

Investigating The Factors Responsible for Employee Turn Over in Private Schools A Study of Peshawar City, Khyber Pakhtunkhwa

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ABSTRACT

All over the world, employee turnover is a crucial issue for every organization. There are many factors which lead to employee turnover. The turnover is more common in private sector as compared to the public sector. So it is important to find out that what are the key factors causing employee turnover in private sector and for this purpose the research is conducted. This research evaluates the factors affecting employee turnover in private schools of Peshawar City Khyber Pakhtunkhwa. The target population of this study consists of all private schools in Peshawar City. The data has been collected on convenient sampling from five different schools of Peshawar City using self-administered questionnaires, distributed among teachers of selected private educational institutes. The data collected through questionnaires has been analyzed and interpreted using ANOVA, and Regression co-efficient. The findings of the study reveal that motivation is the key factor affecting employee's turnover.

Key Words: Employee Turnover, Private Schools, Motivation and Factors.

INTRODUCTION

Alexander and Nuchols (1994) describe in their study that employee turnover is the movement of employee from one organization to another organization. According to Maslow Hierarchy of needs, if an organization does not fulfill the needs of employees, they will look for another organization to satisfy their needs. There are certain reasons for employees to leave an organization. These reasons are based on certain factors such as job satisfaction, motivation, team work etc. The employee turnover rate is high, if there are a number of jobs available. Because people try to get good jobs. The rate of employee turnover differs from organization to organization. The turnover rate is higher in private sector rather than in public sector. Sometimes employee turnover is beneficial for an organization when a skilled employee replaces a poor performer.

Objectives:

The main objective of the study is to investigate the factors which directly affect the employee turnover rate in private schools.

LITERATURE REVIEW

Employee Turnover:

According to Currvan (1999), turnover is a behavior which describes the process when an employee leaves an organization in pursuit of better position. Employee turnover

affects the performance of an organization. Employee turnover is common in private sectors because they do not offer permanent and secure job to the employees. Moreover, some organizations also replace unskilled employees to appoint new talented and skilled employees for the betterment of the organization.

Factors Responsible for Turnover

Job Satisfaction:

Job satisfaction has a great impact on the organization success. Job satisfaction means the happy and satisfied state of mind of an individual about his/her job. It is the employee's positive feelings toward the work which is assigned to him. The job satisfaction is employees inner feelings about different aspects of their jobs. When the psychological and environmental circumstances enable a person to fulfill his/her hopes, and dreams, (Hoppock, 1935). Job satisfaction concentrates on employee's role in the organization (Vroom, 1964)

Reward and Incentive:

Reward and incentives are defined as an extra payment given to an employee to increase their output. According to Armstrong (2006), some times this factor boosts employees' activity/action. Some organizations, maintain their employees work by rewarding incentives to them. Rewards and incentives are helpful in achieving desired goals and objectives (Spitzer, 1996).

Career and personal growth:

Career and personal growth is defined as the progression of professional life. A Series of life experience which comes with the passage of time constitute the career and personal growth of an employee (Bowden, G. T., 1952). Growth is a curious phenomenon which is understood with maturity. So growth is linked with maturity. An individual invest with power to manage effectively with progression and advancement of his/her career.

Work Environment

Work environment is defined as the place where goals and objectives are achieved. According to Carnevale (1992) and Clements-Croome (1997), the physical environment and work place affects the employee's productivity. Better works place improves the productivity and results (Sundstrom, 1994).

Motivation:

Motivation is a driving force which compels a person to take action. It is the inner force which helps the individuals to do some thing. It is the characteristic that helps in making decision regarding any activity. The characteristics that helps us in deciding what to do and what to avoid, (Gredler, Broussard and Garrison, 2004). According to Guay et al. (2010), it is the intellect inherited in behavior. Intrinsic motivation is apparent in a persons behavior such as participation in activities, investigation and challenges that people do for reward and appreciation. Motivation is a way to achieve the goals.

Team work:

The work done by different people in a group form with cooperation and mutual aid is called team work. It is an apparent set of people who work together towards the common goal and objectives. It is also define as the group of people sharing common

objectives and having a common mental state (Carnevale, D.G., 1992).

Promotion:

Promotion means to elevate and enhance the position of an employee. Promotion plays an important role in improving the employees working efficiency. According to Nelson (1995) promotion based on performance increases an employee interest towards his work. Besides this, it helps in enhancing the financial status of employees in the form of compensation (Hackman, and Oldham, 1976). Promotion plays an important role in workers' career. Moreover, promotion as incentive an increases the worker reputation.

Compensation:

Compensation plays a pivotal role in reducing employee turnover rate. Salary has significant impact on employee turnover (Iverson and Currivan, 2003). Lack of incentives compels an individual to leave his job (Heneman, 1985). Low pay cannot satisfy an employee needs and he/she quits in pursuit of better job. High salary gratifies an individual's desires and improves his/her working capacity (Deci and Ryan, 1999).

