorporated with " IMMSS Policy" i. e., integrated management system & standard. It is developed from the following standard.

❖ In house safety of the IT (that was previously practiced)
❖ NOSA
❖ ISO (Specially for electrode business)
❖ Environment Laws of Bangladesh
❖ Labor Law of Bangladesh (it comes from the Salt Act (1905) then Indian Labor Act (1935) and finally modified through The National Assembly on Bangladesh on 2006.

From these standards IMSS has taken 36 sections under consideration. 20 sections are included from ISO and rest from others. It should be noted here that IMSS is now on implementation phase and it will take 4 to 5 years to get a shape in IT, Bangladesh.

**Company Safety Policy**

It comes from the group chief executive to adapt in all the country. The local CEO counter signs the policy for each individual country and the copy of the policy is circulated to all the levels in the organization. So it is the duty of all the employees to emphasize on safety. There is an Oath in IT, Bangladesh regarding safety. That is **"SAFETY FIRST – QUALITY MUST"**.

The safety policy of IT, Bangladesh "safety health and environment management" complies with the local safety laws of Bangladesh. One important issue of this policy is **DUTY OF CARE.** Itcan be described as 'not to do anything that may cause risks to others'. There is another planning for emphasized on safety. Safety aspect may include in every one's KPI & CSF. There are some other important points of the policy that we should care and implement in the daily work.

Finally it should be noted that IT, Bangladesh not only believes the oath "safety first" but also implements it through their works. Beginning of the orientation program with Safety Department may be an example of this practice.

# Chapter Seven:  Costs of Employee Turnover

It's impossible to be all things to all people. No matter how great the company is, it's likely that some of the employees will eventually move on to other opportunities. That may be costing more than anyone can realize, once anyone consider both the direct and indirect costs. Investing a little more into hiring and retaining the right people can pay out big in the long run.

Very few owners of companies in Bangladesh realize that cost of employee turnover is very high. It is because much of the cost is hidden. One of the most critical components of success for the business owner, regardless of size, is the ability to keep the cost of doing business at a minimum. Obviously, every owner wants to ensure the best possible profit margin for the sustained growth and success of a business. What many businesspeople fail to realize is that employee turnover can represent a very substantial cost and lead to erosion of the bottom line.

## 7.1 Employees Are Resources, Rather Than Expenditures

Many managers have focused only on the cash cost of employee turnover. They do not realize the entire cost and impact of turnover. The point is that the cost of time and lost productivity are no less important or real than the costs associated with paying cash to vendors for services such as advertising. This is something often overlooked or underestimated by employers; yet in today's tight job market, with companies competing for skilled workers, these costs are becoming more and more significant.

This is not to say that all employee turnovers can or should be eliminated. But given the high costs involved and the impact on productivity and customer service, a well thought-out program designed to retain employees can easily pay for itself in a very short period of time. Unless anyone is prepared to beat all of his competition on wages all of the time, it is a good idea to start taking a hard look at the benefits, the policies and the "intangibles" that make the company a desirable place to work.

# 7.2 Costs of Employee Turnover

It is surprising to learn that it will cost at least 150% of a person's base salary to replace him or her. Actually, the more the person is paid, the higher that percentage will be. Because the more payment this person gets, obviously, the more of the value of their contribution to the growth and success in the business. Most businesses will probably pay their top employees triple (or more) what they pay a bookkeeper. The business values the contributions of the person at a higher level, at least in strictly monetary terms.

After discussing with the HR mangers from banks and IT companies the business costs and impact of employee turnover in banking and IT sectors can be can be grouped into four major categories:

1) Costs due to a person leaving;

2) New hiring costs;

3) Training costs; and

4) Lost productivity costs.

## 7.2.1 Costs Due to A Person Leaving

When any employee announces that he is leaving, he has immediately begun to transition out of the company. Even though he has given two or three weeks' notice, his mind and full attention are not on this business anymore; this is simply human nature.

At this point, costs include the following: employees who must fill in for the person who leaves before a replacement is found; the lost productivity of the employee while he is still in his position but not fully concentrating on his job; the cost of a manager or other executive having an exit interview with the employee to determine what work remains, how to do the work, why he is leaving, etc.; the cost of training the company has provided this departing employee; the

cost of lost knowledge, skills and contacts of the departing employee; the increased cost of unemployment insurance; and the possible cost of lost customers the departing employee is taking with him (or that leave because service is negatively impacted).

The sum total of these costs can be as much as 80-85% of this position's base salary.

The costs are more specifically pointed out as follows:

1.  The cost of the person(s) who fills in while the position is needed to be calculated. This can be either the cost of a temporary or the cost of existing employees performing the vacant job as well as their own. The cost at overtime rates will also be included.

2.  The calculation needs 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. The calculation of the lost productivity would be at 100% if the position is completely vacant for any period of time.

3.  The cost of conducting an exit interview includes the time of the person conducting the interview, the time of the person leaving, the administrative costs of stopping payroll, benefit deductions, benefit enrollments, and the cost of the various forms needed to process a resigning employee.

4.  The cost of the manager who has to understand what work remains, and how to cover that work until a replacement is found. The cost of the manager who conducts their own version of the employee exit interview will also be included.

5.  The cost of training the company has invested in this employee who is leaving need to be calculated. Internal training, external programs and external academic education will be included. Licenses or certifications the company has helped the employee obtain to do their job effectively will also be included in the cost.

6. The impact on departmental productivity because the person is leaving need to be calculated. Who will pick up the work, whose work will suffer, what departmental deadlines will not be met or delivered late. The cost of department staff discussing their reactions to the vacancy will also be included.

7. The cost of severance and benefits continuation provided to employees who are leaving that are eligible for coverage under these programs has to be concluded.

8. The cost of lost knowledge, skills and contacts that the person who is leaving is taking with them out of the door is also need to be calculated.

9. The cost impact of unemployment insurance premiums as well as the time spent to prepare for an unemployment hearing, or the cost paid to a third party to handle the unemployment claim process on the company's behalf should also be included.

10. The cost of losing customers that the employee is going to take with them or the amount it will cost the company to retain the customers of the person, or customer service representative who leaves, needs also be considered.

11. The cost of the person who is leaving for the amount of time the position is vacant should be deducted.

So, finally accumulating all the costs the cost sheet due to a person leaving should be like the table 7.1 where all the costs are shown in one side and the other side indicates whether it should be added to the total costs or it would be deducted.

Table 7.1: Cost calculation model table due to a person leaving

| Costs due to a person leaving | Calculation |
|---|---|
| The cost of the person(s) who fills | Add |
| The cost of lost productivity | Add |
| The cost of conducting an exit interview | Add |
| The cost of the manager who has to understand what work remains | Add |
| The cost of training the company has invested | Add |
| The impact on departmental productivity | Add |
| The cost of severance and benefits continuation provided to employees | Add |
| The cost of lost knowledge, skills and contacts | Add |
| The cost impact of unemployment insurance premiums | Add |
| The cost of losing customers | Add |
| The cost of the person who is leaving for the amount of time | Subtract |
| | **Total Cost** |

Source: Primary data (In-depth interview)

## 7.2.2 New Hiring Costs

Unless there is someone to promote or the perfect person just happens to come along at the right time, there will be some costs associated with identifying and hiring a replacement for the vacant position. These costs will include items like advertising, an employment agency, employee referral award, internet posting and other forms of announcing the availability of the position. More money may well have to be offered to attract the right candidates.

At the next stage, interviews conducted by management and/or hiring department staff will cost money in terms of the time they spend arranging for interviews, conducting the interviews, calling references, having discussions about the people they met, and time spent notifying candidates who did not get the job.

The time spent on these activities will also cost money in terms of lost productivity, because, with rare exceptions, these people are not employed to be full-time interviewers. Also included here are any skills, personality or assessment testing, the company may utilize. Finally, there is the cost of conducting pre-employment checks such as past employment histories, drug screening, educational verifications and (possibly) criminal background checks. And don't forget, these assessments and reference checks may be conducted on more than one candidate for this opening.

The sum total of these costs will be from 15-20% of this position's base salary.

The costs are more specifically pointed out as follows:

1. The cost of advertisements, agency costs at 20 - 30% of annual compensation, employee referral costs, internet posting costs will be added.

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.

3. The cost of a recruiter's assistant who will spend 20 or more hours in basic level review of resumes, developing candidate interview schedules and making any travel arrangements for out of town candidates needs to be added.

4. The cost of the hiring department (immediate supervisor, next level manager, peers and other people on the selection list) time to review and explain position requirements,

review candidates background, conduct interviews, discuss their assessments and select a finalist. Also include their time to do their own sourcing of candidates from networks, contacts and other referrals.

5. The administrative cost of handling, processing and responding to the average number of resumes should also be considered.

6. The number of hours spent by the internal recruiter interviewing internal candidates along with the cost of those internal candidates to be away from their jobs while interviewing will have to be added.

7. The cost of drug screens, educational and criminal background checks and other reference checks, especially if these tasks are outsourced will have to be added. It cannot be forgotten to calculate the number of times these are done per open position as some companies conduct this process for the final 2 or 3 candidates.

8. The cost of the various candidate pre-employment tests to help assess candidates' skills, abilities, aptitude, attitude, values and behaviors will also be added.

9. The cost of bringing the new person on board including the cost to put the person on the payroll, establish computer and security passwords and identification cards, business cards, internal and external publicity announcements, telephone hookups, cost of establishing email accounts, costs of establishing credit card accounts, or leasing other equipment such as cell phones, automobiles, pagers will have to be added.

10. The cost of a manager's time spent developing trust and building confidence in the new employee's work will also be added.

So, finally accumulating all the costs the cost sheet due to hiring a new person should be like the table 7.2 where all the costs are shown in one side and the other side indicates whether it should be added to the total costs or it would be deducted.

Table 7.2: Cost calculation model table for hiring costs

| Costs due to new hiring | Calculation |
|---|---|
| The cost of advertisements | Add |
| The cost of the internal recruiter's time | Add |
| The cost of a recruiter's assistant | Add |
| The cost of the hiring department | Add |
| The administrative cost of handling, processing and responding | Add |
| The number of hours spent by the internal recruiter | Add |
| The cost of drug screens, educational and criminal background checks | Add |
| The cost of the various candidate pre-employment tests | Add |
| The cost of new person's facility establishment | Add |
| The cost of a manager's time spent developing trust | Add |
| | **Total Cost** |

Source: Primary data (In-depth interview)

## 7.2.3 Training Costs

The person who is hired for the vacant position, they can't be expected to know absolutely everything on the first day. Costs to factor in for training include any new employee orientation that explains benefits, basic policies, company history, etc.; specific training for the person to do his job, such as computer training, product knowledge, industry knowledge, and the day-to-day duties to get the job done. Even though this may be informal or on-the-job training, the time it takes for various people to impart this knowledge is costing money -- especially since people who are knowledgeable enough to train others are probably also highly valuable to the company.

The sum total of these costs would be approximately 10-15% of the position's base salary.

The costs are more specifically pointed out as follows:

1. The cost of orientation in terms of the new person's salary will be added.

2. The cost of the person who conducts the orientation will be added.

3. The cost of orientation materials will be included.

4. The cost of departmental training as the actual development and delivery cost plus the cost of the salary of the new employee will be added.

5. The cost of the person(s) who conduct the training will be added.

6. The cost of various training materials needed including company or product manuals, computer or other technology equipment used in the delivery of training will be added.

7. The cost of supervisory time spent in assigning, explaining and reviewing work assignments and output will be added.

8. The costs of low productivity of the supervisor due to new employee orientation and assigning tasks will also be added.

So, finally accumulating all the costs the cost sheet due to train up a new person should be like the table 7.3 where all the costs are shown in one side and the other side indicates whether it should be added to the total costs or it would be deducted.

Table 7.3: Cost calculation model table for training costs

| Costs due to training | Calculation |
|---|---|
| The cost of orientation | Add |
| The cost of the person who conducts the orientation | Add |
| The cost of orientation materials | Add |
| The cost of departmental training | Add |
| The cost of the person(s) who conduct the training | Add |
| The cost of various training materials | Add |
| The cost of supervisory time spent in assigning | Add |
| The costs of lost productivity of the supervisor | Add |
| | Total Cost |

Source: Primary data (In-depth interview)

## 7.2.4 Lost Productivity Costs

Because the newly hired employee does not come fully trained, it will take some time before he is fully productive in his new position. This is true even if someone has been promoted from within the company.

Normally the new employee is only 25% productive for the first four weeks; 50% productive for weeks 5 - 8; 75% productive for weeks 9 - 12; and will finally reach full productivity after week twelve.

Since this person is being paid at the full rate of pay during this period, there are still more lost productivity costs. Naturally, for more senior-level positions, or those requiring longer periods of time to develop full productivity, the costs will be higher.

During this time of lost productivity, the person's supervisor is also spending more time instructing, reviewing work and possibly correcting mistakes. There will be some mistakes that are not caught right away and will cost money to correct down the line such as with a customer who receives an incorrect price, invoice or actual shipment due to the new person's error.

As the new employee is learning the new job, the company policies and practices, etc. they are not fully productive. The costs are more specifically pointed out as follows:

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 about 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. The cost of coworkers and supervisory lost productivity due to their time spent on bringing the new employee "up to speed" will be added.

5. The cost of mistakes the new employee makes during this elongated indoctrination period will be added.

6. The cost of lost department productivity caused by a departing member of management who is no longer available to guide and direct the remaining staff will be added.

7. The impact cost on the completion or delivery of a critical project where the departing employee is a key participant will be added.

8.  The cost of reduced productivity of a manager or director who loses a key staff member, such as an assistant, who handled a great deal of routine, administrative tasks that the manager will now have to handle, will be added.

So, finally accumulating all the costs the cost sheet due to loosing productivity should be like the table 7.4 where all the costs are shown in one side and the other side indicates whether it should be added to the total costs or it would be deducted.

Table 7.4: Cost calculation model table for loosing productivity

| Costs due to lost productivity | Calculation |
|---|---|
| The costs of low productivity at the time of new employee training period | Add |
| The cost of coworkers and supervisory lost productivity | Add |
| The cost of mistakes the new employee | Add |
| The cost of lost department productivity | Add |
| The impact cost on the completion or delivery of a critical project | Add |
| The cost of reduced productivity of a manager or director who loses a key staff member | Add |
|  | Total Cost |

Source: Primary data (In-depth interview)

## 7.2.5 Direct &Indirect Costs of Employee Turnover

Costs of turnover that can be measured directly fall in two areas: separation costs, and replacement costs. Separation costs may include severance pay, costs associated with an exit interview, outplacement fees and possible litigation costs, particularly for involuntary separation. Replacement costs are the well-known costs of a hire, including sourcing expenses, HR processing costs for screening and assessing candidates, the time spent by hiring managers

interviewing candidates, travel and relocation expenses, signing bonuses, if applicable, and orientation and training costs.

