Why do staff leave?

Exit interviews revealed

About one-third of employees who left their employer for a new job weren’t even looking for a different job.

Research undertaken by UniSA’s Carol Kulik, Gerry Treuren, and Prashant Bordia from the School of Management’s Centre for Human Resource Management, found that 31 per cent of organisational leavers were lured away by an unexpected job offer.

“With those poaching rates, employers had started to think that high turnover rates were unavoidable,” said Research Professor and Co-Director of the Centre, Carol Kulik. “However that would not be true for everyone.”

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“For about half of those poached leavers, the job offer was the only factor motivating their move. They had been happy with their current employer until an attractive alternative promising more responsibility or better pay had created an irresistible pull.

“For this group, turnover probably was unavoidable. However, these leavers maintained considerable goodwill towards their former employer and could be a valuable resource for spreading positive word of mouth.”

For the other half of the poached leavers, the researchers believe that turnover could have been avoided. In exit interviews, these employees described two things that motivated their move.

“The first was the job offer, creating a pull,” Dr Treuren explains. “They would have resisted the pull, except that it occurred in close proximity to some kind of push experience from inside the organisation such as a bad experience with their manager or the performance appraisal process.

“These leavers consistently said that if the organisation had only addressed that one specific problem, they would have stayed. So if the employer had acted promptly, they might have been able to keep 15 per cent of their leavers.”

The team of researchers at the Centre studied exit interviews, in which employees explain their reasons for leaving their employer. The study was prompted by the unprecedented mobility of employees during the past decade, caused by Australia’s skilled and unskilled labour shortage. This research project is just one of several at the Centre that is examining attraction and retention.

The researchers found five distinct groups of leavers. One group was the poached leavers. For a second group, the major reason for staff leaving the organisation was to pursue a plan that pre-dated their employment, for example, to go overseas once they had saved enough money, to start their own business, to move interstate, or to follow a life-long dream.

“For this 22 per cent, the decision to leave the organisation has little to do with their actual employment,” Prof Kulik said. About 15 per cent experienced a push factor alone—something that made it impossible for them to continue working. Usually the push was something that occurred inside the organisation, but a small number left due to personal factors that caused them to not want to work any more, such as a family illness.

“Another 7 per cent had a bad experience at work, leading them to leave the job without another one to go to yet, while 25 per cent left because they were dissatisfied and had found a new job.

“In this study, just over half of the staff who left the organisation did so because of factors largely not related to their job. But that leaves a lot of other employees who left because of a bad experience such as being passed over for a promotion, or because of ongoing unresolved issues.”

Dr Treuren says that organisations could learn some valuable lessons by studying their own exit interview responses.

“Exit interviews are very useful for an organisation that is trying to understand its turnover.

“If the employer had acted promptly, they may have been able to keep 15 per cent of their leavers.”

“By identifying the incidents that lead to resignation, the employer can design appropriate intervention strategies.”

The researchers presented their findings in August 2009 at the Academy of Management conference in Chicago. If you would like to learn more about the project and its results, contact: Dr Gerry Treuren gerry.treuren@unisa.edu.au
What is CHRM?

CHRM was established in 2008 and is housed in the School of Management on UniSA’s CityWest campus.

CHRM brings together researchers with expertise in human resource management (HRM). CHRM members address major HRM-related challenges in the South Australian and international contexts. CHRM’s primary objective is increasing the quality, quantity and impact of research in HRM and developing industry collaborations.

CHRM researchers focus on six core research areas, which aim at improving organisational effectiveness through HRM practices, creating positive human resource outcomes and enhancing organisational performance.

Core research areas:
> International human resource management
> Employment relations
> Diversity management
> Psychological contracts in the employer employee relationship
> Strategic HRM and change management
> Talent recruitment, retention and development

This year we welcomed three new researchers Dr Erich Fein, Dr Shruti Sardeshmukh and Dr Christina Scott-Young (more details about them on page 4). There are currently 18 PhD students under supervision by CHRM members. We also graduated 2 PhDs in 2008.

