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The University of Southern Mississippi

The Implications of Rising Turnover and Voluntary Turnover within the Federal Government

By

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A Thesis
Submitted to the Honors College of
The University of Southern Mississippi
in Partial Fulfillment
of the Requirements for the Degree of
Bachelor of Science in Business Administration
in the
Department of Management & International Business

May 2017

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Abstract

Human Resources (HR) is a dynamic, changing, and vital part of every business whether commercial or governmental. HR is also often left to deal with voluntary turnover and the difficulties it brings. This study focuses on the implications of rising turnover/voluntary turnover within the federal government. The aim of this study was to analyze the data collected by the United States Office of Personnel Management (OPM) to determine the connections between turnover/voluntary turnover and demographic factors, workplace satisfaction factors, and organizational/relational factors within the federal government. This analysis examined the Fed Scope data from 2011 through 2016, and employee surveys taken in the year 2016. The collected data was analyzed, and showed strong connections between age and likelihood to voluntarily turnover, as well as the varying levels of satisfaction of employees about the organization.

A survey was then created to assist HR managers in the analysis of employees on a smaller scale to predict future voluntary turnover, and help manage for turnover. Comparing the survey answers and identifying possible correlations, will be beneficial to companies in both the public and private sectors. The findings of this study contribute to Human Resources by shedding light upon what leads employees to voluntarily leave their jobs. Further, it explains the implications of turnover in general, as well as attempts to provide insight on management styles and ways to prevent and discourage voluntary turnover.

Key Words: Voluntary turnover, human resources, Office of Personnel Management, demographic factors, workplace satisfaction, organizational/relational factors

Dedication

Mom and Dad:

For every football game, competition, and ceremony you sat through.

I wouldn't be here without you both.

Acknowledgements

I want to thank my parents for putting up with frantic calls at all hours of the day, for always loving me, and for supporting me throughout this entire crazy and wonderful journey. My brother for being my best friend, helping me survive college, and for always being one of my biggest supporters. JT for your love and support. And finally, my thesis advisor, Amy Sevier, for not only mentoring and pushing me during this process, but for becoming my friend. This would not have been possible if not for my ‘village’.

“My greatest fear is to live an ordinary life.”

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List of Abbreviations

| | |
|------|-----------------------------------|
| HR | Human Resources |
| AMA | American Management Association |
| OPM | Office of Personnel Management |
| FY | Federal Year |
| FEVS | Federal Employee Viewpoint Survey |

Chapter 1: Introduction

Within the past twenty years in the United States, increased voluntary employee turnover rates have become a concern for corporations, small businesses, and the federal government. What voluntary employee turnover boils down to is the number of employees who choose to terminate their contract with a company, and are then replaced with new employees by that same company (Mayhew, 2015).

Increased voluntary turnover has been a notable change in businesses, because in past generations the way to build a career was most often to work with one company, and work your way up the preverbal “ladder.” The current trend, however, is far different. Employees now voluntarily leave organizations or change agencies often after only a few years for career advancement opportunities.

It is necessary, and sometimes beneficial, for a company to have some amount of turnover. Turnover does not have to be a purely negative thing. It can promote competition and positively influence efficiency. However, there are several more negative aspects to turnover than positive aspects for the business unit itself.

Having low turnover rates is important to a company’s Human Resources department because it can be a good indicator of budgeting and training costs (Mayhew, 2015). Low turnover rates can also be one of the most important indicators to a companies’ success. High turnover rates can affect all aspects of a company because they can add turmoil, disruptions, and additional costs.

The numerous negative aspects to turnover raise several questions. With unprecedentedly high turnover rates, what is causing this increase? What are the implications and effects of the trend of extreme turnover rates? And lastly, what are ways to deter voluntary turnover? This study examined United States federal employees and agencies to determine the causes for increased turnover rates and turnover intention, as well as assess its implications.

Pitts, Marvel and Fernandez (2011) explored the reasons for turnover rates by addressing three areas: (1) demographic factors, (2) workplace satisfaction factors, and (3) organizational/relational factors (p. 752-753). Within this study, they determine factors that likely cause employee voluntary turnover by utilizing the 2006 Federal Human Capital Survey.

This study addressed the same three areas as in the 2011 study by comparing data and opinions from other studies and experts in the area of turnover and retention. It also expounded upon their work by adding more current data available through the United States Office of Personnel Management for the years 2011 through 2016.