There is a number of other areas too in which turnover adversely impacts a corporation, although the effect is harder to quantify. Indirect costs actually represent the greatest losses for the organization. Turnover results in a loss of productivity, since it results in lower productivity of the departing employee, unproductive time for both colleagues and managers, and a general disruption of the team dynamic. Potentially even more damaging to a corporation are lost sales and even lost customers resulting from the departure of an employee. Employee retention is not only critical for cost-efficiency but an important factor in revenue growth as well, because of its direct link to customer acquisition, satisfaction and retention.

## 7.2.2.6 Other Costs

There are clearly a number of turnover costs that can be easily quantifiable, but these costs often times are just the tip of the iceberg. There are numerous turnover costs that will never appear on any balance sheet or income statement that can have a serious impact on firm's bottom line.

First of all consider the effects on productivity that are caused by turnover. During this time production can seriously falter. Other employees have to pick up the slack in production, often taking on tasks and responsibilities they are unfamiliar with or untrained in. This can drain team morale and further hurt production. The negative effect on production caused by turnover doesn't stop when a new employee is hired.

There is always a learning curve associated with any job; for some it can be short and insignificant, while for many others it can be a considerable period of time. During this time it takes a new employee to "get up to speed" with the rest of the team, production will never be as good as it could be.

There can also be a significant loss in business due to employee turnover. Many employees enjoy a loyal following of customers with whom they share a real connection. When this individual left that position and went to a competing service center, so did almost all of his loyal customers.

Another serious cost to companies when they lose employees is the loss of organizational knowledge. Many employees are able to become experts in the field they work in and when they leave, so does that knowledge. These employees are no longer available to share this knowledge and mentor junior members in the company. Once again these costs are near impossible to quantify, but there is sure to be an effect on the bottom line.

# 7.3 Bottom Line Impact

Given the high percentage of employees who plan to seek new employment opportunities as the job market rebounds, HR professionals need to understand turnover's costly impact and focus on ways to keep their best employees on board. One effective means of retaining top employees is to offer them growth opportunities within the organization. Implementing programs that increase employee satisfaction and retention, such as internal mobility initiatives, can combat excessive turnover and directly improve corporate financial performance.

It should be noted that the costs of time and lost productivity are no less important or real than the costs associated with paying cash to vendors for services such as advertising or temporary staff. These are all very real costs to the employer.

So, finally accumulating all the costs the cost sheet due to turnover should be like the table 7.5where all the costs are shown in one side and the other side indicates the costs in percentage. This is a subjective estimation.

Table 7.5: Percentage of costs estimation due to employee turnover

|  | **Percentage of costs of the position's base salary** |
|---|---|
| Costs due to a person leaving | 80-85% |
| Costs of new hiring costs | 15-20% |
| Training costs | 10-15% |
| Low productivity costs | 25-30% |
| Other costs | 10-20% |

Source: Primary data (In-depth interview)

These calculations will easily reach 140-170% of the employee's annual compensation figure. The cost will be significantly higher (200% to 250% of annual compensation) for managerial positions.

The costs of employee turnover can be staggering, ranging anywhere from 1.5 to 2 times an employee's annual wages dependent upon his or her position. It is neither possible, nor desirable to completely eliminate turnover from any organization. Some of the costs associated with employee turnover are unavoidable and must be expected to occur in the normal course of business.

As it can be seen that the costs and impact associated with an employee who leaves the company can be quite significant. This is not to say that all turnovers should be eliminated. However, given the high cost and impact on running a business, a well thought-out program designed to retain employees may easily pay for itself in a very short period of time.

# Chapter Eight: Impacts of Employee Development on Turnover

Employee management practices can help to create a source of sustained competitive advantage, especially when they are aligned with a firm's competitive strategy. This is concluded from the fact that ED practices can affect turnover rate by their influence over employee skills and motivation and through organizational structures that provide employees with the ability to control how their roles are performed. So, if superior ED practices increase employees' discretionary effort, it can be expected that to directly affect intermediate outcomes, such as turnover and productivity, over which employees have direct control.

Employee turnover remains one of the most widely researched topics in organizational analyses. Despite significant research progress there still remains a great deal of confusion as to what factors actually cause employees to leave/remain in their organizations. Among those factors are the external factors (the labor market); institutional factors (such as physical working conditions, pay, job skill, supervision and so on); employee personal characteristics (such as intelligence and aptitude, personal history, sex, interests, age, length of service and so on) and employee's reaction to his/her job (including aspects such as job satisfaction, job involvement and job expectations).

Perceptions of job security, compensation level, job satisfaction, organizational tenure, demographic variables such as age, gender, education, and number of dependents, organizational commitment, whether a job meets an individual's expectations, and the expressed intention to search for another job were all predictive of employees' leaving, and perceptions of organizational culture influenced turnover. Thus, the theoretical rationale for examining the effects of ED practices on turnover lies in their effects on these individual level factors.

This study empirically evaluated the causes of turnover in Bangladesh, broadly categorized them under six Employee Development (ED) practices; Realistic job information during selection process and orientation, work family balance, career development, compensation, job analysis, and supervisor support and assessed their likely impact on the Employee Turnover in the Bangladeshi Banks and IT Companies.

# 8.1 Description of The Variables

An analysis and review of the relevant literature on the subject and the various factors highlighted by key industry personnel in the preliminary interviews, it is evident that a single model may not throw light on the multiple HRM practices influencing the turnover as identified in various studies.

In the chapter of Employee Development practices in Bangladesh the researchers have focused on the following topics:

- Recruitment & Selection
- Orientation
- Training and Development
- Communication
- Counseling
- Work Life Balance
- Loan Policy
- Performance Appraisal
- Retention & Turnover
- Compensation
- Health and Safety

Summarizing all variables, the researchers have condensed all the factors under six broad categories. Therefore for ease of comprehension and measurement the following conceptual framework has been developed for the purpose of this study. The framework shows that Employee Intention to Leave (EIL) is influenced by six (6) main ED practices. The ED practices are

- ❖ Realistic job information,
- ❖ Job analysis,
- ❖ Career development,

- ❖ Compensation,
- ❖ Supervisor support and
- ❖ Work family balance.

These six (6) ED practices are labeled as the independent variables. EIL is labeled as the dependent variable.

In order to find out for firms to be competitive, they must retain their competent and motivated employees. For that they should understand the relationships between ED Practices and Employee Turnover. The variables are described below:

### Realistic Job Information

Where pre-selection practices are concerned, it is found that individuals who displayed a higher tendency to leave their jobs were those who perceived that the job previews that they received during the interview process were not realistic.

### Supervisor Support

Emotional support from supervisors and self-esteem mediated the impact of stressors on stress reactions, job satisfaction, commitment to the organization and intention to quit. It is suggested that to ameliorate intention to quit and in turn reduce turnover, managers need to actively monitor workloads and the relationships between supervisors and subordinates. Monitoring workloads and supervisor-subordinate relationships by management may reduce intention to quit and subsequent turnover, thereby saving organizations the considerable financial cost and effort involved in the recruitment, induction and training of replacement staff.

### Work Family Balance

In studies that focused on other HR practices, it is found that employee turnover was lower in the companies when employees had shorter work hours and were given a choice of work schedules, even though their workload was higher. The results suggested that firms that provide employees with flexible work schedules had the advantage of reducing employee turnover. Most effective

organizational responses to work family conflict and to turnover are those that combine work family policies with other human resources practices including work redesign and commitment enhancing incentives.

## Compensation (Benefits and Recognition)

In studies related to compensation, Salary growth had a pronounced effect on turnover. Particularly, salary growth effects on turnover were greatest for high performers, that is, high salary growth significantly reduced turnover for high performing employees. Lack of recognition and lack of competitive compensation systems are some reasons for employee turnover in the organizations.

## Career Development

The lack of meaningful work, opportunities for promotion and training significantly affected employees' intentions to leave an organization. Organizations will be able to improve their employees' retention rate by adopting job enrichment programs through training and enhancing their advancement opportunities. Besides promotion opportunities, the evaluation criteria used in the promotion and reward system also had significant effects on employees' turnover intentions. Ineffective performance appraisal and planning systems contributed to employees' perceptions of unfairness and they were more likely to consider leaving the organization.

## Job Analysis

Job Analysis (JA) is the building block for all HRM activities. The job analysis is a process of obtaining information about jobs. Conducting a JA and subsequently providing employees with a job description prevents the situation in which employees do not know what is expected of them to do. JA forms the foundation upon which virtually all other employee management systems are built and it therefore impacts on employee turnover in general JA subsumes all other HR activities and therefore has a significant effect on employee turnover in general. The above review indicates that a firm's HR practices have a significant impact on employee turnover. Given that a firm's resources are limited, firms may not be able to develop best practices in all of their HR activities in a short span of time. Hence, the purpose of this study is to investigate the

impact of HR practices on employee turnover by considering HR practices of selected firms simultaneously. Firms that do not have good HR practices can begin a program of developing HR practices that have the greatest impact on employee turnover in a systematic fashion.

# 8.2 Analyses of The Study

To find out the impacts of ED practice on employee turnover, the researcher has done following analyses:

1. Descriptive analysis,
2. Consistency and reliability of the questionnaire,
3. Pearson's product moment correlation analysis,
4. Multivariate analysis,
5. Stepwise regression analysis,

The statistical computer package SPSS version 16.0 was utilized to analyze the data.

## 8.2.1 Descriptive Analysis

The results in table 8.1 show the mean and standard deviation of the results. In every cases number of respondents were 233. Job analysis, Career development and Supervisor support has lower standard deviation and higher mean.

The descriptive statistics (extracted from SPSS 16.0) are given in the next page:

**Table 8.1: Descriptive Statistics**

|  | Mean | Std. Deviation | N |
|---|---|---|---|
| Intension_to_leave | 2.9498 | 1.08493 | 233 |
| Work_life_balance | 2.9275 | 1.03287 | 233 |
| Realistic_job_information | 2.9142 | 1.07307 | 233 |
| Job_Analysis | 3.3515 | .79150 | 233 |
| Supervisor_support | 3.2871 | .83093 | 233 |
| Career_Development | 3.0378 | .97266 | 233 |
| Compensation | 2.7172 | 1.12067 | 233 |

## 8.2.2 Consistency and Reliability Analysis

The sample for this study is for 233 employees of 81 local and multinational banks and IT companies. Before distributing the final questionnaire the researcher checked the questionnaire with two banking and IT Executives to find out whether the questionnaire was understandable, needs improvements etc. The questionnaire consists of 66 questions. Questions are designed in a five point Likert scale to measure HR practices and employee intention to leave. Five point Likert type scale has been used in the questionnaire to measure HR practices. 5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree and 1 for strongly disagree have been given in order to analyze data.

Questions on six categories were asked to test job analysis, three questions to test work family balance, eight questions to test career development, nineteen questions to test compensation seven questions to test supervisor support and eighteen questions to test intention to leave.

Table 8.2: Questionnaire distribution according to category

| Category | Number of questions |
|---|---|
| Realistic job information | 4 |
| Job analysis | 6 |
| Career development | 8 |
| Compensation | 19 |
| Supervisor support | 7 |
| Work family balance | 3 |
| Intention to leave | 18 |

Before the Pearson's product moment correlation analysis, the Cronbach's coefficient was used to get the inter item consistency reliability (Walsh, 1995). Cronbach's alpha can be written as a function of the number of test items and the average inter-correlation among the items. Below, for conceptual purposes, we show the formula for the standardized Cronbach's alpha:

$$\alpha = \frac{N \cdot \bar{c}}{\bar{v} + (N-1) \cdot \bar{c}}$$

Here N is equal to the number of items, c-bar is the average inter-item covariance among the items and v-bar equals the average variance. One can see from this formula that if one increases the number of items, one increases Cronbach's alpha. Additionally, if the average inter-item correlation is low, alpha will be low. As the average inter-item correlation increases, Cronbach's alpha increases as well (holding the number of items constant).

Cronbach's alphas were 0.8096 for realistic job information. 0.7152 for job analysis, 0.8120 for work family balance, 0.7247 for career development, 0.8613 for compensation, 0.9132 for supervisor support and 0.8765 for Employees intention to leave suggesting that each instrument's internal consistency was satisfactory.

## 8.2.2.1 Realistic Job Information

The SPSS result sheet for realistic job information is given in the next page:

**Reliability**

**Scale: ALL VARIABLES**

**Table 8.3: Case Processing Summary (realistic job information)**

| | | N | % |
|---|---|---|---|
| Cases | Valid | 233 | 100 |
| | Excluded[a] | 0 | 0 |
| | Total | 233 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Table 8.4: Reliability Statistics (realistic job information)**

| Cronbach's Alpha | N of Items |
|---|---|
| 0.8096 | 4 |

This output sheet shows that for the 4 questions in the realistic job information category, the internal consistency – Cronbach's alpha- was measured by using data from 233 cases(in these case employees). The Cronbach's alpha is 0.8096, which indicates that the internal consistency is satisfactory.

## 8.2.2.2 Job Analysis

The SPSS result sheet for job analysis is given below:

**Reliability**

**Scale: ALL VARIABLES**

**Table 8.5: Case Processing Summary (job analysis)**

| | | N | % |
|---|---|---|---|
| Cases | Valid | 233 | 100 |
| | Excluded[a] | 0 | 0 |
| | Total | 233 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Table 8.6: Reliability Statistics (job analysis)**

| Cronbach's Alpha | N of Items |
|---|---|
| 0.7152 | 6 |

This output sheet shows that for the 6 questions in this category, the internal consistency – Cronbach's alpha- was measured by using data from 233 cases(in these case employees). The Cronbach's alpha is 0.7152, which indicates that the internal consistency is satisfactory.

