

Resigning: Employers Enormous Headache

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Abstract: Many companies suffer from turnover of their skilled and qualified employees. High turnover is critical for the firms productivity and they stand against many faces of cost loses. Various business men and researchers have talked about reasons and solutions for high turnover such as Azim Premji, Ron Prewitt, Markus Buchingham and Curt Cuffman. Management lost lots of highly skilled and experienced employees to other firms, countries or it might be an internal turnover where employees leave their current occupation to another within same firm. It has positive and negative sides depending on the circumstances and reasons of this move. Experienced firms conduct 'resignation questionnaire' along with 'exit interview' for the resigned employees to find out the unseen facts behind this turnover asking to improve the firm's capability to hire and preserve high-quality workforce. To develop trust between firm and employees, new kind of questionnaire was developed by Human Resources management to estimate manager capabilities. Recruiting talented employees, providing them enough awareness and maintaining healthy infrastructure and environment shall increase retention of employees and would not make them think of leaving.

Keywords: Quality Management, Companies' Turnover, Qualified Employees

1 Introduction

After a period of on job training, developing and filling the employee with experience and knowledge, employer might get shocked with a small letter starting with: 'please accept my resignation'. Many reasons are there for resigning such as having another job offer with much more salary, unhappy with current job or environment and/or going to do full time study. Companies suffer from turnover of their skilled and qualified employees and they discuss it in their meetings seeking solutions. High turnover might be destructive if loosing the skilled workers which cause a decrease in company's productivity. What about the cost of high turnover? How harmful it might be?

2 Causes and Effects of Turnover

Companies stand against many faces of cost loses such as real cost (e.g. time needed to select and recruit a replacement) and opportunity cost (e.g.: productivity lost). Moreover, there are direct costs lost including leaving, replacement and transition costs and indirect costs which are loss of production, reduce performance level, unnecessary overtime and low morale. Mostly, resigning of domestic workforce will negatively influence the firm itself but not the overall economy. Any investment in the employees (such as trainings or specialised courses) the knowledge would not be lost because after resigning they will circulate within local industry after joining another company or establishing one. Investment will be counted as lost when foreign workforce resign and leave the country or get out of the domestic circulation. They also might re-circulate with harmful competitor to the original company or being a competitor themselves by establishing new firm. Once experienced, training and high-quality performance is taken with them out of the country, domestic economy will be affected and new foreign competitor is born. Business Company had a turnover of 9.5% of their employees in 2005, 9.4% in 2006 and 15.8% in 2007. Management loses lots of highly experienced employees even to other competitors (causing a competitive disadvantage to themselves) or to other countries blinded by the temporary inflation there. These resigned employees did not count the high-living cost of these countries. When they received the

shock of high-living standards, most of them were trying to return back to the same firm or at least to same market they used to work in.

Shifting from one firm to another for any reason is not the only way of turnover. There is something called 'internal turnover' which is about employees leaving their current positions to another one within the same firm. It has positive and negative sides depending on the circumstances and reasons of this move. Positive: if this change will let employee gain moral and improve skills and quality of oneself and provide the same to the firm. Negative: if it will affect other department or business line in the firm caused by moving this particular skilled employee. If the employee was on the labour or unskilled category, it would not hurt the organisation. Even if that employee resigns, firm will be able to replace any unskilled employee without any financial or performance lose. However, skilled employee's turnover shall provide a huge jeopardy to any firm in the fact that they are losing human capital such as training, skill and experience.

3 Resignation Questionnaire

Inflation in some market or recession in others would not reflect the real reason of high turnover. Employer should notice when high turnover takes place in his firm and takes an action. To know the real fact, big firms used to have a procedure to conduct 'resignation questionnaire' along with 'exit interview' for the resigned employees. This should lend a hand to get a clear picture of why did any particular employee leave his job. It is obvious that when submitting the letter of resignation, the direct manager of resigned employee would like to know reasons and facts hidden behind the resignation. Here where administration or personal department are responsible to ask resigned employees about reasons and causes of resignation which might be verified and cleared through the questionnaire. Then the interview will take place when there are no bonds to the firm and the employee is free to say the truth out loud.