Chapter 2: Review of the Literature

This study considers the impact that voluntary employee turnover has on businesses in general, and in particular, the federal government. First, previous research on the three main dimensions of this study will be discussed, followed by the implications of high turnover, and lastly ways to deter and manage turnover.

Three Dimensions

As this study is based on the findings of the three dimensions of the 2011 study by Pitts et al, it is important to discuss their findings. They conducted a study on the turnover intention among U.S. Federal Employees by first researching past information on the most common reasons causing turnover, then deploying a survey to analyze the reasons. With this acquired information, they then compared the two sets of data to determine accuracy. The purpose of this study is to assess why government employees terminated their positions with the federal service (p. 751).

The first area they discussed was demographic factors. They outlined two major characteristics considered to be the most relevant to turnover: age and job tenure. Age was believed to be the greatest factor causing turnover, because “younger employees have higher quit rates as a result of shifting career paths, greater willingness to relocate, and fewer family responsibilities” (Pitts et al, 2011, p. 752).

Job tenure, on the other hand, was believed to have a negative effect on turnover. They believed that the longer an employee is with the company, their loyalty to it grows. An interesting point was the benefit of a pension which federal employees receive to

“incentivize a version of loyalty” compared to private sector companies that do not offer one (Pitts et al, 2011, p. 752).

In the second dimension studied, workplace satisfaction factors, Pitts et al (2011) discuss some of the most commonly known reasons for turnover: dissatisfaction with pay, benefits, and opportunities for growth within the organization (p. 752). By not only paying well, but paying what the employee’s work is actually worth, employers not only satisfy their employees, they also “reduce incentives to search and the probability of finding a better paying job” (Pitts et al, 2011, p. 752). By offering benefits to employees, opportunities for growth, and promotions within the company, turnover and turnover intention was also reduced.

Organizational/relational factors, the final dimension, addresses the employee’s relationship with management and peers (Pitts et al, 2011). This dimension factors in what kind of culture is created by management. The culture of an organization is important because it not only affects the relationship between management and the employees, but also how the employees feel overall about working at the organization. They also tie into this factor the potential negatives of using a poor reward system in your organization (p. 753).

To test the three dimensions, and how closely they are associated with voluntary turnover, Pitts et al (2011) took a sample of over 200,000 full-time U.S. federal employees and analyzed the collected data (p. 753). The study posed the question to the subjects as “Are you considering leaving your organization within the next year, and if so, why?” (p. 753). The collected data then was broken down first by age categories, “as

under 30, 30-39, 40-49, 50-59, or 60 and over” (Pitts et al, 2011, p. 754). They found that the youngest two categories were not only positively related, but significantly related, while the last one was negatively related, showing the generation career practice change (p. 757).

To test job satisfaction, employees were asked several questions about overall job satisfaction, satisfaction with pay, retirement benefits, and opportunities for better jobs (Pitts et al, 2011, p. 754). Their analysis showed that overall satisfaction decreases turnover in both the agency and federal government, and that dissatisfaction with pay increases turnover, but only slightly (p. 757).

These two factors were discussed as having a relationship in which overall job satisfaction overpowers a slight problem with pay. The one finding in satisfaction that was unexpected, according to Pitts et al (2011), was that “satisfaction with benefits is positively related to an employee’s intention to leave his/her agency, and unrelated to... leave the government” (p. 757). This could be a special case with the federal government however, due to the pension and numerous other benefits offered by staying with the government.

The last dimension, organizational/relational factors, was addressed by the responses to a few statements including “Employees have a feeling of personal empowerment with respect to work processes”, “Promotions in my unit are based on merit”, “Pay raises depend on how well employees perform jobs”, etc. (Pitts et al, 2011, p. 754). In their findings, Pitts et al (2011) discuss how a culture of performance seemed to encourage turnover. They attributed this to the possibility that it is “more likely to

retain high performers and “weed out” poor performers, which arguably would result in a net gain” (p. 757).

Implications of High Turnover

Mayhew (2015) discusses the negative connotation associated with turnover, and the difference between desirable and undesirable turnover. Desirable turnover “occurs when an employee whose performance falls below expectations is replaced by someone who meets or exceeds expectations” (Mayhew, 2015, “Desirable and Undesirable Turnover, para. 1). This is often considered a beneficial thing because it decreases inefficiency, ineffectiveness, and the costly effects of absenteeism and tardiness. By hiring a different employee who will perform the job well and efficiently, the company is increasing its profitability.