## 8.2.2.3 Career Development

The SPSS result sheet for career development is given below:

**Reliability**

**Scale: ALL VARIABLES**

**Table 8.7: Case Processing Summary (career development)**

|        |          | N   | %     |
|--------|----------|-----|-------|
| Cases  | Valid    | 233 | 100   |
|        | Excluded^a | 0   | 0     |
|        | Total    | 233 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Table 8.8: Reliability Statistics (career development)**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| 0.7247           | 8          |

This output sheet shows that for the 8 questions in this category, the internal consistency – Cronbach's alpha- was measured by using data from 233 cases(in these case employees). The Cronbach's alpha is 0.7247, which indicates that the internal consistency is satisfactory.

# 8.2.2.4 Compensation

The SPSS result sheet for compensation is given below:

**Reliability**

**Scale: ALL VARIABLES**

**Table 8.9: Case Processing Summary (compensation)**

| | | N | % |
|---|---|---|---|
| Cases | Valid | 233 | 100 |
| | Excluded[a] | 0 | 0 |
| | Total | 233 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Table 8.10: Reliability Statistics (compensation)**

| Cronbach's Alpha | N of Items |
|---|---|
| 0.8613 | 19 |

This output sheet shows that for the 19 questions in the compensation category, the internal consistency – Cronbach's alpha- was measured by using data from 233 cases(in these case employees). The Cronbach's alpha is 0.8613, which indicates that the internal consistency is satisfactory.

# 8.2.2.5 Supervisor Support

The SPSS result sheet for supervisor support is given below:

**Reliability**

[DataSet1]

**Scale: ALL VARIABLES**

**Table 8.11: Case Processing Summary (Supervisor support)**

|  |  | N | % |
|---|---|---|---|
| Cases | Valid | 233 | 100 |
|  | Excluded[a] | 0 | 0 |
|  | Total | 233 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Table 8.12: Reliability Statistics (Supervisor support)**

| Cronbach's Alpha | N of Items |
|---|---|
| 0.9132 | 7 |

This output sheet shows that for the 7 questions in the category, the internal consistency – Cronbach's alpha- was measured by using data from 233 cases (in these case employees). The Cronbach's alpha is 0.9132, which indicates that the internal consistency is satisfactory.

## 8.2.2.6 Work Family Balance

The SPSS result sheet for work family balance is given below:

**Reliability**

**Scale: ALL VARIABLES**

**Table 8.13: Case Processing Summary (work family balance)**

| | | N | % |
|---|---|---|---|
| Cases | Valid | 233 | 100 |
| | Excluded[a] | 0 | 0 |
| | Total | 233 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Table 8.14: Reliability Statistics(work family balance)**

| Cronbach's Alpha | N of Items |
|---|---|
| 0.8120 | 3 |

This output sheet shows that for the 3 questions in this category, the internal consistency – Cronbach's alpha- was measured by using data from 233 cases(in these case employees). The Cronbach's alpha is 0.812, which indicates that the internal consistency is satisfactory.

## 8.2.2.7 Employee Intention to Leave

The SPSS result sheet for employee intention to leave is given below:

**Reliability**

**Scale: ALL VARIABLES**

**Table 8.15: Case Processing Summary (employee intention to leave)**

|  |  | N | % |
|---|---|---|---|
| Cases | Valid | 233 | 100 |
|  | Excluded[a] | 0 | 0 |
|  | Total | 233 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Table 8.16: Reliability Statistics (employee intention to leave)**

| Cronbach's Alpha | N of Items |
|---|---|
| 0.8765 | 18 |

This output sheet shows that for the 18 questions in the EIL category, the internal consistency – Cronbach's alpha- was measured by using data from 233 cases(in these case employees). The Cronbach's alpha is 0.8765, which indicates that the internal consistency between the items in this category is satisfactory.

## 8.2.3 Pearson's Product Moment Correlation Analysis

The results of Pearson's product moment correlation analysis used to find out the relationship of ED practices and Employee turnover. The desired level of significance is 0.01.In this analysis one-tailed test was used.

Each of the independent variables was tested against the dependent variable to compute the correlation. The SPSS result sheet for measuring correlation between compensation and EIL is as follows:

CORRELATIONS

/VARIABLES=Intention_to_leave Compensation

/PRINT=ONETAIL NOSIG

/MISSING=PAIRWISE.

**Table 8.17: Correlations between intention to leave and compensation**

| | | Intension to leave | Compensation |
|---|---|---|---|
| Intension to leave | Pearson Correlation | 1 | -.803** |
| | Sig. (1-tailed) | | .000 |
| | N | 233 | 233 |
| Compensation | Pearson Correlation | -.803** | 1 |
| | Sig. (1-tailed) | .000 | |
| | N | 233 | 233 |

**. Correlation is significant at the 0.01 level (1-tailed).

This shows the Pearson coefficient is negative, thus the compensation is negatively correlated to EIL.

Similarly the coefficients for other variables were computed and the results are summarized below:

Table 8.18:Pearson Correlation for all selected variables and EIL

| No | Independent variables | Employee Turnover(Dependent variable) |
|---|---|---|
| 1 | Realistic job information | -0.042 |
| 2 | Job analysis | -0.315 |
| 3 | Work family balance | -0.016 |
| 4 | Career development | -0.661 |
| 5 | Compensation | -0.803 |
| 6 | Supervisor support | -0.445 |

According to the Table 8.18, Pearson correlation coefficient suggests that there is a negative relationship between all the independent variables and EIL.

Hence there is a statistical evidence to claim that there is a negative relationship between realistic job information, job analysis, career development, compensation, supervisor support, Work life Balance and Employee Turnover Rate.

The results indicated in Table 8.18 for work family balance does not entirely reject the relationship but it is very weak.

This means that the data does support the relationship (negative) between work family balance and EIL. The relationship between two variables is positive but not significant.

## 8.2.4 Multivariate Analysis

Multivariate analysis evaluates the simultaneous effects of all the independent variables on dependent variable. The results of regressing the six independent variables against the dependent variable EIL are shown in the Table computed in SPSS:

Table 8.19: Aggregate Impact of the HR practices on EIL

| R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| .816[a] | .666 | .657 | .63522 | .666 | 6.3888 | 6 | 226 | .00005 |

a. Predictors: (Constant), Work_life_balance, Career_Development, Job_Analysis, Realistic_job_information, Supervisor_support, Compensation

The square of the multiple R is 0.666 indicates that the 66% of variance in Employee Turnover is explained by the six independent variables jointly.

The F value is 6.388 that is significant at $P = 0.0005$ suggesting that six independent variables have significantly explained the 67percent of the variance in Employee Turnover.

The strengths of influence that each of the independent variable had on the dependent variable. i.e. EIL was determined by the use of multiple regression coefficients of the independent variables.

The influence of each independent variable is shown in table 8.20.

Table 8.20: The strengths of influence of independent variable on dependent variable

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 5.224 | .240 | | 21.751 | .000 |
| | Compensation | -.817 | .075 | -.844 | -10.903 | .000 |
| | Career_Development | .121 | .084 | -.108 | -1.446 | .149 |
| | Supervisor_support | -.240 | .079 | -.184 | -3.017 | .003 |
| | Job_Analysis | .099 | .081 | .072 | 1.230 | .220 |
| | Realistic _job _information | -.043 | .048 | -.042 | -.886 | .376 |
| | Work _life _balance | .054 | .050 | .051 | 1.077 | .282 |

*a. Dependent Variable: Intention to leave*

As shown in the table compensation had the strongest significant effect on EIL with a standardized beta of -0.844. Supervisor support had significant effect on EIL with a standard beta of -0.184. According to this computation, work family shows a high positive t value showing that is there is no negative relationship between work family balance and EIL. According to Pearson, there is almost zero relationship between work life balance and EIL.

## 8.2.5 Stepwise Regression Analysis

A stepwise regression was done to find out the extent of contribution of each variable to R square value or the total explanatory power of the regression model.

The results of stepwise regression (Table 8.21) show that there were three predictor variables that could significantly contribute to the R square value.

The output from SPSS Analysis is shown below:

**Table 8.21: Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | Compensation | | Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100). |
| 2 | Supervisor_support | | Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100). |

a. Dependent Variable: Intension_to_leave

Their combined effect is shown in the table 8.22:

**Table 8.22: Model Summary[a]**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .812[a] | .660 | .657 | .63581 |

a. Predictors: (Constant), Compensation, Supervisor_support

**Table 8.23: Coefficients[a]**

| Model | | Standardized Coefficients | $R^2$ | $+ R^2$ | t | Sig. |
|---|---|---|---|---|---|---|
| | | Beta | | | | |
| 1 | (Constant) | | | | 31.506 | .000 |
| | Compensation | -.749 | .644 | .644 | -17.662 | .000 |
| | Supervisor_support | -.130 | .657 | .013 | -3.073 | .002 |

a. Dependent Variable: Intension_to_leave

The results of the stepwise multiple regression analysis indicated that compensation had the highest beta value and contributed 65% to the variance in EIL. Supervisor Support had the second highest beta value contributed about 1.3%. Work life balance, career development, job analysis and realistic job information were not found contributing to the total explanatory power suggesting that compensation and supervisor support explained about 67% of the variation in EIL.

# 8.3 Discussion

It is found that realistic job information, job analysis, career development, compensation and supervisor supports have negative relationships with EIL. Out of six variables realistic Compensation, Career Development and Supervisor support are significantly correlated. The findings empirically confirm the theoretical arguments explained in the literature review.

The relationship between the work family balance and EIL was found to be not negative. Though the literature supports the negative relationship, it was not true for employees in banks and IT. When considering the HR practices in the model, it indicated that 66% of the variance in EIL is explained by six HR practices.

Multivariate analysis suggests that two out of the six HR practices namely compensation and supervisor support were found to be explanatory factors having significant effects on EIL. Compensation was found to be the strongest HRM practice predictor of EIL.

Descriptive statistics reveal that employees of banks and IT companies are neutral (neither agree nor disagree) on an average about HRM practices except job analysis, where they have indicated that job analysis situation had been favorable. These results suggest that all companies should improve the HRM practices.

It was impossible for six independent variables to account for variation in EIL. In fact other variables, which were not considered in this study, should be the variables that will account for the unexplained variance in the EIL. The researcher believes that the important independent variables may be HR and succession planning, due process, training, staffing, performance management, management styles. Future research studies are suggested to find out the effects of these factors on the EIL.

There is no significant difference between the means of the male and female population who intend to leave.

This study was limited to investigating the impact of HRM practices on EIL in Bank and IT companies in Bangladesh. Further investigations in other types of industries may provide additional insights into the findings of the study. Another important limitation is that this analysis was cross-sectional in nature. Additional research is suggested to be done longitudinally in order to assess the impact of the factors over time.

Work family balance and EIL was positively correlated. This can be due to the freedom enjoyed by IT employees. Findings suggest that most of the employees believe that banks and IT are in support for work family balance. Compensation and job analysis were found to be strong HRM practice predictors of EIL. The implication of this finding is that compensation and job analysis are the most critical HRM practices to be implemented by banks and IT to reduce EIL.

The findings of this research study will be important both on the theoretical level and practical level. It was almost possible to substantiate empirically the research model developed for this study. The relationship of ED and employee turnover can be an original contribution to the knowledge in the field of HRM. From the perspective of the banks and IT' executives, these findings should assist in developing a set of HRM practices that can potentially assist a firm to reduce the degree of the EIL.

# Chapter Nine: Recommendation

For most people the words "employee turnover" has a negative connotation eliciting images of flood gates opening and great hordes of people rushing out. However, employee turnover is not just a one-way street. It has implications, both positive and negative, for both employers and employees.

While employee turnover may signal that an organization has issues that have not been fully addressed, employee turnover can also provide employers with an opportunity to refresh the talent pool or make needed changes to infrastructure.

If a position needs to be replaced, the employer has to reconsider the skills, abilities, and knowledge of the individual hired. There may be additional talents the new employee should have or perhaps a trainee would give an added advantage.

Now on the employee side, turnover can be difficult because of the personal impact they feel. It may mean friends are leaving, so there is an emotional tie causing a dip in morale. Or those that remain behind may feel put upon as they have to carry the extra workload, so not only is there a decline in morale, there may be a decline in productivity.

However, for the remaining employees, there is also an upside to turnover. It may result in promotions into vacated positions or changes to infrastructure creating new opportunities for growth or learning. Employees facing an ever-changing work environment due to employee turnover may now have better career opportunities by stepping up to the plate to take on added responsibilities or by giving input on how to improve department functions.

Despite the growing trend for companies to turnover their staff frequently, or fire them and use consultants on an "as needed" basis, there is still a requirement for firms to keep their best performers for the permanent positions needed in the organization. With more and more people taking to working for themselves, or moving around experimenting with careers and employers, the task of keeping good staff becomes more challenging.

Money and benefits are important, but studies show most employees leave for other reasons. Obviously, a certain degree of turnover is unavoidable, but with a small amount of effort organizations can make a major difference.

# 9.1 Recommendations to Reduce Employee Turnover

Employee turnover can cost organizations hundred thousands of taka considering lost production time, re-training, etc. One of the key ways to keep good staff is to instill in them a sense of loyalty and commitment. Here are some ideas to achieve this:

## 9.1.1 Hiring Right Person

The company should track skills inventories and map individuals to positions throughout the organization. Not only does better job matching reduce an employee's flight risk, it enhances the level of productivity out of this individual.

Compatibility is critical to retention. Behavioral based interviewing and competency screening goes a long way in determining personality, work style and potential match and success within the company.

## 9.1.2 Avoiding New Recruits Out of Desperation

An employee should not be hired because the company needed someone to fill the position yesterday. That is what temporary employees are for. If the company is looking for someone to fill the position long term, it is best to take some time to do the research. The company should gather as much information as it can about a job applicant. Information the company would need is contact information for personal and business references, a list of past and present employers, national id number, birth date and more. These items will help the company complete reference checks and to perform background checks to find out about any past criminal activity.

### 9.1.3 Hiring Older Workers

The company should consider hiring candidates who are seeking stability. Older applicants may not be looking for the development opportunities that their younger counterparts may be in need of.

### 9.1.4 Job Previews

The company can give prospective employees a 'realistic job preview' at the recruitment stage. The company should take care not to raise expectations only to dash them later. Advancements in technology present employers with increasing opportunities to familiarize potential candidates with the organization before they accept a position.

The company has to make sure that it describes the job as accurately as possible so candidates will know what is expected. Misconceptions regarding the job responsibilities and work environment are one of the major causes of employee turnover.

