

## THE TURNOVER RATE OF YOUNG EMPLOYEES – A CHALLENGE FOR HRM

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### ABSTRACT

*The objective of this research is to analyze employees' decisions and motivations when they decide to join/stay or leave an organization. The results of this paper were obtained through a quantitative research based on a questionnaire applied to Romanian young employees. They come to help managers to reconsider and understand the new human resources strategies in order to be able to fight against the negative effects of the turnover rate of young employees and to guide the specialists who are working in the career management field.*

**KEYWORDS:** *career, human resources management, work life-balance, turnover rate*

**JEL CLASSIFICATION:** *M59*

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### 1. INTRODUCTION

The theory and the practices of the management in the human resources field had traditionally sustained the construction of a durable relationship between employee and employer. Companies' reason for this support is not difficult to understand: the effort to find and attract talents is huge, the investment in trainings and development of the employees is the same and the insertion of an employee requests time and effort from the employers.

Not so long ago, managerial expectations harmonized with employees' motivations: they were not limited to a contractual obligation but they were powerfully involved in the activity of the organization and did career plans aiming successive positions in the same company. Nowadays, if we look carefully to what is happening on the Romanian labor market we will see that a lot of employees react differently when they choose the organizations in which they want to perform. The availability to stay in the same company for a longer period has disappeared and the integration and adaptation to a new work environment seems to be easier.

In this paper we try to analyze what stays at the bottom of the employee's decisions, which are the motivations when they choose to stay and, especially when they leave an organization. We consider that the results of this research will help managers to reconsider the human resources strategies in order to be able to decrease the negative effects of the employee fluctuation and to guide the ones who are working in the formation and the education of the career management.

There are many examples which sustain that the decisions of leaving/staying at a job, in an organization or in a country, need to be grounded on the conclusions of a holistic analysis of their advantages and disadvantages.

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This research has a first part that describes the career nowadays and a second part in which we organized an online survey targeting employees from different companies who have their activity in Romania. The results were statistically processed and allowed us to formulate conclusions and recommendations which could decrease the turnover rate of employees and its effects.

## **2. CAREER: BETWEEN ASPIRATIONS AND REALITIES**

People's concern regarding their career is not something recent. The only difference is that today it is found more often and it is based on more complex reasoning. Most of the specialists suggest we are in a period where the career has no limits. (Hess, Narelle, 2011)

Moreover, today we are interested to explain and understand employee's motivations and choices on one side and the company's actions on the other side, which implies that we need to take into account many psychological aspects concerning skills, aspirations or motivations of the individual but also system characteristics in which they work.

One of our objectives was to investigate the career choices of the employees and we saw that, for each individual, the management of his own career is a critical process, influencing his entire development and the career exploration is considered to be an essential component of the development process of the vocational identity. (Cuddapah, Jennifer, 2015). When we are talking about career it is necessary to take into account the individual interest for its own development, the organization in which he operates, the contexts of interference between the two areas, the quality of specific legislation and the manner of its application. Actually, the career is defined as a sequence of activities and professional positions that can be accessed by someone, together with attitudes, knowledge and associated components developed with time. (Jaensch, Vanessa, 2015)

Ideally, career, professional life in general require satisfaction, lack of conflicts and optimal functioning of a person at work. This is why this concept is a point of interest for many researches and studies. (Ossenkop, Carolin, 2015) The career begins early, it takes many years and each stage has its specificity. In this context, we need to note that the career concern starts in adolescence: it is perhaps one of the most important periods of the career because it is then that begins the vocational education, essential for the entire professional path. (Lee, Bora, 2015) It is also in the adolescence that key skills that deserve to be developed are explored and discovered. (Pons, Dirk, 2015).