Zonta International introduced *questionnaire* questions similar to the following:

- How long have you been in the company.
- What did you most like about our company.
- What did you least like about our company.
- Why did you resign (please be candid).
- What changes would have prevented your resignation.
- Would you recommend our company to others.
- What do you suggest for improvement in our company.
- Would you consider re-joining at a future date.

The purpose of a resignation questionnaire is to investigate the reasons why people leave their jobs with a view to improving the firm's ability to recruit and retain high-quality staff. The questionnaire may highlight problems and it should help to retain and motivate existing staff. It's so creative and helpful to any Executive Management level to have this policy of investigation and monitoring in their procedure. The questionnaire will definitely assist in the process of recruiting as well as retaining employees because it is providing a better level of understanding employee's needs.

4 Managers Questionnaire

On the other hand, many managers are facing a problem in understanding the needs of their employees that leads them to resign. Every manager should ask himself the following question: 'what do my employees think about me'? As an example from real life a manager who used to practice unjustified pressure on all his employees that usually lead them to resign. He always thought that he is not having any mistake in

treating them. What happened is when one of his employees resigned and left the company, that particular employee sent a huge letter of complaint to Executive management against that manager. So if that manager has conducted a personal evaluation to himself, this thing would not have happened. According to psychologists, it is so difficult for an individual to evaluate himself.

For this purpose, Human Resources management has come up with an idea of conducting another kind of questionnaire in which manager has been evaluated by his/her employees. An evaluation form will be given to all employees asking them to evaluate the manager in many different fields. Without mentioning any name or ID number, employees will be so free to say their frank opinion without pressure by manager or others. This multiple choices evaluation can be used in many excellent ways to solve problems and increase efficiency of organisations. This will encourage the employees by showing them that they have the right to judge the manager seeking for corrective actions of current situations or preventive action from future wrong practices. This might also reveal to the manager if she/he is doing well in his position or not. Such surveys are used to guide the management to improve their working quality, recover the work environment and enhance managerial behaviour and quality which in turn reflect the quality of the department and to the whole firm.

5 Recruiting and Retaining Talented Employees

In the recruitment process, employer would like to choose employees who meet job needs, fit to the culture and wants to check if that particular employee will really stay in the job. How to recruit smartly? First, employer should decide the needs for even new or replacements in the organisation. Some organisations might think positively and do not recruit new candidates if they were successful in retaining high-quality performers. Meeting should be held with Executives, HR and hiring department managers to build up a plan for recruiting. Selection criteria should be neat. In other words, characteristics, qualification and experience should be clear and much prioritised to ease segregation of candidates. Job description and salary range shall be developed with HR depending on the agreed selection criteria. The vacancy could be offered internally to other employees within the organisation or externally seeking wider range of diversity. Publishing an advertisement in the newspaper, media or in the Internet for this job opportunity to cover the maximum number of candidates is recommended. More sources could be utilised such as current employees' contacts, head-hunters, recruiters and recruiting agencies and firms. HR can then schedule for the interviews and then meet and describe the job when conducting it. This process will make executives decide and grant the job offer to the most suitable to fill in the job specifications through evaluation form filled in the interview. These steps might help after all the management recruiting the best employees among others. ISO certified companies have made 'Selection and Training of Workforce' a procedure that should be followed. As an example, Susan (2009) indicated that a company having the procedure divided into two parts: local employment and foreigner employment with slight differences to implement it. The purpose of this study is to outline the procedure for recruitment, training and maintaining of work force in general.