### 9.1.5 Starting With Basics

When a new employee starts, a companion can be assigned to them. It has to be made sure they understand how the company works, its policies and procedures. A thorough orientation can be given to them which would help them to fit in easily and quickly.

### 9.1.6 Leading The Right Direction

If the job opening the company are offering is potentially a short-term arrangement, or likely to change or disappear in the future, they should be open and honest about it upfront. Employees should not be misted.

## 9.1.7 Redesigning The Orientation Program

The old saying, "You don't get a second chance to make a good first impression" is true in this case. Organizations experience the highest level of turnover during the first 90 days on the job. The purpose of on boarding is to quickly assimilate the new person into the organization, so make the first critical days stand out as a positive experience. This is a great opportunity to make new hires feel proud to have chosen the organization.

## 9.1.8 Planning Together

If this is an employee anyone wants to keep, make sure they discuss with them a plan for their career development. Ensure they know the employers are willing to invest time and money in them to achieve mutual goals if they are interested to stick around and learn.

## 9.1.9 Showing Interest to The Employee's Welfare

An active interest is needed to be shown in the staff's welfare and enjoyment in their employment. The company should not wait until the once a year interview. The company can try offering a company Social Club, or staff picnics, or a newsletter primarily for and about the staff rather than a strictly business newsletter.

## 9.1.10 Listening to The Employees

Money is one of the least common reasons for turnover (lower pay scale positions are sometimes exceptions) so if the company is experiencing a high turnover, throwing money at the problem will not make it go away although it might hide the problem for a while. The company can debrief employees that quit and find out the "why" behind their decision. If the company continues to allow the employees to leave without any efforts or actions to stop it, the company effectively creates a culture that becomes the norm in the business.

## 9.1.11 Consulting Employees

The company has to ensure wherever possible that employees have a 'voice' through consultative bodies, regular appraisals, attitude surveys and grievance systems. This will provide dissatisfied employees with a number of mechanisms to sort out problems before resigning. Where there is no opportunity to voice dissatisfaction, resigning is the only option.

## 9.1.12 Treating People Fairly

The company should never discriminate against employees. A perception of unfairness, whatever the reality when seen from a management point of view, is a major cause of voluntary resignations. While the overall level of pay is unlikely to play a major role unless it is way below the market rate, perceived unfairness in the distribution of rewards is very likely to lead to resignations.

## 9.1.13 Providing An Employee-Friendly Work Environment

The company should be accommodating to its employees' outside demands. Providing employees with flexible schedules makes for a productive, satisfied workforce. The stress of balancing work and life diminishes when employees can work around their outside obligations.

## 9.1.14 Challenging job designs

Employees want to be challenged in the job they are performing to feel like they are growing both personally and professionally when challenged with attainable assignments.

## 9.1.15 Avoiding A Culture of 'Presenteeism'

Where people feel obliged to work longer hours than are necessary simply to impress management, they get frustrated. Evaluation of individual commitment should be based on results achieved and not on hours put in.

## 9.1.16 Training Before Promotion

It is advisable that a list of expectations be prepared for both the newly promoted employee and his or her supervisor. Training, the study recommends, should be focused on the key components of the job. For example, if a specific expertise is needed, the person must have the proper skills training; if there is a supervisory element, then supervisory training should be in order.

## 9.1.17 The Opportunity of Cross-Training

Though there are many employees who only want to know their own job, many get bored and like the challenge of learning new skills. Having employees who know more than just their own job benefits both the company and them. If the company loses an employee, the company has others who can step in and take their place. If a job position gets phased out, the employee can move to a new area with the skills they have acquired.

## 9.1.18 Offering Skill Testing

If the company wants to decrease employee turn-around, it can perform skill tests on the job applicants. The company can either do this directly through the human resource department or it can contract this responsibility out to a job placement agency. This is one of the tools that will help the company determine whether it has found the best fit for each position of the company has open. Not only that, but it also cuts down on new applicant recruitment costs.

## 9.1.19 Identifying and Developing Top Performers and High Potentials

By systematically reviewing all performance management data, organizations can analyze what employees they see in future leadership roles and ensure enough enticing development opportunities are created. Far too many employees leave because the organizations are unable to provide the opportunities or challenges.

## 9.1.20 Career Development Opportunity

For many people, learning new skills and advancing their career is just as important as the money they make. The organization can maximize opportunities for individual employees to develop their skills and move on in their careers. Where promotions are not feasible, the company can look for sideways moves that vary experience and make the work more interesting.

Whenever possible, provide opportunities within the company for cross-training and career progression. Employees are seeking to develop themselves, and offering that opportunity to them may provide the satisfaction and stability they are seeking.

## 9.1.21 Flexibility

The employer should be flexible with work arrangements. The old 9 to 5 routine is going the way of the dinosaur. Flexi timing can be allowed according to the nature of the job. It can be considered allowing them to work an extra hour a day to build up time for a day off every couple of weeks. If the type of work they are doing permits, it can be considered allowing them one day a week when they can "work from home".

A one-size-fits-all approach has long since lost its effectiveness. Workers will migrate to a company whose benefit packages and schedules help them meet the demands of their lives, whether they are single parents, adults who care for aging parents, older workers, younger workers, part-time workers, or telecommuters.

## 9.1.22 Competitive Payment

If the company has gone through the trouble of finding great candidates, it wants to make sure it can persuade them to come on board and have them stay. Money is not the number one reason people come to a company or leave a company.

## 9.1.23 Showing Appreciation

Many employees almost always know when they are doing a job wrong. However, these same employees very rarely ever hear from their employers when they are doing their job right. The employer should encourage employees by saying kind words to them, and telling how much of a good job they are doing.

## 9.1.24 Rewarding For Good Performance

Brainstorm and ask staff for their ideas on reward/bonus systems. Rewards need not entail cash bonuses, but may include benefits such as child crèches, flexible hours, time off, payment of Association fees, etc.

Awards can be items such as employees' pins for good attendance or cash incentives for increased department productivity. The company can also offer some form of extra pay as a reward, or free company merchandise. However, stay away from incentive programs that pit employees against one another, as the resulting competition can yield tension and bad faith.

It is important to let the employees know that their work does not go unnoticed. Employees are more willing to stay with a company if they feel a sense of pride and success in their work. When employees meet or succeed the expectations, show the appreciation for a job well done.

## 9.1.25 Reassuring The Job Security

If the company wants to keep staff, it has to prove that their career is not at risk by staying with the company, and that the company has what it takes to be a modern employer. Nobody is going to leave a company that pays well, understands their needs as a human being, and offers job security together with a career plan for advancement.

The company should provide as much job security as possible. Employees who are made to feel that their jobs are precarious may put a great deal of effort in to impress, but they are also likely to be looking for more secure employment at the same time. Security and stability are greatly valued by most employees.

## 9.1.26 Leveling Workload

Employees often leave companies because they feel overworked. It's frequently less expensive to hire an additional person, even part-time, than it is to replace a seasoned staff member. Often anyone complain about an individual's performance but no action is taken. That hurts existing employee morale as well.

## 9.1.27 Regular Review Sessions

When employees are closely attached to their management team, they are more likely to feel involved. More involved employees tend to perform at a higher level and are more likely to achieve longer tenure. The employers should talk to the employees and keep them informed of new policies and procedures. An informed and educated employee is much more effective.

## 9.1.28 Profile For Temperament

Each job description should include a consideration of the social aspects of the job. Is the job task oriented or people oriented? Does the job require much interaction with the public? With other co-workers? Temperament profiles can predict which people are best suited for different

types of work. Placing people with the right temperament for a particular job can go a long way toward creating stability.

## 9.1.29 Providing Excellent Supervision

Incompetent supervisors are often one of the first issues linked to employee turnover. No one wants to work for a manager who cannot adequately complete the tasks of his or her job, who is not passionate about the work being done and who fails to provide regular feedback. Providing better employee supervision as well as enhanced communication helps decrease employee turnover.

## 9.1.30 Making Line Managers Accountable

The company can make the line managers accountable for staff turnover in their teams. It can also reward managers with a good record for keeping people by including the subject in appraisals. The company should train line managers in people management and development skills before appointing or promoting them. The company can offer re-training opportunities to existing managers who have a high level of turnover in their team.

## 9.1.31 Identifying and Weeding Out Poor Managers

The relationship with the employee's front-line manager or immediate supervisor is the most common reason people leave. All workers can be asked to evaluate their bosses twice a year using a special report card. The employees will give their managers a letter grade from A to D in four categories. Any score less than a "B" requires a specific comment from the employee. After it's completed, they tabulate the comments and design action plans for improvement.

## 9.1.32 Keeping An Ear To The Ground

The company should not wait until disgruntled staff come as by then, much damage has already been done. Whether the problem is at an individual level, or involves an entire department, or an

individual Manager, the act should be quick and be seen to be taking steps to rectify any problem areas. It should be consulted with all levels of staff. The management should be encouraged to take weekly walks around departments, letting their presence be known, asking friendly questions, showing concern, and taking steps to rectify problems.

## 9.1.33 Early Warning Detection System

The employer should ask employees to let them know if they hear of people who are thinking about quitting. Advance notice will give the employer an opportunity to try to prevent the departure. One practice by the company, Applebee's put in place is the "Turnover Alert Form." It is designed to identify and prevent discontented managers from quitting. In those situations, Applebee's brings the managers in to meet with the CEO and possibly other executives. They want to identify and repair anything that might be causing job dissatisfaction.

## 9.1.34 Searching For Triggers

Focus on individuals going through some form of change such as marriage, pregnancy, divorce, a child's graduation, mergers, or other important events that could influence job satisfaction and/or persuade or force employees to leave the organization prematurely.

## 9.1.35 Defending The Organization

The company should defend themselves against penetration by headhunters and others seeking to poach the company's staff. It should keep internal e-mail addresses confidential, refuse to do business with agents who have poached their staff, and enter into pacts with other employers not to poach one another's staff.

## 9.1.36 Keeping Expectations in Control

The employer has to be realistic with overtime expectations. People are entitled to a life, and if anyone looks after them holistically, they will reward the company with the loyalty the company

seeks. The company can understand their family commitments. Flexible work schedules are a blessing to working family partners, as are day-care or something like that. It has to be kept in mind that a company is not hiring a single automaton, it is hiring a human being with a life and a family, and it has to blend successfully if it is to be lasting and rewarding.

## 9.1.37 Identifying and Creating Succession Plans for Critical Roles

Many organizations only have succession plans for their top brass while the most critical employees are dispersed across the organization. With career and succession planning tools that help identify the bench strength and fill skill gaps for these positions, organizations lessen the impact of employee turnover and reduce the likelihood of losing those waiting in the wings.

## 9.1.38 Exit Interviews

Labor laws suggest that the company cannot hold a person from leaving. When an employee goes, he/she just has to go. It will be very beneficial to know the cause of why the employee chose to leave. Possible factors may be: a better job offer, pursuit for growth, poor colleague relationships, below average compensation, dislike for the nature of work, etc. Knowing what problems to address, and taking action on them, will eventually lessen turnover rates in the future.

## 9.1.39 Remembering The Old Ones

No one should forget their retired staff. Many retirees soon find a life of retirement somewhat boring and will jump at the chance to work part time, or mentor new personnel (a win-win situation). It will also show the current employees that the company really cares about its employees.

# Chapter Ten: Conclusion

Turnover is a burning issue for any organizations. For the steady productivity of an organization it is essential to maintain its skilled workforce. But most of the times it is very difficult to control the turnover rate within organizations. There are so many factors that affect turnover. According to the theoretical discussion and the case studies many solutions to reduce turnover has been discussed. First of all, obviously satisfactory salary structure helps to reduce turnover though job security also an important issue too. But it is not the only and always the solution for the management. A person does not stay in an organization only for salary but he/she may stay for many other reasons such as, good stream relation, better working environment, preferable job location etc. Productivity of an organization depends on the skills or expertise of its workforce.

A skilled worker may be an asset for any organization. If a skilled person leaves an organization the effects will be very high where as in case of a semi skilled or un-skilled person the effect will be less. As a result, a vacant place of a skill labor may be filled by another new worker but production falls due to their skill difference. On the other hand, five or six semi-skilled or unskilled labor may leave but those empty places can be filled by one or two skilled labors. It is therefore, crucial to maintain a constant workforce particularly for the skilled ones in an organization to reduce turnover for the betterment of the organization.

However, employee turnover can be reduced through analysis, planning and change. High employee turnover and underperforming employees are major organizational liabilities that need to be minimized, closely monitored and continuously improved. Today's workforce seeks development, opportunity and job satisfaction. At one time, it was more common for workers to remain with one company for the duration of their career. Due to changing employee needs coupled with a competitive job market, employee turnover is on the rise.

Reducing employee turnover is dependent on the total work environment the company offers for employees. These recommendations about reducing employee turnover are also common-sense, basic and hard to find in Bangladeshi organizations today. Our study shows that compensation and supervisory support are the key factors in explaining the Employees Intention to Leave.

Naturally taking care of this two factors are reduce turnover to a great extent in a company. The effects of turnover can be extremely costly. With departing employees comes the loss of intellectual capital, as well as costs associated with recruiting, hiring and training new personnel.

In a nutshell, the key to remember is that many employees think of their company (employer) as an extension of their own family. The company should treat them as a valued family member they will have lifelong loyalty. If the treatment towards them is like a 'number', a disposable commodity, the company will definitely be deprived itself from the great service and loyalty from its employees.

# 10.1 Contribution to The Literature

In Bangladesh research on this specific topic is new. There are few researches on employee turnover. But study on impacts of Employee Development on turnover in Bangladesh is a new one.

So, if anybody wants to pursue further study on developing any model for employee turnover this study would definitely can be the starter.

This study also focuses on Employee Development practice in Bangladesh in banking and IT sectors. So, the researcher who wants to work on designing Employee Development practices for any other specific sectors they might take an idea about what type of practices are currently taking places in Bangladesh.

# 10.2 Contribution to The Trade

Analyses of the costs associated with turnover yield surprisingly high estimates. The high cost of losing key employees has long been recognized. However, it is important for organizations to understand that general turnover rates in the workforce can also have a serious impact on an

organization's profitability, and even survival. There are a number of costs incurred as a result of employee turnover. Turnover becomes a problem when a talent gap hits those roles that are critical to the organization's ability to execute its business strategy and chronic vacancies begin to erode revenue.