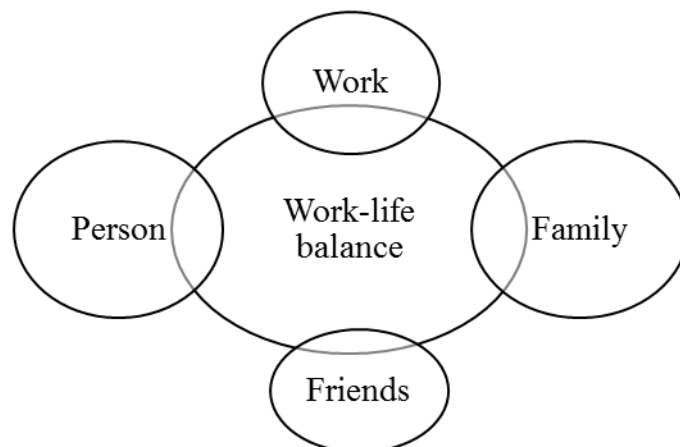
During our research, some recent scientific articles have drawn our attention. They claim that career can be done "in width" and "in depth", each one producing different effects on the professional development. (Lee, Bora, 2015).

Regarding the exploration "in width", it involves researching a wide range of experiences without specific objectives, while the second way of exploration, "in depth", is goal-oriented. "In width" exploration offers a great flexibility in career choices but also fosters a lack of planning. On the other hand, "in depth" exploration is associated with a good knowledge of career-based objectives but it faces barriers when changes occur in the career.

In other words, we can see that the two types of exploration have both advantages and disadvantages. We also underline the discussion about work-life balance. Many researchers support the efforts of the employees to split the time and the energy between the career and other essential aspects of their own lives. The "Work-life balance (WLB)" concept is supported by the employees who militate for a balanced life. The link between work and leisure time was made in 1800s and the term "work-life balance" was used for the first time in 1970 in UK, in order to describe the balance between personal life and work.

Worldwide, the working time is carefully studied by various commissions (such as the European Commission) which also contributed to the implementation of a maximum of 48 hours of work per week. There are countries, such as France, where the working time includes 35 hours of work per week. (Ossenkrop, Carolin, 2015)

The relationship between personal life and professional one is represented below:



**Figure 1. Work-life balance**

*Source: Adapted from Hess, Narelle, 2011*

The interest for the balance between work and personal life, “work-life balance (WLB)” is justified if we take into account the concerns stated in the literature: we found that during 1985-1997, this concept was evoked 32 times, while in 2008 it was mentioned 1674 times. (Worklifebalance.ro)

Although the term is interpreted differently and the proposed solutions have limited validity, we identified the common denominator: the concept is seen by many as a support for the conflict resolution in which professional and personal life can be increasingly often found. (Worklifebalance.ro) Each individual, even he is between 20 and 35 years old and is very focused on building his own career, or between 35 and 50 years old and focuses on family and personal life (Scotti, Massimo, 2012), needs to know the content of this concept and the modalities of appropriate management. The more so, since, in Romania, about 92% of employees worked for many years, more than 50 hours per week, being considered “workaholics”. At the beginning of 2015, statistics show that in Romania there is an average of 40.4 hours of work per week, lesser than Turkey, which is placed on the first place with an average of 51.4 hours of work/week.

Overall, we found that, since 2008, in Romania there is, in general, a downward trend of working time. (Eurostat 2016) Also, this is true in terms of part-time employees. In this category, Romania ranks the third, with an average of 23.6 hours of work per week, in comparison with 2008, when our country occupied the first position with a total of 24.6 hours. (Eurostat 2016).

As we already know, career development does not involve to stay in the same organization anymore. This idea is not new and no one looked at it with concern until recently when, the numbers became alarming. The causes of this phenomenon are multiple. A survey conducted in 2015 by Right Management revealed several reasons that are at the bottom of the job change decision of the employees: reducing or restricting of the business (54%); new opportunities and challenges (30%); ineffective management in the organization where they work (25%); improper relationship with the management (22%); the improve of work-life balance (21%); the lack of recognition of the personal performance (21%); a better salary (18%); a better alignment of organizational and personal values (17%); incompatibility between personal capabilities and

requirements of the organization (16%); financial instability of the company (12%). (Cuddapah-Locraft, Jennifer, 2015).

