**Human Resource Management
Gaining a Competitive Advantage**

**Chapter 10
Employee Separation and Retention**

Learning Objectives

After reading this chapter, you should
be able to:

- Distinguish between involuntary and voluntary turnover, and discuss how each of these forms of turnover can be leveraged for competitive advantage.
- List the major elements that contribute to perceptions of justice and how to apply these in organizational contexts involving discipline and dismissal.

10-2

Learning Objectives

After reading this chapter, you should
be able to:

- Specify the relationship between job satisfaction and various forms of job withdrawal, and identify the major sources of job satisfaction in work contexts.
- Design a survey feedback intervention program and use this to promote retention of key organizational personnel.

10-3

Introduction

- To compete effectively, organizations must take steps to ensure that:
  - Good performers are motivated to stay with the organization.
  - Chronically low performers are allowed, encouraged, or if necessary, forced to leave.
- The two types of turnover are:
  - **Involuntary turnover**—turnover initiated by the organization (often among people who would prefer to stay).
  - **Voluntary turnover**—turnover initiated by employees (often whom the company would prefer to keep).

10-4

Managing Involuntary Turnover

- The **employment-at-will doctrine** is a doctrine that, in the absence of a specific contract, either an employer or employee could sever the employment relationship at any time.
- Violence in the workplace caused by involuntary turnover has become a major organizational problem in recent years.
- A standardized, systematic approach to discipline and discharge is necessary.

10-5

Principles of Justice

- **Outcome fairness** refers to the judgement that people make with respect to the outcomes received relative to the outcomes received by other people with whom they identify.
- **Procedural justice** is a concept of justice focusing on the methods used to determine the outcomes received.
- **Interactional justice** is a concept of justice referring to the interpersonal nature of how the outcomes were implemented.

10-6

Progressive Discipline

- Effective discipline programs have two central components:
  - documentation
  - progressive punitive measures
- The organization determines responses for first, second, third offenses, and so on.

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Alternative Dispute Resolution

- This is a method of resolving disputes that does not rely on the legal system.
- The four stages of ADR are:
  1. Open door policy
  2. Peer review
  3. Mediation
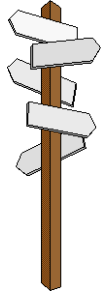 4. Arbitration

10-8

Employee Assistance Programs

- These are programs that attempt to ameliorate problems encountered by workers who are drug dependent, alcoholic, or psychologically troubled.
  - EAPs are usually identified in official documents published by the employer.
  - There are several issues in controversy regarding EAPs.

Outplacement Counseling

- A form of counceling that trys to help displaced employees manage the transition from one job to another.
- Can be performed in-house or through an outside source.
- It is aimed at helping people realize that losing a job is not the end of the world and that other opportunities exist.
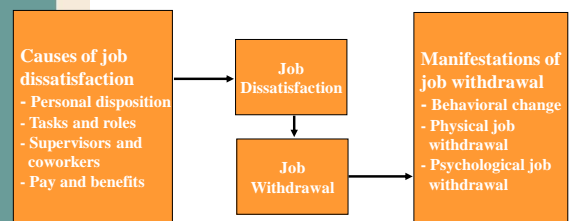
Managing Voluntary Turnover - Job Withdrawal

- **Progression of withdrawal** is a theory that dissatisfied individuals enact a set of behaviors in succession to avoid their work situation.
- Three categories include:
  - behavior change
  - physical job withdraw
  - psychological job withdraw
- Withdrawal behaviors are related to one another, and they are all at least partially caused by job dissatisfaction.

Job Dissatisfaction-Job Withdrawal Process

Causes of job dissatisfaction
- Personal disposition
- Tasks and roles
- Supervisors and coworkers
- Pay and benefits

→ **Job Dissatisfaction** → **Job Withdrawal** →

Manifestations of job withdrawal
- Behavioral change
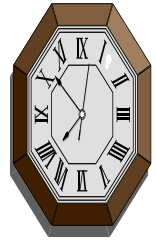- Physical job withdrawal
- Psychological job withdrawal

Behavior Change

- An employee's first response to dissatisfaction would be to try to change the conditions that generate the dissatisfaction.
- When employees are unionized, dissatisfaction leads to an increased number of grievances.
- Employees sometimes initiate change through **whistle-blowing** - making grievances public by going to the media or government.

10-13

Physical Withdrawal

- There are several ways a dissatisfied worker can physically withdrawal from the organization:
  – Leave the job
  – Internal transfer
  – Absenteeism
  – Tardiness
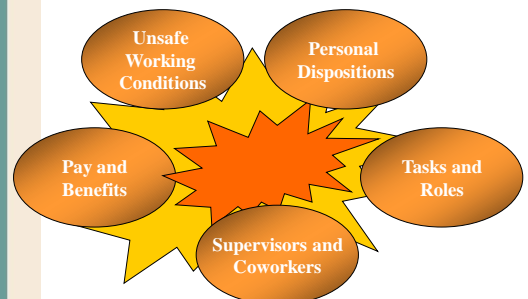- In a recent survey, on average, companies spend 15 percent of their payroll costs to make up for absent workers.

10-14

Job Satisfaction and Job Withdrawal

- **Job satisfaction** is a pleasurable feeling that results from the perception that one's job fulfills or allows for the fulfillment of one's important job values.
- Three important aspects of job satisfaction are:
  – values,
  – perceptions, and
  – importance.
- **Frame of Reference** is a standard point that serves as a comparison for other points and thus provides meaning.

10-15

Sources of Job Dissatisfaction

Unsafe Working Conditions

Personal Dispositions

Pay and Benefits

Tasks and Roles

Supervisors and Coworkers

10-16

Unsafe Working Conditions

- Each employee has a right to safe working conditions under the Occupational Safety and Health Act of 1970 (OSHA).
- Financial bonuses to attaining specific safety related goals, in the long run, pay for themselves.

Sources of Job Dissatisfaction

- Personal Dispositions
  - **Negative affectivity** is a term used to describe a dispositional dimension that reflects pervasive individual differences in satisfaction with any and all aspects of life.
- Tasks and Roles
  - **Job rotation -** the process of systematically moving a single individual from one job to another over the course of time.

Sources of Job Dissatisfaction

- Supervisors and Coworkers
  - A person may be satisfied with his or her supervisor and coworkers for one of two reasons:
    - shared values, attitudes, and philosophies,
    - strong social support
- Pay and Benefits
  - For many people, pay is a reflection of self worth, so pay satisfaction takes on critical significance when it comes to retention.

Survey Feedback Interventions

- Reasons for routinely surveying employee attitudes include the following:
  - It allows the company to monitor trends over time.
  - It provides a means of empirically assessing the impact of changes in policy.
  - When these surveys are incorporate standardized scales, they often allow the company to compare itself with others in the same industry along these dimensions.
  - Any strategic retention policy also has to consider surveying people who are about to become ex-employees.

Survey Feedback Interventions

- Surveys:
  - emphasize overall satisfaction.
  - assess the impact of changes in policy.
  - allow the company to compare itself with others in the same industry.
  - allow the company to check for differences between units and benchmark "best practices" that might be generalized across units.

10-21