And in a country like Bangladesh, these costs are very high. So, this study will definitely show a way how employee turnover can be reduced. The study also emphasizes on Employee Development practices in Bangladesh. So, the concerned management might take steps to modify their Employee Development practice to reduce turnover in their respective organizations.

# 10.3 Agenda for Future Research

1. The study was conducted on banking and IT sectors of Bangladesh. The study can be expanded including more major sectors in Bangladesh to shade lights on Employee Development practices in different industry.

2. The researcher has a plan to propose an elaborative model of employee turnover for Bangladesh in future study.

3. The research can be expanded using more direct and indirect influence of socio economic factors for employee turnover.

4. The study was done in national level. The sphere of the study can be broadened to international level.

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# Appendix I: List of Companies Surveyed

## List of IT Companies

| IT company | Local | Multinational | Private | Public |
|---|:---:|:---:|:---:|:---:|
| Axiom Technologies Limited | ✓ | | ✓ | |
| Beximco Computers Ltd. | ✓ | | ✓ | |
| Computer Network Systems Ltd. (CNS Ltd.) | ✓ | | ✓ | |
| The Decode Ltd. | | ✓ | ✓ | |
| Technohaven Co. | | ✓ | ✓ | |
| Flora Limited | ✓ | | ✓ | |
| IBCS-Primax Software (Bangladesh) Ltd. | ✓ | | ✓ | |
| Leads Corporation Ltd. | ✓ | | ✓ | |
| Alphabet Associates Ltd. | ✓ | | ✓ | |
| Ananda Computers | ✓ | | ✓ | |
| Advantech Ltd. | ✓ | | ✓ | |
| ATI Limited | | ✓ | ✓ | |
| BeximcoSoftech Ltd. | ✓ | | ✓ | |
| Bangladesh Engineering and Technological Ltd. | ✓ | | ✓ | |
| Ciproco Computers Ltd. | | ✓ | ✓ | |
| Computer Solutions Ltd. | ✓ | | ✓ | |
| Computer Today | ✓ | | ✓ | |
| Data Systems Internationals (DSI) | ✓ | | ✓ | |
| Desktop Computer Connection Limited | ✓ | | ✓ | |
| Dohatec New Media | | ✓ | ✓ | |

| IT company | Local | Multinational | Private | Public |
|---|---|---|---|---|
| Dolphin Computers Ltd. | ✓ | | ✓ | |
| Grameen Communications | ✓ | | ✓ | |
| IIT Bangladesh Ltd. | ✓ | | ✓ | |
| North American Computing Dynamic Inc | | ✓ | ✓ | |
| Satcom Computers Limited | | ✓ | ✓ | |
| Star Computer Systems Ltd. | ✓ | | ✓ | |
| Southtech Limited | | ✓ | ✓ | |
| SubarnaBijoy Limited | ✓ | | ✓ | |
| Takao Enterprise Limited | | ✓ | ✓ | |
| The AccseesPvt. Ltd. | ✓ | | ✓ | |
| The Computers Limited | ✓ | | ✓ | |
| Tiger IT | ✓ | | ✓ | |
| Somewherein | | ✓ | ✓ | |
| Technophilic | ✓ | | ✓ | |

# List of Banks

| Bank | Local | Multinational | Private | State Owned |
|---|:---:|:---:|:---:|:---:|
| Agrani Bank | ✓ | | | ✓ |
| Bangladesh Development Bank | ✓ | | | ✓ |
| BASIC Bank | ✓ | | | ✓ |
| Janata Bank | ✓ | | | ✓ |
| Sonali Bank | ✓ | | | ✓ |
| Rupali Bank | ✓ | | | ✓ |
| Bangladesh Krishi Bank | ✓ | | | ✓ |
| Bangladesh Shilpa Bank | ✓ | | | ✓ |
| RajshahiKrishiUnnayan Bank | ✓ | | | ✓ |
| Agrani Bank | ✓ | | | ✓ |
| AB Bank | ✓ | | ✓ | |
| BRAC Bank | ✓ | | ✓ | |
| Eastern Bank | ✓ | | ✓ | |
| Dutch Bangla Bank | ✓ | | ✓ | |
| Dhaka Bank | ✓ | | ✓ | |
| Pubali Bank | ✓ | | ✓ | |
| Uttara Bank | ✓ | | ✓ | |
| IFIC Bank | ✓ | | ✓ | |
| National Bank | ✓ | | ✓ | |
| The City Bank | ✓ | | ✓ | |
| United Commercial Bank | ✓ | | ✓ | |
| NCC Bank | ✓ | | ✓ | |

| Bank | Local | Multinational | Private | State Owned |
|---|:---:|:---:|:---:|:---:|
| Prime Bank | ✓ | | ✓ | |
| SouthEast Bank | ✓ | | ✓ | |
| Standard Bank | ✓ | | ✓ | |
| One Bank | ✓ | | ✓ | |
| Exim Bank | ✓ | | ✓ | |
| Mercantile Bank | ✓ | | ✓ | |
| Mutual Trust Bank | ✓ | | ✓ | |
| The Premier Bank | ✓ | | ✓ | |
| Bank Asia | ✓ | | ✓ | |
| Bangladesh Commerce Bank | ✓ | | ✓ | |
| Trust Bank | ✓ | | ✓ | |
| Jamuna Bank | ✓ | | ✓ | |
| Islami Bank Bangladesh | ✓ | | ✓ | |
| Al-ArafahIslami Bank | ✓ | | ✓ | |
| First Security Islami Bank | ✓ | | ✓ | |
| ShahjalalIslami Bank | ✓ | | ✓ | |
| ICB Islami Bank | ✓ | | ✓ | |
| Social Islami Bank | ✓ | | ✓ | |
| Bank Al-Falah | ✓ | | ✓ | |
| Citibank N A | | ✓ | ✓ | |
| HSBC | | ✓ | ✓ | |
| Standard Chartered Bank | | ✓ | ✓ | |
| Commercial Bank of Ceylon | | ✓ | ✓ | |
| State Bank of India | | ✓ | ✓ | |

| Bank | Local | Multinational | Private | State Owned |
|---|---|---|---|---|
| Woori Bank | | ✓ | ✓ | |
| National Bank of Pakistan | | ✓ | ✓ | |

# Appendix II: Survey Questionnaire

Survey Questionnaire                        | S | Q |   |   |   |

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This survey focuses on **Employee Development** practices and its impact on **employee turnover** in Bangladesh. Data collected for the survey will be fully confidential and will only be used for academic purpose.

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### A1: Profile of the Respondent

1. Name: _____

3. Age: [  ]  (in completed years)        2. Gender: [ 1 ]   [ 2 ]
                                                      F      M

4. Designation: _____

   Employee Level?  [ 1 ] Top   [ 2 ] Medium   [ 3 ] Junior   [ 4 ] Other_____

5. Academic qualification (last degree):

   [ 1 ] Master's _____

   [ 2 ] Bachelor's _____

   [ 3 ] HSC            [ 4 ] Others _____

6. Experiences:

   a. Year(s) of association / service with this firm: [  ]  yrs

   b. Total years of experiences:  [  ]  yrs

---

### A2: Profile of the Firm

1. Type of organization: _____

   [ ] Public    [ ] Private

   [ ] Local     [ ] Multinational

2. Name: _____

3. Address: _____

4. Product-mix / service mix: a. _____  b. _____  c. _____

   d. _____  e. _____  f. _____

---

> ## A3: Employee Development Practices

## RECRUITMENT & SELECTION

1.  How many steps do the company follow at the time of hiring new employees?

    - [ ] 1
    - [ ] 2
    - [ ] 3
    - [ ] 4
    - [ ] 5 or more

2.  Please mention which steps:

    - [ ] Initial screening
    - [ ] Online assessment
    - [ ] Written exam
    - [ ] Oral viva
    - [ ] Job preview
    - [ ] Others (please mention)...................................................................................

3.  Is there any biasness in the recruitment and selection?

| | Not at all | Very low | Low | High | Very high |
|---|---|---|---|---|---|
| Sex | ☐ | ☐ | ☐ | ☐ | ☐ |
| Age | ☐ | ☐ | ☐ | ☐ | ☐ |
| Education | ☐ | ☐ | ☐ | ☐ | ☐ |
| Religion | ☐ | ☐ | ☐ | ☐ | ☐ |
| Nepotism | ☐ | ☐ | ☐ | ☐ | ☐ |
| Reference | ☐ | ☐ | ☐ | ☐ | ☐ |
| Others (please specify) | ☐ | ☐ | ☐ | ☐ | ☐ |
| Others (please specify) | ☐ | ☐ | ☐ | ☐ | ☐ |
| Others (please specify) | ☐ | ☐ | ☐ | ☐ | ☐ |

## ORIENTATION

1. Is there any formal orientation program for the new employees in the organization?

   ☐ Yes all the time

   ☐ Yes sometimes

   ☐ No

2. Is there any informal orientation program for the new employees in the organization?

   ☐ Yes all the time

   ☐ Yes sometimes

   ☐ No

## TRAINING & DEVELOPMENT

1. Which type of trainings did you get?

   ☐ No training facility

   ☐ Technical

   ☐ Leadership

   ☐ Ethical

   ☐ Any other (Please specify) _____

2. How many trainings have you received?

3. How much relevant the trainings were with your job responsibility?
   Very less | Less | Average | High | Very high

4. How much value the trainings added to your job performance?
   Very less | Less | Average | High | Very high

5. "Commitment of your supervisor" to allow you to go for off-the-job or off-site training

   ☐ Very low

   ☐ Low

   ☐ Average

   ☐ High

   ☐ Very high

6. Effectiveness of" training needs identification process"

- ☐ Very less
- ☐ Less
- ☐ Average
- ☐ High
- ☐ Very high

## COMMUNICATION

1. Are there any special programs to help communication within the organization?

☐ Yes  ☐ No

2. Are there any Step up meetings (Skip a level and junior employees talk to senior managers):

☐ Yes  ☐ No

3. Are there any Town hall Meetings (CEO addressing the employees):

☐ Yes  ☐ No

4. The "opportunity for interaction" with seniors

- ☐ Very low
- ☐ Low
- ☐ Average
- ☐ High
- ☐ Very high

5. "Feedback" about your performance

- ☐ Very low
- ☐ Low
- ☐ Average
- ☐ High
- ☐ Very high

6.  "Effectiveness of Company's communication system" to keep all employees informed about new policies, guidelines, issues etc.

    ☐ Very low

    ☐ Low

    ☐ Average

    ☐ High

    ☐ Very high

7.  "Opportunity to give feedback & criticize" in interdepartmental meeting / group meeting

    ☐ Very low

    ☐ Low

    ☐ Average

    ☐ High

    ☐ Very high

## COUNSELING AND MENTORING

8.  Is there any counseling and mentoring policy in your organization?

    ☐ Yes   ☐ No

    If yes, please mention how it is done........................................................................................................................

    ........................................................................................................................

    ........................................................................................................................

## WORK LIFE BALANCE

1.  Is there any work from home policy?

    ☐ Yes   ☐ No

2.  How flexible your working hour is? Very strict| Strict | Average | Flexible | Very flexible

3.  Any comment:
    ........................................................................................................................
    ........................................................................................................................
    ........................................................................................................................

4.     To what extent do you agree with the following statement

I am frequently required to "overstay in the office though my job is done"

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Very much agree

## JOB ROTATION

Is there any job rotation policy in the organization?

☐ Yes     ☐ No

## LOAN POLICY

How do you find you loan policy?

Very poor | Poor | Average | Good | Very good

## PERFORMANCE APPRAISAL

1.     Are there any performance awards?  ☐ Yes     ☐ No

2.     What is the frequency of the performance appraisal cycle?

- ☐ 1 month
- ☐ 3 months
- ☐ 4 months
- ☐ 6 months
- ☐ Annual
- ☐ Others_____

3.     How do you evaluate the performance review system?:

Very biased | Biased | Average | Fair | Very fair

## RETENTION & TURNOVER

1. Are there any retention programs in the company? ☐ Yes ☐ No

2. Does the company provide any retention bonus? ☐ Yes ☐ No

3. Is there any exit interview system in your organization? ☐ Yes ☐ No

---

**A4: relation between ED practice and Employee Intention to leave**

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Please express your extent of agreement and disagreement regarding the following statements:

| Realistic Job Information | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| 1. I received a large amount of information about my job before being employed during the recruitment process | | | | | |
| 2. All of the information I received at interviews about my job before being employed was relevant | | | | | |
| 3. I was told about all positive and negative aspects of the job at interviews before being employed | | | | | |
| 4. All the information I received at recruitment process about the job is accurate | | | | | |
| Job Analysis | | | | | |
| 5. I have clear targets for each of my objectives | | | | | |
| 6. I know how my job impacts on the mission of our company | | | | | |
| 7. I know very well what is expected from me on my job | | | | | |
| 8. Management has given me a clear job description (job description is a document that specifies job purpose, duties & responsibilities, | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| working conditions etc.) | | | | | |
| 9. Duties which I perform actually match with duties indicated in the job description | | | | | |
| 10. Targets given by the company are realistic (achievable) | | | | | |
| Work Family Balance | | | | | |
| 11. I am able to balance work priorities with my personal life | | | | | |
| 12. I have the flexibility to arrange my work schedule to meet my personal/family responsibilities | | | | | |
| 13. Management supports for family values | | | | | |
| Career Development | | | | | |
| 14. I have a clearly established career path at company | | | | | |
| 15. It does not take too long to hire someone when a position becomes vacant | | | | | |
| 16. I have opportunities to learn and grow | | | | | |
| 17. I get the training from the company for my next promotion | | | | | |
| 18. I get the training I need to do my job well. | | | | | |
| 19. Job promotions are fair and equitable | | | | | |
| 20. My last performance appraisal accurately reflected my performance | | | | | |
| 21. The performance appraisal system is fair | | | | | |
| Compensation (Benefits and Recognition) | | | | | |
| 22. Benefits available are appropriate for my needs and those of my family | | | | | |
| 23. Amount of health care paid is sufficient | | | | | |
| 24. Amount of vacation is sufficient | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 25. Sick leave policy is satisfactory | | | | | |
| 26. Insurance policy (safety, health) is satisfactory | | | | | |
| 27. I am happy with assistance given by the company in terms of money, leave for exams, subscriptions | | | | | |
| 28. I am happy with company's assistance for housing (ex. Loans) | | | | | |
| 29. I am happy with the food provided by the company (meals, tea, drinking water etc.) | | | | | |
| 30. Company provides comfortable working conditions (space, light, seating arrangement, air condition ,etc) | | | | | |
| 31. I am satisfied with the value of increment in pay | | | | | |
| 32. I am happy with the number of increments in the pay | | | | | |
| 33. I have a clear understanding of our pay policy | | | | | |
| 34. I understand the criteria used to decide my pay | | | | | |
| 35. The amount of pay I receive for my job is about equal to others doing similar work in other leasing companies | | | | | |
| 36. If I do good work I can count on making more money ( incentives for performance, achieving targets) | | | | | |
| 37. If I do good work I can count on being promoted | | | | | |
| 38. I feel I am valued at the company | | | | | |
| 39. Company gives enough recognition for well done work | | | | | |
| 40. My salary is fair for my responsibilities | | | | | |