However, changing jobs is not a simple operation. It entails the need to adapt and organizational integration, a complex process known in the literature as the “professionalization”. With the “professionalization”, the employee will face another process, the one of socialization. (Painisoara, Georgeta, 2005) By joining the two processes (the organizational socialization and the professionalization) organizational integration can be reached, a result that is much expected by the management. The integration implies the growth of organizational socialization and the one of professionalization (they do not have different time durations but occur simultaneously). (Sibunruang, Hataya, 2016) The existence of those two sides, the one of professionalization and the social one of integration, requires to develop and apply an integration methodology in the organization that wants to align with the requirements. (Zacher, Hannes, 2014) It is also necessary to have the support of human resources department and the direct management.

### 3. STUDY REGARDING EMPLOYEES’ PERCEPTION ABOUT THEIR CAREER

For this study we used an online questionnaire that provided us information regarding the perception of respondents (employees from Romania) about the decisions that produce changes in their personal life.

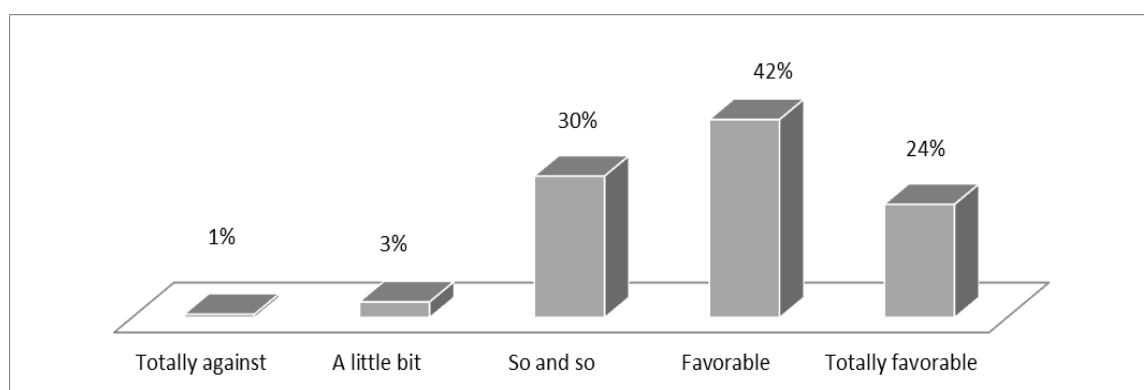
The survey included 32 questions, grouped as follows: six of them aimed the measure in which the respondents know their career path, four of them concerns respondents’ perception regarding labor market, five reflects the changes of professional life, three of them follow the work-life balance, four of them are referring to career opportunities abroad, five to the success in career and the possibility for entrepreneurship while the rest target personal information.

The questions were placed in Google Drive and the first 150 answers were taken into account, being registered in the database and interpreted in the study.

The main characteristics of the participants in this survey were: the age (between 18 and 30 years old), education (the majority had a high level of education, employment and gender (female dominance)).

We present some of the results, as follows:

- *There is a large number of young employees (66%) who wish to change their job*