Undesirable turnover however, means “the company is losing employees whose performance, skills, and qualifications are valuable resources” (Mayhew, 2015, “Desirable and Undesirable Turnover, para. 1). This type of turnover is negative for an organization. In a 2007 study, it was determined that “employees are more likely to leave when working for either the largest or smallest of organizations; the voluntary rate is highest at both ends of the spectrum” (HR Focus, p. 7). This can cause researchers to wonder if this result is from a lack of individuality and poor relationships with managers that are known to come with large organizations. Or, could it be from the stress of keeping a small organization running?

The profit motive, which is the “desire for profit that motivates one to engage in business ventures,” is the allocation of resources to productive actors in a business (Merriam-Webster, 2015). With the most productive employees voluntarily leaving an organization, it poses several problems for companies. Some of these include that new hires will need to be trained and may not necessarily have the required job specific knowledge. This creates expenses for the company and a decrease in overall productivity.

High voluntary turnover rates also involve increased separation costs. In the 2007 study by HR Focus, they found that the “median separation rates showed an increase to an average 1.1% per month” (p. 7). While this number seems small, it quickly compounds when dealing with thousands or hundreds of thousands of dollars. By having to pay increasing amounts for employee separations, as well as training to replace employees, companies are losing productivity and financial resources that cannot be replaced automatically.

Costly Effects of Turnover

Paiement’s (2009) article investigates what occurs when an employee either voluntarily or involuntarily leaves a company. She notes that two types of costs are incurred; indirect and direct. Indirect costs include “... customer service disruptions, emotional costs, a loss of morale, and uncompensated increased workloads other workers assume because of vacancies” (Paiement, 2009, para. 2). Direct costs on the other hand, include the separation costs discussed earlier, as well as “... vacancy, replacement, and training expenses” (Paiement, 2009, para. 1).

Another potential concern with direct costs for employers is the possibility of performance differences, in terms of efficiency and effectiveness. The eventual replacement may not be up to par, or as productive as the employee who preceded them. For indirect costs Paiement (2009) brings up the concern that by placing the workload of the terminated employee on the remaining employees, they "... often burnout, absenteeism frequently increases, and productivity decreases" (para. 3).

A study conducted by the American Management Association (AMA) further addresses the costly disadvantages that come with turnover for organizations. They found that the expenses associated with hiring and in processing a new employee can vary from 25% to up to 200% of their annual compensation (Paiement, 2009, para. 3).

While these numbers may initially seem outrageous, when considering both direct and indirect costs, they are quite realistic. In almost every case, the higher a salary an employee earns, the more expensive it will be for the organization to replace said employee. To put it into perspective, the AMA found that the "... turnover cost for a full-time employee making \$8 per hour was \$4,000" (Paiement, 2009, para. 3).

To many individuals, this amount may not seem like a lot of money for million and billion dollar organizations, or especially the United States government. But this number adds up very quickly over time. This large cost is especially concerning for companies that regularly employ individuals whose salaries are over the minimum wage or \$8 an hour, as in the example above.

To put this into better perspective, Paiement (2011) gives yet another example, saying that if you have that eight-dollars-an-hour employee for 5 years before she quits, you only lose \$4,000. However, if a manager instead has to replace “just one of your employees each of those years, in five years you will have lost \$20,000” (Paiement, 2009, para. 4). Turnover, especially voluntary turnover, has become an extreme cost to any organization, and is another reason why decreasing turnover is extremely important to any organization’s success.

Deter and Manage for Turnover

Chafetz’s completed a study in 2010 that examined the rise in voluntary turnover during economic recoveries. In the study, he discusses why voluntary turnover decreases when the economy is down, and five ways that organizations can manage for and deter turnover. Chafetz (2010) found that voluntary turnover increases when an economy is recovering because during the low in the economy, there were “fewer alternative employment opportunities” (p. 46).

Another reason he provides is that the employees tend to experience “decreased job satisfaction when their jobs are insecure” (Chafetz, 2010, p. 46). Chafetz (2010) refers to this as a “talent exodus” (p. 46). He suggests that if employers follow the following five steps, detailed in Table 1, their organization will avoid voluntary turnover.