| Supervisor Support | | | | | |
|---|---|---|---|---|---|
| 41. My supervisor treats me fairly | | | | | |
| 42. My supervisor treats me with respect | | | | | |
| 43. My supervisor handles my work related issues satisfactorily | | | | | |
| 44. My supervisor asks me for my input to help make decisions | | | | | |
| 45. My supervisor available to me when I have questions or need help | | | | | |
| 46. My supervisor delegates work effectively | | | | | |
| 47. My supervisor discusses with me about my career goals in the organization | | | | | |
| Employee Views | | | | | |
| 48. I talk up this organization to my friends as a bad organization to work for | | | | | |
| 49. I feel no loyalty to this organization | | | | | |
| 50. I find that my values and the organization's value are very similar | | | | | |
| 51. I would not accept almost any type of job assignment in order to keep working for this organization | | | | | |
| 52. I am ashamed to tell others that I'm a part of this organization | | | | | |
| 53. I could just as well be working for a different organization as long as the type of work was similar | | | | | |
| 54. This organization really instigates the very worst in me the way of job performance | | | | | |
| 55. It would take very little change in my present circumstances to cause me to leave this organization | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 56. I am extremely dissappointed that I chose this organization to work for over others I was considering at the time I joined | | | | | |
| 57. There's not too much to be gain by sticking with this organization indefinitely | | | | | |
| 58. Often I find it difficult to agree with the organization policies on important matters relating to its employees | | | | | |
| 59. I do not care about the fate of this organization | | | | | |
| 60. For me this is the worst of all possible organizations for which to work | | | | | |
| 61. Deciding to work for this organization was a definite mistake on my part | | | | | |
| 62. I have every intention to resign from this organization within a shorter time | | | | | |
| 63. Whenever I get a job in another company definitely I will leave | | | | | |
| 64. I am searching for a better job in a better organization at the moment | | | | | |
| 65. I am already fed up with working this company | | | | | |
| 66. I feel like escaping from this company | | | | | |

**Thank you for your time and cooperation!**

# Appendix III: FGD Schedule

## Focus Group Discussion

**Number of participants:** 7

**Moderator:** 1

**Note Takers:** 2

**Observers:** 2

**Venue:** Dhaka Sheraton Hotel

**Date:** January 7, 2010

**Time:** 4:00 PM to 7:00 PM (including one 30 minutes interval)

**Moderator:** Mr. Nazim Uddin Ahmed

**Observers:** Ms. Sitara Abedin, Md. Mofazzal Hossain

**Note Takers:** Mr. Khaled Mahmud, Mr. Saimum Sanowar

**Participants:** Due to the unwillingness of the respondents, the name, designation and workplace of them are not included here.

### *Introduction*

❖ Welcome participants and introduction with the moderator.

❖ Explain the general purpose of the discussion and why the participants were chosen.

❖ Discuss the purpose and process of focus groups.

❖ Explain the presence and purpose of recording equipment and introduce observers.

❖ Outline general ground rules and discussion guidelines such as the importance of everyone speaking up, talking one at a time, and being prepared for the moderator to interrupt to assure that all the topics can be covered.

❖ Review break schedule and where the restrooms are.

❖ Address the issue of confidentiality.

❖ Inform the group that information discussed is going to be analyzed as a whole and those participants' names will not be used in any analysis of the discussion.

❖ Read a protocol summary to the participants.

## *Ground rules*

❖ We would like the discussion to be informal, so there's no need to wait for us to call on you to respond. In fact, we encourage you to respond directly to the comments other people make. If you don't understand a question, please let us know. We are here to ask questions, listen, and make sure everyone has a chance to share.

❖ If we seem to be stuck on a topic, we may interrupt you and if you aren't saying much, we may call on you directly. If we do this, please don't feel bad about it; it's just our way of making sure we obtain everyone's perspective and opinion is included.

❖ We do ask that we all keep each other's identities, participation and remarks private. We hope you'll feel free to speak openly and honestly.

❖ We will be taking notes on the discussion, because we don't want to miss any of your comments. No one outside of this room will have access to these notes and they will be destroyed after our report is written.

## *Main Discussion Topics*

❖ HRD practices in organizations of Bangladesh
  - o Recruitment
  - o Orientation
  - o Training & development
  - o Communication
  - o Counseling and mentoring
  - o Work life balance

- o   Job rotation
- o   Loan policy
- o   Performance appraisal

❖   Impacts of HRD on employee turnover

- o   Realistic Job Information
- o   Job content
- o   Work Family Balance
- o   Career Development
- o   Compensation (Benefits and Recognition)
- o   Supervisor Support
- o   Other issues

❖   Indicators of employee intention to leave

- o   Lack of Loyalty
- o   Lack of Ownership
- o   Reluctance to take responsibilities
- o   Poor performance
- o   Spreading bad word of mouth
- o   Continuous dissatisfaction
- o   Active search for other jobs

# Appendix IV: Response Summary

## Mean Values of Survey Responses in different categories

| ID | Compensation | Career Development | Supervisor support | Job Analysis | Realistic job information | Work-life balance | Intension to leave |
|----|----|----|----|----|----|----|----|
| 1 | 2.5 | 1.8 | 3 | 1.6 | 1.2 | 1.2 | 4.7 |
| 2 | 2.1 | 1.5 | 1.6 | 1.6 | 1.1 | 1.1 | 4.8 |
| 3 | 1.2 | 1.5 | 1.2 | 1.6 | 1.3 | 1.3 | 4.5 |
| 4 | 1.3 | 1.4 | 1.6 | 1.8 | 1.4 | 1.4 | 3.9 |
| 5 | 1.5 | 1.6 | 2.5 | 3.6 | 1.5 | 1.5 | 4.8 |
| 6 | 1.7 | 1.4 | 2.5 | 3.4 | 1.6 | 1.6 | 3.6 |
| 7 | 1.8 | 1.6 | 2.3 | 3.5 | 1.7 | 1.7 | 4.8 |
| 8 | 1.6 | 2.4 | 3.5 | 3.8 | 1.8 | 1.8 | 2.6 |
| 9 | 1.2 | 2.5 | 3.4 | 3.4 | 1.9 | 1.9 | 4.4 |
| 10 | 2.6 | 1.2 | 2.4 | 2.5 | 2 | 2 | 4.2 |
| 11 | 1.3 | 1.2 | 3.6 | 4.2 | 2.1 | 2.1 | 4.1 |
| 12 | 1.1 | 2.6 | 4.2 | 3.8 | 2.2 | 2.2 | 3.9 |
| 13 | 2.3 | 2.8 | 2.6 | 3.4 | 2.3 | 2.3 | 4.4 |
| 14 | 1.4 | 3.6 | 3.6 | 2.4 | 2.4 | 2.4 | 3.8 |
| 15 | 1.2 | 1.5 | 1.2 | 2.6 | 2.5 | 2.5 | 3.7 |
| 16 | 1.1 | 2.6 | 3.6 | 3.9 | 2.6 | 2.6 | 4.6 |
| 17 | 1.3 | 4.2 | 4.2 | 3.2 | 2.7 | 2.7 | 4.4 |
| 18 | 1.4 | 2.2 | 1.6 | 4.1 | 2.8 | 2.8 | 4.8 |
| 19 | 1.5 | 1.5 | 2.6 | 2.6 | 2.9 | 2.9 | 4.8 |
| 20 | 1.6 | 1.3 | 4.6 | 3.5 | 3 | 3 | 4.3 |
| 21 | 1.3 | 2.1 | 4.2 | 2.4 | 3.1 | 3.1 | 2.4 |
| 22 | 1.5 | 1.4 | 2.5 | 2.1 | 3.2 | 3.2 | 4.6 |
| 23 | 1.7 | 2.4 | 1.6 | 4.1 | 3.3 | 3.3 | 4.3 |
| 24 | 1.8 | 2.3 | 4.2 | 5 | 2.5 | 2.5 | 4.7 |
| 25 | 1.6 | 2.7 | 3.5 | 4.1 | 3.5 | 3.5 | 4.8 |
| 26 | 1.2 | 1.5 | 2.6 | 3.9 | 3.6 | 3.6 | 4.3 |

| ID | Compensation | Career Development | Supervisor support | Job Analysis | Realistic job information | Work-life balance | Intension to leave |
|----|--------------|--------------------|--------------------|--------------|---------------------------|-------------------|--------------------|
| 27 | 2.6 | 2.5 | 1.6 | 3.2 | 3.7 | 3.7 | 4.1 |
| 28 | 1.3 | 1.2 | 2.3 | 4.1 | 3.8 | 3.8 | 4.6 |
| 29 | 1.1 | 1.2 | 2.6 | 2.6 | 3.9 | 3.9 | 4.7 |
| 30 | 2.3 | 2.6 | 2.4 | 3.5 | 4.1 | 4.1 | 4.3 |
| 31 | 1.4 | 2.8 | 2.5 | 2.4 | 4.2 | 4.2 | 4.8 |
| 32 | 1.2 | 3.6 | 2.9 | 2.1 | 4.3 | 4.3 | 4.6 |
| 33 | 1.1 | 1.5 | 2.8 | 4.1 | 4.4 | 4.4 | 4.3 |
| 34 | 1.3 | 2.6 | 3.5 | 2.6 | 4.5 | 4.5 | 3.8 |
| 35 | 1.4 | 4.2 | 2.4 | 3.4 | 4.6 | 4.6 | 3.8 |
| 36 | 1.5 | 2.2 | 3.8 | 3.9 | 4.7 | 4.7 | 3.7 |
| 37 | 1.6 | 1.5 | 1.5 | 3.2 | 4.8 | 4.8 | 4.7 |
| 38 | 1.2 | 1.5 | 3.7 | 4.1 | 4.9 | 4.9 | 4.6 |
| 39 | 1.1 | 2.1 | 2.5 | 2.6 | 4.2 | 4.2 | 4.4 |
| 40 | 1.6 | 1.4 | 3.8 | 3.5 | 2.5 | 2.5 | 4.2 |
| 41 | 1.4 | 2.4 | 2.9 | 2.4 | 1.6 | 1.6 | 4.6 |
| 42 | 1.9 | 2.3 | 3.5 | 2.1 | 2.6 | 2.6 | 4.7 |
| 43 | 1.5 | 2.7 | 3.4 | 4.1 | 3.5 | 3.5 | 4.2 |
| 44 | 1.2 | 1.5 | 3.6 | 2.9 | 2.6 | 2.6 | 4.8 |
| 45 | 1.3 | 1.3 | 3.2 | 1.8 | 1.6 | 1.6 | 4.6 |
| 46 | 1.2 | 2.1 | 3.1 | 1.9 | 2.3 | 2.3 | 4.7 |
| 47 | 2.5 | 1.4 | 3.5 | 2.1 | 4.2 | 4.2 | 3.3 |
| 48 | 2.1 | 2.4 | 3.4 | 2.6 | 2.5 | 2.5 | 4.5 |
| 49 | 1.2 | 2.3 | 3.1 | 2.5 | 1.6 | 1.6 | 3.4 |
| 50 | 1.3 | 2.7 | 3.7 | 2.5 | 4.2 | 4.2 | 4.1 |
| 51 | 1.5 | 1.5 | 2.4 | 3.9 | 3.5 | 3.5 | 4.1 |
| 52 | 1.7 | 2.4 | 1.5 | 3.2 | 2.6 | 2.6 | 3.9 |
| 53 | 1.8 | 2.4 | 2.4 | 4.1 | 1.6 | 1.6 | 4.5 |
| 54 | 1.2 | 2.3 | 2.5 | 2.6 | 2.6 | 2.6 | 4.2 |
| 55 | 1.1 | 2.7 | 2.8 | 3.5 | 1.6 | 1.6 | 3.6 |

| ID | Compensation | Career Development | Supervisor support | Job Analysis | Realistic job information | Work-life balance | Intension to leave |
|----|--------------|--------------------|--------------------|--------------|---------------------------|-------------------|--------------------|
| 56 | 1.6 | 1.5 | 3.5 | 3.7 | 4.2 | 4.2 | 4.8 |
| 57 | 1.4 | 2.3 | 2.4 | 3.9 | 3.5 | 3.5 | 4.7 |
| 58 | 1.9 | 2.1 | 2.5 | 3.2 | 1.6 | 1.6 | 4.5 |
| 59 | 1.5 | 1.4 | 1.6 | 4.1 | 1.6 | 1.6 | 4.4 |
| 60 | 1.2 | 2.5 | 2.4 | 2.4 | 2.3 | 2.3 | 4.5 |
| 61 | 1.8 | 3 | 1.6 | 1.6 | 1.2 | 3.5 | 3.8 |
| 62 | 1.5 | 1.6 | 1.8 | 1.8 | 1.1 | 3.6 | 3.8 |
| 63 | 1.5 | 1.2 | 3.6 | 3.6 | 1.3 | 2.6 | 3.7 |
| 64 | 1.4 | 1.6 | 3.4 | 3.4 | 1.4 | 2.4 | 3.5 |
| 65 | 1.6 | 1.2 | 3.5 | 3.5 | 1.5 | 1.2 | 3.4 |
| 66 | 1.4 | 2.5 | 3.8 | 3.8 | 1.6 | 1.3 | 3.3 |
| 67 | 1.6 | 2.3 | 3.4 | 3.4 | 1.7 | 2.3 | 3.5 |
| 68 | 2.4 | 3.5 | 2.5 | 2.5 | 1.8 | 2.4 | 2.9 |
| 69 | 2.5 | 3.4 | 4.2 | 4.2 | 1.9 | 2.6 | 3.5 |
| 70 | 1.2 | 2.4 | 3.8 | 3.8 | 2 | 1.6 | 3.3 |
| 71 | 1.2 | 3.6 | 3.4 | 3.4 | 2.1 | 3.5 | 3.7 |
| 72 | 2.6 | 4.2 | 2.4 | 2.4 | 2.2 | 4.6 | 3.8 |
| 73 | 2.8 | 4.6 | 2.6 | 2.6 | 2.3 | 2.8 | 3.1 |
| 74 | 3.6 | 3.6 | 3.9 | 3.9 | 2.4 | 3.8 | 2.9 |
| 75 | 1.5 | 2.2 | 3.2 | 3.2 | 2.5 | 4.8 | 3.5 |
| 76 | 2.6 | 3.6 | 4.1 | 4.1 | 2.6 | 4.7 | 4.2 |
| 77 | 4.2 | 4.2 | 2.6 | 2.6 | 2.7 | 2.7 | 3.5 |
| 78 | 2.2 | 1.6 | 3.5 | 3.5 | 2.8 | 3.7 | 3.4 |
| 79 | 1.5 | 2.6 | 2.4 | 2.4 | 2.9 | 1.6 | 3.3 |
| 80 | 1.3 | 4.6 | 2.1 | 2.1 | 3 | 1.7 | 2.3 |
| 81 | 2.1 | 4.2 | 4.1 | 4.1 | 3.1 | 3.6 | 3.5 |
| 82 | 1.4 | 2.5 | 5 | 5 | 3.2 | 4.7 | 3.8 |
| 83 | 2.4 | 1.6 | 4.1 | 4.1 | 3.3 | 4.8 | 3.4 |
| 84 | 2.3 | 4.2 | 3.9 | 3.9 | 3.4 | 1.8 | 3.2 |