THEORETICAL FRAME WORK

Employee turnover is influenced by different factors. The diagram below shows the relationship of employee turnover with different factors. In this study turn over intention is dependent upon eight independents factors. The employee turnover is a dependent variable which depends on other variables such as job satisfaction, reward and incentive, career and personal growth, work environment, motivation, team work, promotion and compensation. But it is important to find out that which factor has a greater impact on employee turnover.



Figure 1. Theoretical Framework of the Study

Research Hypothesis

This study focuses on eight independent variables. These eight independent variables have a relationship with employee turnover. The study is based on following hypothesis:

- H11: Job satisfaction has a positive impact on employee turnover.
 H12: Reward and incentive are positively related to employee turnover
 H13: Career and personal growth have positive impact on employee turnover
 H14: Work environment has positive relation ship to employee turnover
 H15: Motivation has a great influence on employee turnover
 H16: There is a positive relation ship between team work and employee turnover
 H17: Promotion has a positive impact on turnover
 H18: Compensation is positively related to employee turnover.

METHODOLOGY

Sample size:

The population consists of all the teachers in private schools. Seventy teachers have been included from the selected institutions in which 63 teachers responded positively

Questionnaire:

In this study, questionnaire has been used as a research instrument. Questionnaire includes closed ended, and likert scale questions. Questionnaires were personally administered among 70 teachers of private schools in Peshawar City (Peshawar Model School, Forward Public School, Superior Model School, The Educators and Iqra School).

RESULTS & ANALYSIS

The following results are obtained from the multiple linear regressions.

Table 1. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.781	.609	.576	.3125

Predictors: (Constant), overall, teamwork, compensation, reward and incentive, job satisfaction, work environment, motivation, career and personal growth and promotion

The adjusted R-Square value given in the table shows that the dependent variable (employee turnover) is affected 57.6% by independent variables (job satisfaction, reward and incentives, career and personal growth, work environment, motivation, team work, promotion, compensation and over all satisfaction). It shows that job satisfaction, reward and incentives, career and personal growth, work environment, motivation, team work, promotion, and compensation are responsible for employee turnover.

The overall model is also noteworthy, tested with the help of ANOVA. The results are given in the following table

Table 2. ANOVA Results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.977	11	.452	1.348	.000 ^a
	Residual	14.769	44	.336		
	Total	19.746	55			

a. Dependent Variable: employee turnover

b. Predictors: (Constant), overall, teamwork, compensation, reward and incentive, job satisfaction, work environment, motivation, career and personal growth and promotion

ANOVA Table 2 shows the level of significance. The table given above clearly shows that all the factors like job satisfaction, reward and incentives, career and personal growth, work environment, motivation, team work, promotion, compensation and overall satisfaction are related to employee turnover and the relationship between them is significant as compared to alpha value =0.05. Table 3 shows co-efficient of all independent variables.

Table 3. Regression Co-efficients

Model		Coefficients				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.331	.776		4.293	.000
	Job satisfaction	.186	.159	.218	1.173	.000
	Reward and incentive	.323	.191	.286	1.692	.000
	Career and personal growth	.201	.165	.276	1.217	.000
	Work environment	.182	.158	.191	1.151	.000
	Motivation	.359	.193	.397	1.861	.000
	Teamwork	.164	.192	.146	0.856	.000
	Promotion	.103	.153	.124	0.764	.000
	Compensation	.216	.137	.277	1.568	.000
	Overall	.045	.200	.057	0.227	.000

Dependent Variable: Employee Turnover

The factors in the inventory are significant. In the Table 3, un-standardized coefficient shows that all the factors are definitely affecting the turnover. It is showing comparative figures of the turnover and the factors causing turnover.

As the Table 3 clearly states, each and every factor is notably related to employee turnover. Under the standardized coefficients, it is evident that, motivation is the one major important factor causing employee turnover in private educational institutes with a standardized coefficient 0.397 in order of significance. The second important factor is reward and incentive with a standardized coefficient 0.286. The third important factor is compensation with a standardized coefficient 0.277. Hence there are three important factors which are responsible for employee turnover such as motivation, reward and incentive and compensation. Other factors also influence employee turnover such as team work ($\beta=.146$), promotion ($\beta=.124$), overall ($\beta=.057$).

CONCLUSION

Employee turnover is the common factor in private organizations. This study is conducted to investigate the factors affecting employee turnover. These factors were job satisfaction, reward and incentives, career and personal growth, work environment, motivation, team work, promotion, and compensation. It can be concluded that, there is a notable relationship between job satisfaction, reward and incentives, career and personal growth, work environment, motivation, team work, promotion and compensation on employee turnover. But "motivation", "reward" and "compensation" are the key factors for employee turnover in private schools of Peshawar City Pakistan.

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