Table 1: Chafetz Five Steps

| Rule | Suggestion | Citation |
|---|---|-------------|
| “Don’t forget that your high performers can get jobs somewhere else.” | They can succeed anywhere, and are actively recruited during economic downturns. | Chafetz, 46 |
| “Don’t give leaders bonuses while expecting employees to go without.” | Don’t cut employee salaries to give large bonuses to executives. | Chafetz, 47 |
| “Don’t let managers off the hook for retaining their employees.” | Consider tying manager’s bonuses to their department turnover numbers as well. | Chafetz, 47 |
| “Don’t assume that downsizing survivors can do all the work of their laid-off colleagues.” | Provide training for their new responsibilities, as well as analyzing tasks to eliminate low value-add activities. | Chafetz, 47 |
| “Don’t make small cuts over and over again to avoid press coverage and the shock of large layoffs.” | This can create a lot of anxiety internally, increase turnover intentions, and wreak havoc on the companies’ culture. | Chafetz, 47 |

Chapter 3: Methodology

This study seeks to justify the design of a questionnaire by addressing the following three questions. With unprecedentedly high turnover rates, what is causing this increase? What are the implications and effects of the trend of extreme turnover rates? And lastly, what are methods to deter voluntary turnover? This study will build upon previous research and include broad survey data from United States federal employees and agencies. It will then use the collected data to analyze the three dimensions discussed in the literature review.

Management and Human Resource departments are alarmed by the increased rate and current trend of increased voluntary turnover because of the time, energy, resources, and finances they are losing. By conducting this study, it will add to current research through providing recommendations for management and smaller scale organizations to survey their employees with the purpose of decreasing turnover.

Through studying and analyzing the causes and effects of the high turnover rate, this study will be a resource for managing turnover more efficiently, and decreasing voluntary turnover. For these reasons, this is an important study and the results could be vital to businesses and HR managers.

Research Design

Research was undertaken in two different ways for this study. The first step was conducting an in-depth literature review. Results from existing research studies was compared with the results and data from the 2011 study by Pitts et al. Then, the next step was secondary research, completed by analyzing data available through the United States OPM.

The current study expounded upon their study by adding more current data from the years 2011 through 2016 from the OPM, as well as federally administrated surveys from 2016. Then the relevant data was analyzed to consider possible explanations, and then examined the responses to the OPM questions, as compared to previous research.

Procedure

This study utilized resources available through the United States Office of Personnel Management. Data was taken from Fed Scope, a database with statistical information about federal employees. It focused only on the federal years of 2011 through 2016. There was data included for demographical purposes, including age and length of employment. Then the 2016 survey from OPM was analyzed so that pertinent and similar questions to the 2011 Pitts et al study could be selected to determine continued relevance as an indicator to turnover.

The context of this study is focused not only on demographical data, but personal feelings as well. Because of this, several questions from the United States OPM questionnaire have possible answers from a scale of; (1) strongly agree, (2) agree, (3) neutral, (4) disagree, and (5) strongly disagree. Optimally, with the combined use of the database and survey, the conducted study addressed the three dimensions, as well as the three questions it explored, to contribute to previous research on turnover rates within all organizations.

Measures

This study analyzed the workplace data in Fed Scope in relation to two things: Age and job tenure, and then voluntary turnover for age. It also examined answers from the FY 2016 survey in the United States OPM. This was in relation to workplace happiness, turnover intention, and background information of employees. This helps to determine their relationship with turnover and voluntary turnover.

With the collected and analyzed data, comparisons to the 2011 Pitts et al study results were drawn to provide more current data and information on the reasons for turnover and voluntary turnover. The unit for analysis in this study is the individual employee, as each employee provided their own responses to the surveys.

Chapter 4: Results

Demographic Factors

The data on FedScope was used to look at the demographic factors of age and length of employment. During the Pitts et al (2011) study, they grouped the study into the age categories of under 30, 30-39, 40-49, 50-59, and over 60. The FedScope data however, was separated into further broken down data with its age categories being less than 20, 20-24, 25-29, and so on until ending with 65 and over. For relevance in relation to the 2011 study, only the data available from the federal years of 2011 through 2016 were examined. The total turnover from this is shown below.