| ID | Compensation | Career Development | Supervisor support | Job Analysis | Realistic job information | Work-life balance | Intension to leave |
|----|----|----|----|----|----|----|----|
| 85 | 2.7 | 3.5 | 3.2 | 3.2 | 3.5 | 2.8 | 3.7 |
| 86 | 1.5 | 2.6 | 4.1 | 4.1 | 3.6 | 3.8 | 3.4 |
| 87 | 2.5 | 1.6 | 2.6 | 2.6 | 3.7 | 1.3 | 3.5 |
| 88 | 1.2 | 2.3 | 3.5 | 3.5 | 3.8 | 1.5 | 3.2 |
| 89 | 1.2 | 2.6 | 2.4 | 2.4 | 3.9 | 1.7 | 3.6 |
| 90 | 2.6 | 2.4 | 2.1 | 2.1 | 4.1 | 2.7 | 3.4 |
| 91 | 2.8 | 2.5 | 4.1 | 4.1 | 4.2 | 2.5 | 3.1 |
| 92 | 3.6 | 2.9 | 2.6 | 2.6 | 4.3 | 2.9 | 2.9 |
| 93 | 1.5 | 2.8 | 3.4 | 3.4 | 4.4 | 3.9 | 2.9 |
| 94 | 2.6 | 3.5 | 3.9 | 3.9 | 4.5 | 3.7 | 3.4 |
| 95 | 4.2 | 2.4 | 3.2 | 3.2 | 4.6 | 3.5 | 3.6 |
| 96 | 2.2 | 3.8 | 4.1 | 4.1 | 4.7 | 4.5 | 3.4 |
| 97 | 1.5 | 1.5 | 2.6 | 2.6 | 4.8 | 4.7 | 3.2 |
| 98 | 1.5 | 3.7 | 3.5 | 3.5 | 4.9 | 4.9 | 3.8 |
| 99 | 2.1 | 2.5 | 2.4 | 2.4 | 4.2 | 4.1 | 3.6 |
| 100 | 1.4 | 3.8 | 2.1 | 2.1 | 2.5 | 2.7 | 3.7 |
| 101 | 2.4 | 2.9 | 4.1 | 4.1 | 1.6 | 2.8 | 3.8 |
| 102 | 2.3 | 3.5 | 2.9 | 2.9 | 4.2 | 2.9 | 3.9 |
| 103 | 2.7 | 3.4 | 1.8 | 1.8 | 3.5 | 2.6 | 4.1 |
| 104 | 1.5 | 3.6 | 1.9 | 1.9 | 2.6 | 2.4 | 2.9 |
| 105 | 1.3 | 3.2 | 2.1 | 2.1 | 1.6 | 2.5 | 3.1 |
| 106 | 2.1 | 3.1 | 2.6 | 2.6 | 2.3 | 3.6 | 3.2 |
| 107 | 1.4 | 3.5 | 2.5 | 2.5 | 4.2 | 2.5 | 3.4 |
| 108 | 2.4 | 3.4 | 2.5 | 2.5 | 2.5 | 3.4 | 3.2 |
| 109 | 2.3 | 3.1 | 3.9 | 3.9 | 1.6 | 2.1 | 3.6 |
| 110 | 2.7 | 3.7 | 3.2 | 3.2 | 4.2 | 2.2 | 3.4 |
| 111 | 1.5 | 2.4 | 4.1 | 4.1 | 3.5 | 2.4 | 3.1 |
| 112 | 2.4 | 2.9 | 2.6 | 2.6 | 2.6 | 2.5 | 2.9 |
| 113 | 2.4 | 2.4 | 3.5 | 3.5 | 1.6 | 2.6 | 2.8 |

| ID | Compensation | Career Development | Supervisor support | Job Analysis | Realistic job information | Work-life balance | Intension to leave |
|----|------|------|------|------|------|------|------|
| 114 | 2.3 | 2.4 | 3.6 | 3.6 | 2.3 | 2.8 | 3.4 |
| 115 | 2.7 | 2.8 | 3.7 | 3.7 | 1.6 | 2.2 | 3.6 |
| 116 | 2.5 | 3.5 | 2.5 | 2.5 | 4.2 | 2.1 | 3.3 |
| 117 | 2.4 | 2.4 | 2.4 | 2.4 | 3.5 | 4.8 | 3.2 |
| 118 | 3.5 | 2.5 | 2.1 | 2.1 | 2.6 | 3.7 | 3.8 |
| 119 | 3.6 | 2.6 | 3.7 | 3.7 | 1.6 | 2.9 | 3.6 |
| 120 | 3.8 | 3.4 | 3.4 | 3.4 | 1.2 | 3 | 2.7 |
| 121 | 3.6 | 3.5 | 3.5 | 3.5 | 1.1 | 1.6 | 2.6 |
| 122 | 3.6 | 3.8 | 3.8 | 3.8 | 1.3 | 1.2 | 2.7 |
| 123 | 3.8 | 3.4 | 3.4 | 3.4 | 1.4 | 1.6 | 2.6 |
| 124 | 3.6 | 2.5 | 2.5 | 2.5 | 1.5 | 1.2 | 2.5 |
| 125 | 3.4 | 4.2 | 4.2 | 4.2 | 1.6 | 2.5 | 2.4 |
| 126 | 3.5 | 3.8 | 3.8 | 3.8 | 1.7 | 2.3 | 2.4 |
| 127 | 3.8 | 3.4 | 3.4 | 3.4 | 1.8 | 1.5 | 2.3 |
| 128 | 3.4 | 2.4 | 2.4 | 2.4 | 1.9 | 3.4 | 2.2 |
| 129 | 2.5 | 2.6 | 2.6 | 2.6 | 2 | 2.4 | 2.8 |
| 130 | 4.2 | 3.9 | 3.9 | 3.9 | 2.1 | 3.6 | 2.2 |
| 131 | 3.8 | 3.2 | 3.2 | 3.2 | 2.2 | 4.2 | 2.5 |
| 132 | 3.4 | 4.1 | 4.1 | 4.1 | 2.3 | 4.6 | 2.4 |
| 133 | 2.4 | 2.6 | 2.6 | 2.6 | 2.4 | 3.6 | 2.3 |
| 134 | 2.6 | 3.5 | 3.5 | 3.5 | 2.5 | 1.2 | 2.8 |
| 135 | 3.9 | 2.4 | 2.4 | 2.4 | 2.6 | 4.8 | 2.7 |
| 136 | 3.2 | 2.1 | 2.1 | 2.1 | 2.7 | 4.2 | 2.6 |
| 137 | 4.1 | 4.1 | 4.1 | 4.1 | 2.8 | 1.6 | 2.6 |
| 138 | 2.6 | 5 | 5 | 5 | 2.9 | 2.6 | 2.5 |
| 139 | 3.5 | 4.1 | 4.1 | 4.1 | 3 | 4.6 | 2.4 |
| 140 | 2.4 | 3.9 | 3.9 | 3.9 | 3.1 | 4.2 | 2.3 |
| 141 | 2.1 | 3.2 | 3.2 | 3.2 | 3.2 | 2.5 | 2.1 |
| 142 | 4.1 | 4.1 | 4.1 | 4.1 | 3.3 | 1.6 | 2.5 |

| ID | Compensation | Career Development | Supervisor support | Job Analysis | Realistic job information | Work-life balance | Intension to leave |
|----|----|----|----|----|----|----|----|
| 143 | 3.7 | 2.6 | 2.6 | 2.6 | 3.4 | 4.2 | 2.5 |
| 144 | 3.4 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 2.1 |
| 145 | 3.3 | 2.4 | 3.6 | 2.8 | 3.6 | 2.6 | 2.9 |
| 146 | 3.2 | 2.1 | 2.1 | 2.8 | 3.7 | 1.6 | 3 |
| 147 | 3.6 | 4.1 | 4.1 | 4.1 | 3.8 | 2.3 | 2.1 |
| 148 | 2.6 | 2.6 | 2.6 | 2.6 | 3.9 | 2.6 | 2.5 |
| 149 | 3.5 | 3.4 | 3.4 | 3.4 | 4.1 | 2.4 | 2.4 |
| 150 | 2.4 | 3.9 | 3.9 | 3.9 | 4.2 | 2.5 | 2.3 |
| 151 | 3.5 | 3.2 | 3.2 | 3.2 | 4.3 | 2.9 | 2.4 |
| 152 | 4.1 | 3.9 | 3.9 | 3.9 | 4.4 | 2.8 | 2.4 |
| 153 | 3.4 | 3.2 | 3.2 | 3.2 | 4.5 | 3.5 | 2.6 |
| 154 | 4.1 | 4.1 | 4.1 | 4.1 | 4.6 | 2.4 | 2.3 |
| 155 | 3.9 | 2.6 | 2.6 | 2.6 | 4.7 | 3.8 | 2.6 |
| 156 | 3.2 | 3.5 | 3.5 | 3.5 | 4.8 | 1.5 | 2.4 |
| 157 | 4.1 | 2.4 | 2.4 | 2.4 | 4.9 | 3.7 | 2.4 |
| 158 | 2.6 | 2.1 | 2.1 | 2.1 | 4.2 | 2.5 | 2.3 |
| 159 | 3.5 | 4.1 | 4.1 | 4.1 | 2.5 | 4.8 | 2.3 |
| 160 | 2.4 | 3.8 | 3.8 | 3.8 | 1.6 | 2.9 | 2.1 |
| 161 | 2.1 | 4.1 | 4.1 | 4.1 | 4.2 | 3.5 | 2.8 |
| 162 | 4.1 | 3.9 | 3.9 | 3.9 | 3.5 | 3.4 | 2.1 |
| 163 | 3.8 | 3.2 | 3.2 | 3.2 | 2.6 | 3.6 | 2.4 |
| 164 | 3.3 | 4.1 | 4.1 | 4.1 | 1.6 | 3.2 | 2.3 |
| 165 | 3.9 | 2.6 | 2.6 | 2.6 | 2.3 | 3.1 | 2.3 |
| 166 | 2.1 | 3.5 | 3.5 | 3.5 | 4.2 | 3.5 | 2.8 |
| 167 | 4.1 | 2.4 | 2.4 | 2.4 | 2.5 | 3.4 | 2.7 |
| 168 | 3.8 | 2.1 | 2.1 | 2.1 | 1.6 | 3.1 | 2.6 |
| 169 | 3.1 | 4.1 | 4.1 | 4.1 | 4.2 | 3.7 | 2.6 |
| 170 | 3.9 | 3.8 | 3.8 | 3.8 | 3.5 | 2.4 | 2.4 |
| 171 | 3.2 | 4.1 | 4.1 | 4.1 | 2.6 | 1.5 | 2.3 |

| ID | Compensation | Career Development | Supervisor support | Job Analysis | Realistic job information | Work-life balance | Intension to leave |
|-----|-----|-----|-----|-----|-----|-----|-----|
| 172 | 4.1 | 3.9 | 3.9 | 3.9 | 1.6 | 2.4 | 2.2 |
| 173 | 2.6 | 2.1 | 2.1 | 2.1 | 2.3 | 1.6 | 2.8 |
| 174 | 2.4 | 3.3 | 3.4 | 3.6 | 1.6 | 2.8 | 2.7 |
| 175 | 2.5 | 3.8 | 3.8 | 3.8 | 4.2 | 3.5 | 2.6 |
| 176 | 2.6 | 3.8 | 3.8 | 3.8 | 3.5 | 1.4 | 2.5 |
| 177 | 2.8 | 3.9 | 3.9 | 3.9 | 2.6 | 2.5 | 2.4 |
| 178 | 3.5 | 3.7 | 3.7 | 3.7 | 1.6 | 4.6 | 2.4 |
| 179 | 3.6 | 4.8 | 4.8 | 4.8 | 4.6 | 4.5 | 2.1 |
| 180 | 4.5 | 4.5 | 4.5 | 4.5 | 3.5 | 3.5 | 1.8 |
| 181 | 3.8 | 2.5 | 2.5 | 2.5 | 3.6 | 3.6 | 1.7 |
| 182 | 3.6 | 3.6 | 3.6 | 3.6 | 2.6 | 2.6 | 1.6 |
| 183 | 3.8 | 3.8 | 3.8 | 3.8 | 2.4 | 2.4 | 1.6 |
| 184 | 3.6 | 3.6 | 3.6 | 3.6 | 1.2 | 1.2 | 1.5 |
| 185 | 3.4 | 3.4 | 3.4 | 3.4 | 1.3 | 1.3 | 1.4 |
| 186 | 3.5 | 3.5 | 3.5 | 3.5 | 2.3 | 2.3 | 1.9 |
| 187 | 3.8 | 3.8 | 3.8 | 3.8 | 2.4 | 2.4 | 1.3 |
| 188 | 3.4 | 3.4 | 3.4 | 3.4 | 2.6 | 2.6 | 1.4 |
| 189 | 3.5 | 3.5 | 3.5 | 3.5 | 1.6 | 1.6 | 2.1 |
| 190 | 4.2 | 4.2 | 4.2 | 4.2 | 3.5 | 3.5 | 1.3 |
| 191 | 3.8 | 3.8 | 3.8 | 3.8 | 4.6 | 4.6 | 1.3 |
| 192 | 3.4 | 3.4 | 3.4 | 3.4 | 2.8 | 2.8 | 1.3 |
| 193 | 2.4 | 2.4 | 2.4 | 2.4 | 3.8 | 3.8 | 1.4 |
| 194 | 3.6 | 3.6 | 3.6 | 3.6 | 4.8 | 4.8 | 1.6 |
| 195 | 3.9 | 3.9 | 3.9 | 3.9 | 4.7 | 4.7 | 1.6 |
| 196 | 4.2 | 3.2 | 3.2 | 3.2 | 2.7 | 2.7 | 1.8 |
| 197 | 4.1 | 4.1 | 4.1 | 4.1 | 3.7 | 3.7 | 1.5 |
| 198 | 4.9 | 2.6 | 2.6 | 2.6 | 1.6 | 1.6 | 1.4 |
| 199 | 4.6 | 4.6 | 4.6 | 4.6 | 1.7 | 1.7 | 1.8 |
| 200 | 4.4 | 4.4 | 4.4 | 4.4 | 3.6 | 3.6 | 1.6 |