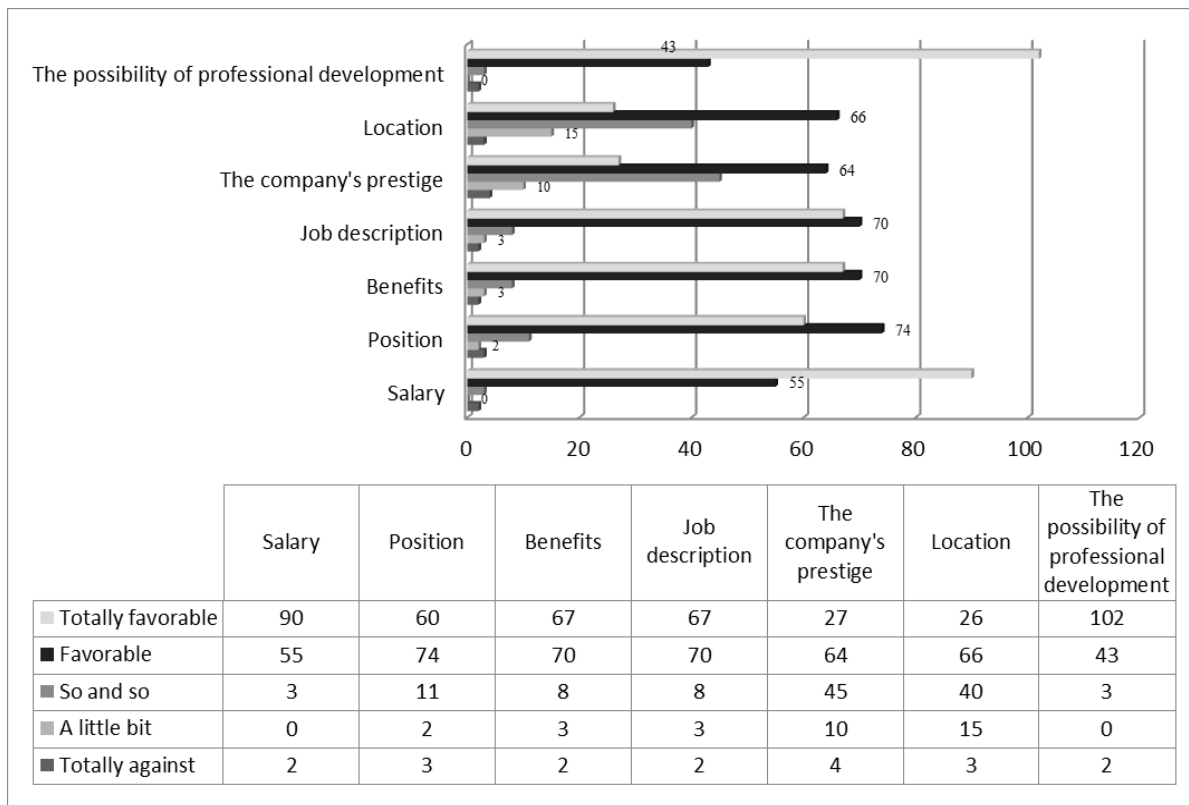


**Figure 2. The desire in what regards the job change**

*Source: Authors contribution*

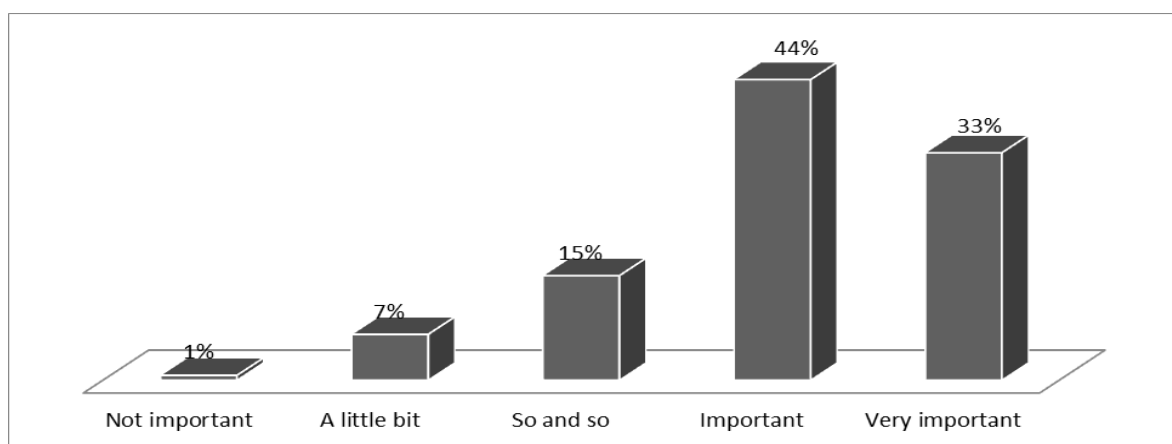
The respondents consider that their relationship with an organization should not be a long-term one: 30% of the total appreciates that the job change can be made after 3-4 years from the beginning while 59% consider that this can be done after 1-2 years.