Table 2: Total Turnover for 2011-2016

| Age | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | Total |
|-------|---------|---------|---------|---------|---------|---------|------------------|
| > 20 | 9,721 | 7,237 | 2,639 | 2,427 | 3,005 | 3,149 | 28,178 |
| 20-24 | 30,228 | 26,044 | 19,830 | 16,491 | 16,955 | 17,385 | 126,933 |
| 25-29 | 27,867 | 27,352 | 26,505 | 25,240 | 25,290 | 25,197 | 157,451 |
| 30-34 | 22,076 | 22,759 | 24,016 | 24,464 | 25,928 | 25,970 | 145,213 |
| 35-39 | 16,965 | 16,294 | 17,080 | 17,695 | 19,685 | 20,232 | 107,951 |
| 40-44 | 17,556 | 16,665 | 16,504 | 16,123 | 16,722 | 16,313 | 99,883 |
| 45-49 | 18,634 | 16,877 | 16,679 | 16,118 | 17,158 | 16,840 | 102,306 |
| 50-54 | 21,300 | 19,976 | 19,126 | 19,233 | 19,846 | 19,347 | 118,828 |
| 55-59 | 35,098 | 34,299 | 31,598 | 30,773 | 29,709 | 28,652 | 190,129 |
| 60-64 | 33,446 | 33,047 | 31,905 | 31,604 | 30,971 | 30,552 | 191,525 |
| 65+ | 18,503 | 21,149 | 23,375 | 24,468 | 25,096 | 25,001 | 137,592 |
| | | | | | | | 1,405,989 |

As the above data shows, in the past six years alone there has been total turnover of almost 1.5 million federal employees.

To closely emulate the previous study, the total percentage of turnover for each category of the Fed Scope data was found, as well as the turnover percentage after converting the age categories into the same categories as the 2011 study. To ensure the relevance of the data, the current study focused mainly on the percentage of turnover for three separate time periods in each age category.

These groups were divided into employees who had left the organization in less than one year, between five and nine years, and between 15 and 19 years. Tables 3, 4 and 5 illustrate these results.

Table 3: Employee Turnover in Less Than One Year

| Age | # Separated | Total Separated | % Related to Total |
|------------|--------------------|------------------------|---------------------------|
| > 30 | 167,486 | 312,562 | 53.58% |
| 30-39 | 63,991 | 253,164 | 25.27% |
| 40-49 | 41,461 | 202,189 | 20.50% |
| 50-59 | 32,871 | 308,957 | 10.63% |
| 60 + | 18,412 | 329,117 | 5.59% |

Table 4: Employee Turnover Between Five and Nine Years

| Age | #Separated | Total Separated | % Related to Total |
|------------|-------------------|------------------------|---------------------------|
| > 30 | 18,470 | 312,562 | 5.90% |
| 30-39 | 61,061 | 253,164 | 24.11% |
| 40-49 | 43,025 | 202,189 | 21.27% |
| 50-59 | 36,325 | 308,957 | 11.75% |
| 60+ | 37,674 | 329,117 | 11.44% |

Table 5: Employee Turnover Between Fifteen and Nineteen Years

| Age | # Separated | Total Separated | % Related to Total |
|------------|--------------------|------------------------|---------------------------|
| > 30 | 0 | 312,562 | 0% |
| 30-39 | 2,975 | 253,164 | 1.17% |
| 40-49 | 12,539 | 202,189 | 6.20% |
| 50-59 | 13,745 | 308,957 | 4.44% |
| 60+ | 23,148 | 329,117 | 7.03% |

When examining the percentages of turnover, a connection between length of employment and reduced percentage of turnover is clearly visible. As seen from the above charts, for the employee turnover in under one year category, there is an extreme gap. For the under 30 age group, they had the most employee turnover at 53.58% of their total employee turnover for the federal years of 2011 through 2016. The age group that had the least turnover for employment in under one year, was the age group of 60 or older, at 5.59% of their total employee turnover.

For turnover after being employed between five and nine years, there was still a large gap but it was not as drastic as it was for employment under one year. The age group with the highest turnover was between 30 and 39 years old with their turnover at 24.11% of their total turnover. The age group with the least turnover was the age group of under 30 at 5.9% of their total turnover.

Finally, for turnover after employment between 15 and 19 years, we had the smallest gap between the three categories. The greatest percentage of turnover was for the age group of 60 and over, at 7.03% of their total turnover between the years 2011 and 2016. The age group with the lowest percentage was under 30 at 0%. However, if taken

into consideration the fact that no one from that age group would be able to fit in this category, then the next smallest age group was between 30 and 39 years old at 1.17% of their total turnover.