| ID | Compensation | Career Development | Supervisor support | Job Analysis | Realistic job information | Work-life balance | Intension to leave |
|-----|-----|-----|-----|-----|-----|-----|-----|
| 201 | 4.2 | 4.2 | 4.2 | 4.2 | 4.7 | 4.7 | 1.6 |
| 202 | 4.1 | 4.1 | 4.1 | 4.1 | 4.8 | 4.8 | 1.5 |
| 203 | 5 | 3.6 | 4.6 | 3.8 | 1.8 | 1.8 | 1.4 |
| 204 | 4.1 | 4.1 | 4.1 | 4.1 | 2.8 | 2.8 | 1.4 |
| 205 | 3.9 | 3.9 | 3.9 | 3.9 | 3.8 | 3.8 | 1.9 |
| 206 | 3.2 | 3.2 | 3.2 | 3.2 | 1.3 | 1.3 | 1.2 |
| 207 | 4.1 | 4.1 | 4.1 | 4.1 | 1.5 | 1.5 | 1.3 |
| 208 | 2.6 | 2.6 | 2.6 | 2.6 | 1.7 | 1.7 | 2.1 |
| 209 | 3.5 | 3.5 | 3.5 | 3.5 | 2.7 | 2.7 | 1.2 |
| 210 | 3.9 | 4.1 | 3.9 | 3.9 | 2.5 | 2.5 | 1.3 |
| 211 | 4.5 | 4.5 | 4.5 | 4.5 | 2.9 | 2.9 | 1.2 |
| 212 | 4.1 | 4.1 | 4.1 | 4.1 | 3.9 | 3.9 | 1.4 |
| 213 | 5 | 4.9 | 4.8 | 4.7 | 3.7 | 3.7 | 1.6 |
| 214 | 4.1 | 4.1 | 4.1 | 4.1 | 3.5 | 3.5 | 1.6 |
| 215 | 3.9 | 3.9 | 3.9 | 3.9 | 4.5 | 4.5 | 1.8 |
| 216 | 3.2 | 3.2 | 3.2 | 3.2 | 4.7 | 4.7 | 1.5 |
| 217 | 4.1 | 4.1 | 4.1 | 4.1 | 4.9 | 4.9 | 1.4 |
| 218 | 3.8 | 2.6 | 2.6 | 2.6 | 4.1 | 4.1 | 1.4 |
| 219 | 3.5 | 3.5 | 3.5 | 3.5 | 2.7 | 2.7 | 1.9 |
| 220 | 4.5 | 4.5 | 4.5 | 4.5 | 2.8 | 2.8 | 1.2 |
| 221 | 4.2 | 4.2 | 4.2 | 4.2 | 2.9 | 2.9 | 1.3 |
| 222 | 4.1 | 4.1 | 4.1 | 4.1 | 2.6 | 2.6 | 2.1 |
| 223 | 5 | 5 | 5 | 5 | 2.4 | 2.4 | 1.2 |
| 224 | 4.1 | 4.1 | 4.1 | 4.1 | 2.5 | 2.5 | 1.3 |
| 225 | 3.9 | 3.9 | 3.9 | 3.9 | 3.6 | 3.6 | 1.1 |
| 226 | 2.1 | 2.1 | 2.1 | 2.1 | 2.5 | 2.5 | 1.4 |
| 227 | 4.1 | 4.1 | 4.1 | 4.1 | 3.4 | 3.4 | 1.6 |
| 228 | 5 | 4.8 | 3.9 | 2.9 | 2.1 | 2.1 | 1.6 |
| 229 | 4.1 | 4.1 | 4.1 | 4.1 | 2.2 | 2.2 | 1.7 |

| ID | Compensation | Career Development | Supervisor support | Job Analysis | Realistic job information | Work-life balance | Intension to leave |
|----|--------------|--------------------|--------------------|--------------|---------------------------|-------------------|--------------------|
| 230 | 3.9 | 3.9 | 3.9 | 3.9 | 2.4 | 2.4 | 1.5 |
| 231 | 4.8 | 4.7 | 4.8 | 4.8 | 2.5 | 2.5 | 1.4 |
| 232 | 4.1 | 4.1 | 4.1 | 4.1 | 2.6 | 2.6 | 1.4 |
| 233 | 4.6 | 4.6 | 4.6 | 4.6 | 2.8 | 2.8 | 1.3 |

# Appendix V: SPSS Data Analysis

# Descriptive Statistics

**Descriptive Statistics**

|  | Mean | Std. Deviation | N |
|---|---|---|---|
| Intension_to_leave | 2.9498 | 1.08493 | 233 |
| Work_life_balance | 2.9275 | 1.03287 | 233 |
| Realistic_job_information | 2.9142 | 1.07307 | 233 |
| Job_Analysis | 3.3515 | .79150 | 233 |
| Supervisor_support | 3.2871 | .83093 | 233 |
| Career_Development | 3.0378 | .97266 | 233 |
| Compensation | 2.7172 | 1.12067 | 233 |

# Internal consistency – Cronbach's alpha

## Realistic Job Information Category

**Reliability**

[DataSet1]

**Scale: ALL VARIABLES**

**Case Processing Summary**

|        |                       | N   | %     |
|--------|-----------------------|-----|-------|
| Cases  | Valid                 | 233 | 100   |
|        | Excluded[a]           | 0   | 0     |
|        | Total                 | 233 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| 0.8096           | 4          |

# Job analysis Category

## Reliability

[DataSet1]

## Scale: ALL VARIABLES

**Case Processing Summary**

| | | N | % |
|---|---|---|---|
| Cases | Valid | 233 | 100 |
| | Excluded[a] | 0 | 0 |
| | Total | 233 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|---|---|
| 0.7152 | 6 |

# Work Family Balance Category

## Reliability

[DataSet1]

## Scale: ALL VARIABLES

**Case Processing Summary**

|       |                        | N   | %     |
|-------|------------------------|-----|-------|
| Cases | Valid                  | 233 | 100   |
|       | Excluded[a]            | 0   | 0     |
|       | Total                  | 233 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| 0.8120           | 3          |

# Career Development Category

## Reliability

[DataSet1]

## Scale: ALL VARIABLES

### Case Processing Summary

|        |          | N   | %     |
|--------|----------|-----|-------|
| Cases  | Valid    | 233 | 100   |
|        | Excluded[a] | 0 | 0 |
|        | Total    | 233 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| 0.7247           | 8          |

# Compensation Category

## Reliability

[DataSet1]

## Scale: ALL VARIABLES

**Case Processing Summary**

|  |  | N | % |
|---|---|---|---|
| Cases | Valid | 233 | 100 |
|  | Excluded[a] | 0 | 0 |
|  | Total | 233 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|---|---|
| 0.8613 | 19 |

# Supervisor Support Category

[DataSet1]

## Scale: ALL VARIABLES

**Case Processing Summary**

|       |                      | N   | %     |
|-------|----------------------|-----|-------|
| Cases | Valid                | 233 | 100   |
|       | Excluded<sup>a</sup> | 0   | 0     |
|       | Total                | 233 | 100.0 |

a. Listwise deletion based on all variables in the
procedure.

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| 0.9132           | 7          |

# Employee Intention to Leave Category

## Reliability

[DataSet1]

## Scale: ALL VARIABLES

**Case Processing Summary**

| | | N | % |
|---|---|---|---|
| Cases | Valid | 233 | 100 |
| | Excluded[a] | 0 | 0 |
| | Total | 233 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|---|---|
| 0.8765 | 18 |

# Pearson's Product Moment Correlation Analysis

## Employee Intention to Leave & Compensation

```
CORRELATIONS
/VARIABLES=Intension_to_leave Compensation
/PRINT=ONETAIL NOSIG
/MISSING=PAIRWISE.
```

### Correlations

[DataSet1] C:\Users\CT\Desktop\et1.sav

**Correlations**

|  |  | Intension to leave | Compensation |
|---|---|---|---|
| Intension to leave | Pearson Correlation | 1 | -.803** |
|  | Sig. (1-tailed) |  | .000 |
|  | N | 233 | 233 |
| Compensation | Pearson Correlation | -.803** | 1 |
|  | Sig. (1-tailed) | .000 |  |
|  | N | 233 | 233 |

**. Correlation is significant at the 0.01 level (1-tailed).

# Employee Intention to Leave &Realistic job information

```
CORRELATIONS
/VARIABLES=Intension_to_leave Realistic_job_information
/PRINT=ONETAIL NOSIG
/MISSING=PAIRWISE.
```

## Correlations

[DataSet1] C:\Users\CT\Desktop\et2.sav

**Correlations**

| | | Intension to leave | Compensation |
|---|---|---|---|
| Intension to leave | Pearson Correlation | 1 | -.042** |
| | Sig. (1-tailed) | | .000 |
| | N | 233 | 233 |
| Realistic job information | Pearson Correlation | -.042** | 1 |
| | Sig. (1-tailed) | .000 | |
| | N | 233 | 233 |

**. Correlation is significant at the 0.01 level (1-tailed).

# Employee Intention to Leave &Job analysis

```
CORRELATIONS
/VARIABLES=Intension_to_leave Job_analysis
/PRINT=ONETAIL NOSIG
/MISSING=PAIRWISE.
```

## Correlations

[DataSet1] C:\Users\CT\Desktop\et3.sav

### Correlations

|  |  | Intension to leave | Compensation |
|---|---|---|---|
| Intension to leave | Pearson Correlation | 1 | -.315** |
|  | Sig. (1-tailed) |  | .000 |
|  | N | 233 | 233 |
| Job analysis | Pearson Correlation | -.315** | 1 |
|  | Sig. (1-tailed) | .000 |  |
|  | N | 233 | 233 |

**. Correlation is significant at the 0.01 level (1-tailed).

# Employee Intention to Leave &Supervisor support

```
CORRELATIONS
/VARIABLES=Intension_to_leave Supervisor_support
/PRINT=ONETAIL NOSIG
/MISSING=PAIRWISE.
```

## Correlations

[DataSet1] C:\Users\CT\Desktop\et4.sav

### Correlations

| | | Intension to leave | Compensation |
|---|---|---|---|
| Intension to leave | Pearson Correlation | 1 | -.445** |
| | Sig. (1-tailed) | | .000 |
| | N | 233 | 233 |
| Supervisor support | Pearson Correlation | -.445** | 1 |
| | Sig. (1-tailed) | .000 | |
| | N | 233 | 233 |

**. Correlation is significant at the 0.01 level (1-tailed).

# Employee Intention to Leave &Career development

```
CORRELATIONS
/VARIABLES=Intension_to_leave Career_development
/PRINT=ONETAIL NOSIG
/MISSING=PAIRWISE.
```

## Correlations

[DataSet1] C:\Users\CT\Desktop\et5.sav

**Correlations**

|  |  | Intension to leave | Compensation |
|---|---|---|---|
| Intension to leave | Pearson Correlation | 1 | -.661[**] |
|  | Sig. (1-tailed) |  | .000 |
|  | N | 233 | 233 |
| Career development | Pearson Correlation | -.661[**] | 1 |
|  | Sig. (1-tailed) | .000 |  |
|  | N | 233 | 233 |

[**]. Correlation is significant at the 0.01 level (1-tailed).

# Multivariate analysis

| R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| .816[a] | .666 | .657 | .63522 | .666 | 6.3888 | 6 | 226 | .00005 |

a. Predictors: (Constant), Work_life_balance, Career_Development, Job_Analysis, Realistic_job_information, Supervisor_support, Compensation

# Multiple Regression

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 5.224 | .240 | | 21.751 | .000 |
| | Compensation | -.817 | .075 | -.844 | -10.903 | .000 |
| | Career_Development | .121 | .084 | -.108 | -1.446 | .149 |
| | Supervisor_support | -.240 | .079 | -.184 | -3.017 | .003 |
| | Job_Analysis | .099 | .081 | .072 | 1.230 | .220 |
| | Realistic_job _information | -.043 | .048 | -.042 | -.886 | .376 |
| | Work _life _balance | .054 | .050 | .051 | 1.077 | .282 |

*a. Dependent Variable: Intension to leave*

# Stepwise Regression

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|-------|-------------------|-------------------|--------|
| 1 | Compensation | | Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100). |
| 2 | Supervisor_support | | Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100). |

a. Dependent Variable: Intension_to_leave

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|------|----------|-------------------|----------------------------|
| 1 | .812[a] | .660 | .657 | .63581 |

a. Predictors: (Constant), Compensation, Supervisor_support

**Coefficients[a]**

| Model | | Standardized Coefficients Beta | $R^2$ | $+ R^2$ | t | Sig. |
|-------|---|--------------------------------|-------|---------|---|------|
| 1 | (Constant) | | | | 31.506 | .000 |
| | Compensation | -.749 | .644 | .644 | -17.662 | .000 |
| | Supervisor_support | -.130 | .657 | .013 | -3.073 | .002 |

a. Dependent Variable: Intension_to_leave