- *The job change is influenced by many factors.*



**Figure 3. Factors that influence the decision to change the job**  
 Source: Authors contribution

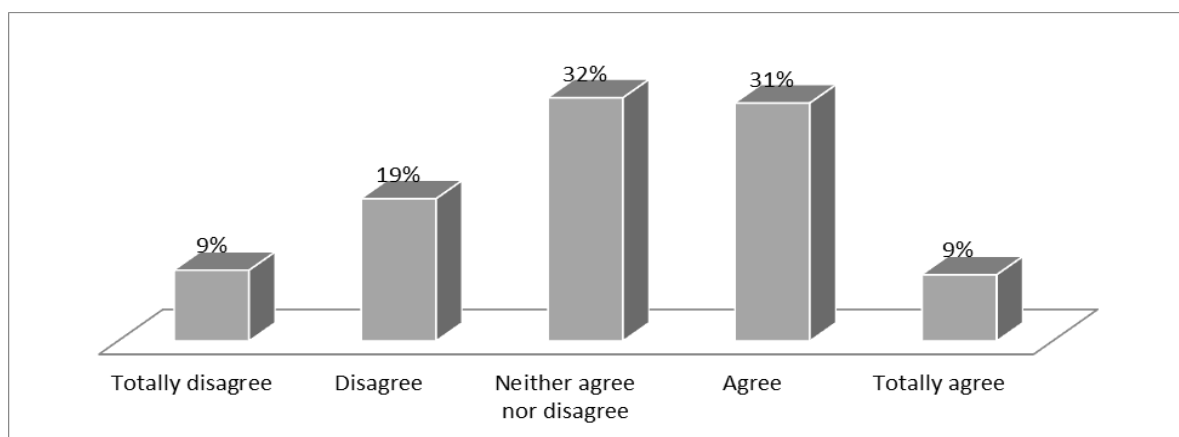
It was interesting to find out that a lot of respondents (87%) accuse the work monotony and the lack of advance perspective when they decide to change the job. Also, 61% of them link the job change decision to overtime work or to the relationship with the colleagues (46%). The overtime and the workload explain why the job change decision is closely linked to the work-life balance. 77% of the respondents declare that the personal life is very important for them when they decide to change the job.



**Figure 4. The importance of personal life in the job selection**  
 Source: Authors contribution

- *The career is associated with the satisfaction and not with the sacrifice*

The idea of a career made with personal sacrifices loses ground in the case of our respondents, 60% of them do not agree with this affirmation.



**Figure 5. The availability to personal sacrifice for the career**

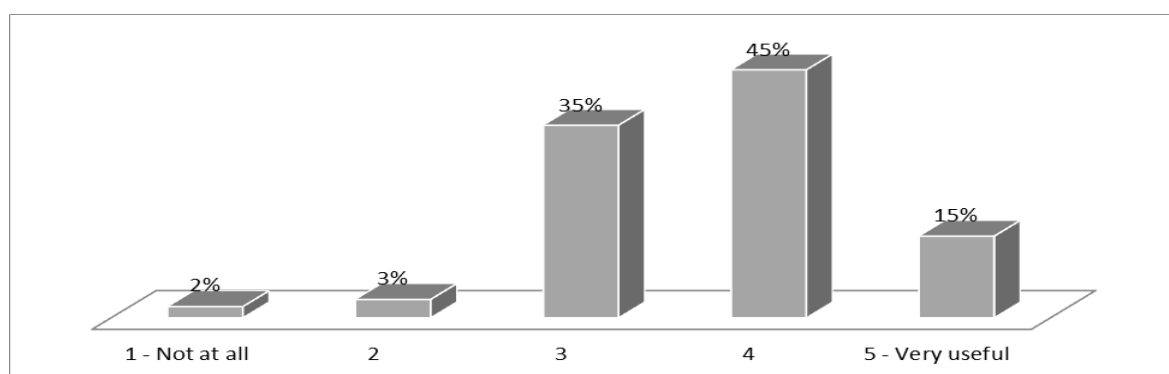
Source: Authors' contribution

- *The employees are not properly informed about the evolutions of the labor market*