We hope you enjoy reading the Ezine. You can learn more about CHRM, its people and its activities at our website:

www.unisa.edu.au/chrm

CHRM-ASHRHR Forums

Since 2008, CHRM has been the South Australian research partner for ASHRR – the Australian Senior Human Resources Roundtable.

ASHRR is a network of senior HR executives whose aim is to facilitate a more effective dialogue between HR practice and research. The CHRM-ASHRR partnership sponsors twice-yearly events, forums in which local senior HR practitioners and HR academics can network and debate emerging HR issues.

The most recent event, on September 16, attracted senior HR managers from major Australian organisations including Australia Post, Santos, Baulderstone, Coffey International Limited and OzMinerals. The discussion topic was, ‘Making diversity work: An overview of diversity management practice in Australian organisations’. The discussion highlighted the early results of a UniSA-ASHRR Australian Research Council Linkage project.

The next CHRM-ASHRR forum will be in March 2010. Watch this space (and the CHRM website) for details about the exact date and discussion topic.

CHRM Seminars

Developing links between HR practitioners and students is the focus of an ongoing CHRM-sponsored seminar series.

The CHRM Practitioner Seminars, coordinated by Dr. Gerry Treuren, showcase industry best practice exemplars. The seminars attract students from the undergraduate and postgraduate programs, past students and interested practitioners.

During 2009, nine seminars were held. The most recent featured discussion on the topic: ‘Changes in people management in the Australian Commonwealth public sector’. It was held on September 18 and featured keynote speaker Stephen Jones - National Secretary of the Community and Public Sector Union.

Topics to be scheduled in 2010 include best practice retention management, winning employee involvement in workplace environment change, and the emerging issues of diversity management in South Australian workplaces.

We wish you all the best for 2010.

Centre for HRM Co-Directors
Introducing our new researchers

The Centre for Human Resource Management welcomes three new staff members - Dr Shruti Sardeshmukh, Dr Erich Fein and Dr Christina Scott-Young.

Dr Shruti Sardeshmukh, Lecturer, School of Management
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Influenced by her IT work experience, Shruti's teaching and research interests are HR and Entrepreneurship. Her research in entrepreneurship covers opportunity recognition and the effect of work demands on entrepreneurial intentions. She is also interested in exploring issues associated with compensation and succession in small and medium-sized family businesses. She completed a PhD at Rensselaer Polytechnic Institute and came to UniSA after working at Ball State University, USA.

Dr Erich Fein, Lecturer, School of Management
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Erich was Assistant Professor of Psychology, Wilmington College of Ohio, USA. He has a PhD in Industrial/Organisational Psychology from the Ohio State University. His research and teaching interests include issues related to motivation, how personality and value constructs are related to organisational leadership, performance management and corporate social responsibility in HRM. He is particularly interested in recruitment, staffing and the use of corporate social responsibility activities as motivational interventions in organisations.

Dr Christina Scott-Young, Lecturer, School of Management
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Prior to joining UniSA, Christina was Assistant Professor at the Sam and Irene Black School of Business at Penn State University, Erie, USA. She has taught at the MBA and undergraduate levels in both the USA and Australia and she has won several research awards. She is also a psychologist. Her teaching and research interests include linking HR practices and business performance, managing project teams for improved performance, HRM in global virtual teams and the HRM implications of creating sustainable workplaces.

What CHRM is working on

Socially responsible HRM

Organisations encounter extensive pressure from consumers, employees, suppliers, community groups, government, and other stakeholders to engage in corporate social responsibility (CSR) initiatives. CSR initiatives are designed to promote social good above and beyond the immediate interests of the firm and its shareholders.

Without appropriate HRM policies and practices to support CSR initiatives, organisational commitment to CSR may only be lip service. Dr Jie Shen is currently studying the socially responsible HRM practices of companies operating in both single national contexts and multiple host countries where there are varied CSR requirements.

Successful CSR initiatives require organisational resources, including human resources, which incur organisational costs. But devoting resources to achieve these goals might contradict the interests of some stakeholders, particularly employees. Dr Shen is also examining how socially responsible HRM affects employee attitudes, behaviours and performance.

If you are interested in socially responsible HRM and the challenges associated with CSR initiatives, contact:

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