6 After Employment

The after employment stage is the most critical for the new recruits. Labours or staff, they should be given some kind of orientation and probation. For example, labours are given orientation training to describe the work they will be assigned to perform. Staff, on the other hand, will be provided with an on job training to make them practice the actual job. Probation period shall be 3 months that both new recruits as well as employer will have the opportunity to check each other's advantages and disadvantages. Continuous quality and performance improvements for the employees are to be considered by management. Department head is responsible to identify the needs of giving training to any of his subordinates. Fixing the right

training to the most appropriate employee should be considered as the major factor of developing skills and knowledge. This will result in an increase in the overall quality and performance of individuals and firms. Although the internal training of employees is attractive, the external training would be the most eye-catching for employees. Sending employees for outdoor or out station training and courses will help increasing the quality of employees as well as assist in retaining them. It might be referred as ‘investment’ in manpower where the firm is responsible for educational expenses for selected employees to develop and improve them in favour of better company future. This kind of investment will build loyalty among these employees, reduce turnover and encourage others to join. Strategic management knows that this kind of investment will construct a powerful infrastructure and work environment for current and near future.

7 Infrastructure and Environment

Retaining people and not letting them to resign have other contributing factors other than selecting best candidates, continuous training or top management questionnaires. Infrastructure and work environment play a huge role in employees retention. Infrastructure is not only about buildings, workspaces or associated utilities. It exceeds the common known one to building the proposed manpower infrastructure that develops professionalism, high-quality production and communication among employees. Highly educated employees are reflecting the company knowledge and experience status when dealing with clients, customers or competitors. Work environment also has a huge impact on employee’s performance. The influence of healthy work environment is so considerable to gain the most benefit and best quality performance. Positive communication among colleagues should be encouraged coupled with work ethics and present all times during work days (e.g. manager to employee, employee to manager, etc.). According to Ron Prewitt, Personal Life Coach – MS Nursing Education Resources, there are six signs for healthy work environment (Prewitt, 2008):

- Employees laugh often: it does not mean losing the seriousness of work but have fun while performing it.
- Employees freely share their ideas: safe environment will allow employee to propose ideas seeking for change to the best which might bring us back to the management questionnaire.
- Employee values and expectations are clear: job description should be clear to employees to make it possible for them to perform right work and pass while performance evaluation.
- We work simply: avoid loading employees with work especially which does not relate to their job description.
- Our organisation is reasonably orderly and comfortable: maintaining uncluttered organisations presents adorable work environment.
- Employees have strong connection with others.

With respect to the last point, some organisations used to format a committee to review problems faced by employees, communicate suggestions for improving the standard and/or improve work procedures and methods. The committee including three to four proven loyalty members meeting periodically and share other employees concern and interests. Management will review the minutes of the meeting and make decisions including corrective and preventive actions.

8 Unique Retention

Another group of people where firms should retain are the retired people. After a long period of experience and knowledge gained in the company, this retired employee must be counted as a treasure to his firm. This employee might be a rich reference for the company and a mine full of new business ideas. As an example,

an expert employee working with automobile company for more than three decades has retired. Instead of giving him a letter to leave, the company offered him a consultant position and a share in the company. This practice could be counted as experience retention because they want to utilise his knowledge and experience in improving performance and quality of business. Also, it will encourage other employees to seek for retention to be just like that retired employee. They furthermore will conclude that staying in the same company for long time, improving themselves and performing with loyalty will make them climb the hierarchy ladder very fast.

9 Conclusion

Survey sent to more than 20 employees in a company was carried out to determine some facts causing them to leave their jobs. The result shows that most of them are having environmental issues such as long working days (almost 6 days a week), low salaries given to employees comparing with same level competitors, unfair competition among colleagues and insecure career path. All of the surveyed employees are still on duty but these reasons might make them ex-workers.

The core problem was published by the author of a book called *First Break All the Rules*. This book included the results of another survey study covered over millions of employees and more than 70,000 managers and it came as follows:

‘If you’re losing good people, look to their manager. Manager is the reason people stay and thrive in an organisation. And she/he is the reason why people leave. When people leave they take knowledge, experience and contacts with them, straight to the competition’.

The confirmation came from the authors Marcus Buckingham and Curt Coffman when they wrote that: ‘people leave managers not companies’.

Azim Premji, CEO – Wipro could not agree more when he said: ‘employees find humiliation the most intolerable’. He elaborated that ‘The first time, an employee may not leave, but a thought has been planted. The second time, the thought gets strengthened. The third time, he looks for another job’. If any manager practices pressure to subordinate, being too suspicious or controllable, he will force employee to quit (Azim, 2005).

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