Naturally, you should expect that all the young people so active in changing their job to be very informed about what is happening on the labor market. In reality, things are not like this: only 4% of the respondents say they are very well informed, 37% are informed and 55% of them are a little bit or not at all. However, there is a large perception of dissatisfaction and distrust of the respondents regarding the changes from the labor market (74% are considering that the changes are too little or not at all in the employee's favor). This state of affairs can be an interesting subject of the analysis. We should retain that the decision to leave a job is based more on micro, personal and subjective judgments and ignores the complex ones, on long term, which include the balances of the Romanian labor market. It is true that an impediment to such a move could be the "scarcity" of the information of this area.

-*The employees recognize the value of a personal career plan and they have models to follow*

The majority of the employees (91%) appreciate the utility of a career plan, they elaborate such an instrument (63%) and rely on it in a big measure (55%) when making decisions related to their job. Frequently (60%), they have a model to follow:



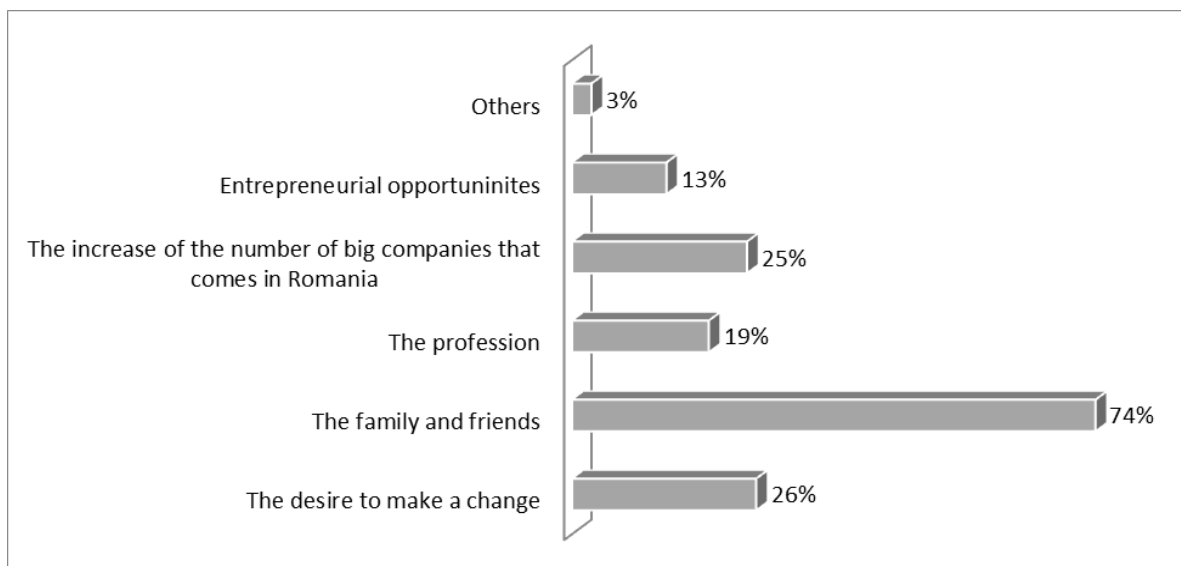
**Figure 6. The existence of a career model to follow**

Source: Authors contribution

-*The employees are considering that a career abroad has more chances to be successful*

At the first look, the fact that 50% of the respondents associate the success mostly with a career abroad than one in Romania, should raise concerns. Things are not so bad if we consider that, in the above category, 48% of them intend to go abroad following the decisions of the company they are

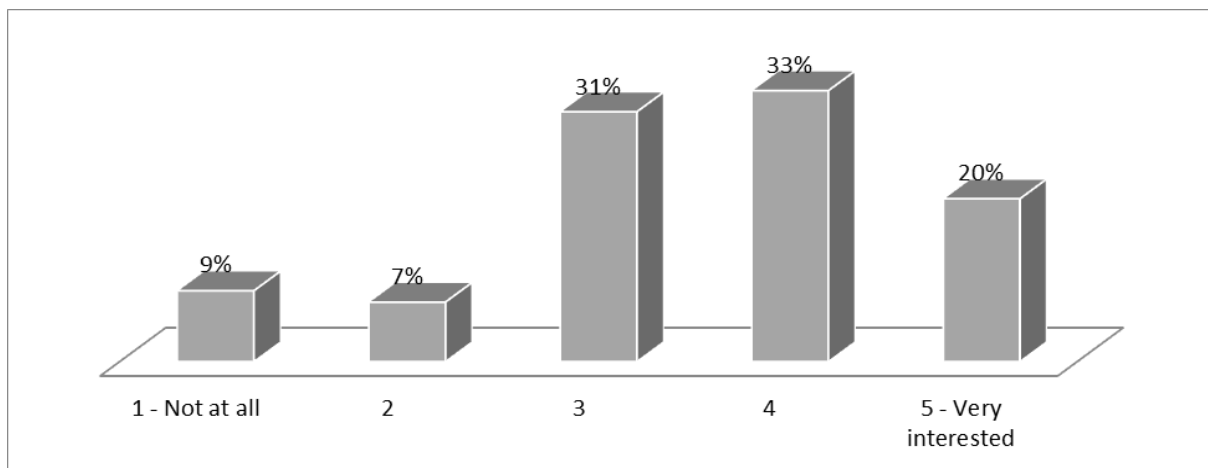
working for. We should remark also, the large number of the ones that desire to come back in Romania, after a foreign experience. The difficulty to leave Romania comes from the relationship with the family and friends (74%) and the opportunities available here.



**Figure 7. The reasons to stay in Romania**

*Source: Authors contribution*

Regarding the entrepreneurship opportunities, we note that more than 50% of the respondents are interested in opening their own business:



**Figure 8. The interest for entrepreneurship**

*Source: Authors contribution*

#### 4. CONCLUSIONS

Naturally, the changes of the economic and social environment are producing modifications of the behavior and attitude of employees towards work and the organization where they work. This is why, managers are concerned to know tomorrow's employee profile and to have ways to attract and retain the talent they will need. Our study brings into discussion views expressed by a group of young employees, mostly graduates of higher education. The gathered information reveals interesting trends and suggests priority actions for human resources managers.

Our research, although it has limitations arising from the small number of employees and especially the education level of respondents (mostly graduates of higher education), highlights some ideas that can be generalized without fear of error, among young and educated employees: young people do not find justified a long term relationship with the company they are working for; most of them are projecting the career as a route in various organizations from the country or abroad; most of the respondents rely on a career plan, even if they are changing it when it is necessary; the employees often base their decisions to change the job on several criteria of interest (some of these are logical and easy to follow, others are very specific, subjective or personal); the employees are becoming increasingly concerned by the work-life balance; future employees will be very open to the idea of a European career or a global one (even if this means for a limited period of time).

In contact with this type of candidates or employees, HR managers should use appropriate methods (for defining jobs, recruitment, training, evaluation, motivation and promotion) in order to determine them to be more connected with their organization. The initiative of organizations is expected, given the ease with which they can quantify the shortcomings of a high fluctuation rate. We believe, however, that the employees will lose if they treat superficially their relation with the company and if they see the profession as an obligation and not as a source of development.

We intend to continue the research regarding the perception of employees about their own career, with the aim of disseminating the interpretation of these opinions in theoretical area and business, in order to have a complete information for the companies and for future employees.

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