To then analyze the purely voluntary turnover percentage of the employee total turnover, two additional aspects of the data were considered: the data for employees who voluntarily quit their jobs, and the data for the employees who voluntarily retired from their jobs. This data was then combined to examine the total voluntary turnover and was then compared to the total employee turnover. Presented below are those relevant numbers.

Table 6: Voluntary Employee Turnover

| Age | Total Quit | Total Retired | Total Vol. Turnover | Total Turnover | Vol. % of Total |
|------------|-------------------|----------------------|----------------------------|-----------------------|------------------------|
| > 30 | 140,560 | 0 | 140,560 | 312,562 | 44.97% |
| 30-39 | 124,991 | 3 | 124,994 | 253,164 | 49.37% |
| 40-49 | 88,891 | 1,953 | 90,844 | 202,189 | 44.93% |
| 50-59 | 63,978 | 110,692 | 174,670 | 308,957 | 56.54% |
| 60+ | 29,656 | 238,142 | 267,798 | 329,117 | 81.37% |

Workplace Satisfaction Factors

In Pitts et al (2011) study, they described the workplace satisfaction factors as dealing with the level of satisfaction of the employees pay, benefits, and opportunities for growth within their organization. After comparing the OPM's survey questions with the criteria from the 2011 survey, five questions were selected that most closely related to

and analyzed the employees' levels of satisfaction in these areas. Those results are listed below, along with their percentage of positive responses.

Table 7: OPM Survey questions for Workplace Satisfaction

| OPM # | Question | Percentage Positive |
|--------------|--|----------------------------|
| 1 | I am given a real opportunity to improve my skills in my organization. | 66.63% |
| 13 | The work I do is important. | 92.35% |
| 69 | Considering everything, how satisfied are you with your job? | 72.16% |
| 70 | Considering everything, how satisfied are you with your pay? | 69.23% |
| 71 | Considering everything, how satisfied are you with your organization? | 63.11% |

Organizational/Relational Factors

The Pitts et al (2011) study described the organizational/relational satisfaction factors as dealing with the employees' relationship with their management and peers, and the office culture. They also discuss the potential disadvantages of having a monetary reward system. So again comparing the OPM's survey questions with the criteria from the 2011 survey, five questions were then selected that most closely related to and analyzed the employees' relationship with management and their peers, as well as the office culture. Those questions are listed below, along with their percentage of positive responses.

Table 8: OPM Survey questions for Org/Relational Satisfaction

| OPM # | Question | Percentage Positive |
|--------------|---|----------------------------|
| 10 | My workload is reasonable. | 59.54% |
| 42 | My supervisor supports my need to balance work and other life issues. | 85.62% |
| 52 | Overall, how good a job do you feel is being done by your immediate supervisor? | 79.82% |
| 58 | Managers promote communication among different work units (for example, about projects, goals, needed resources). | 58.72% |
| 64 | How satisfied are you with the information you receive from management on what's going on in your organization? | 57.03% |

Because the organizational/relational factor is also related to the organizations reward system, additional questions were necessary to investigate it. After comparing the OPM survey with Pitts et al (2011) study, three additional questions were selected that related to the organizations reward system, and in turn, related to how the employees feel about it. Those questions are listed below, along with their percentage of positive responses.

Table 9: OPM Survey Questions for Rewards System

| OPM # | Question | Percentage Positive |
|--------------|--|----------------------------|
| 16 | I am held accountable for achieving results. | 90.50% |
| 23 | In my work unit, steps are taken to deal with a poor performer who cannot or will not improve. | 43.77% |
| 24 | In my work unit, differences in performance are recognized in a meaningful way. | 44.91% |

Chapter 5: Discussion

It is important to first look at the demographic factors of age and length of employment, and then further break it down from the results. When looking at the first two job time lengths used in this study (under one year and five to nine years), a trend is visible. The youngest age groups had the highest percentage of turnover for those job time lengths. This varied only for the third job length (15-19 years) when the oldest age category replaced them for the highest turnover, due most likely to their eligibility for retirement.

If one then looks at instead the age groups in their original state on the OPM's FedScope for turnover data in the under one year of employment category, there are several things to be considered. The less than 30 age category Pitts et al (2011) used in their study is broken down by the OPM into categories that are less than 20, 20-24, and 25-29. The less than 20 age category has a turnover rate that says 89.14% of them will leave their employment in less than one year.

While that number is extremely concerning, and far greater than any other turnover percentage, there are some things that must be mentioned to put it into perspective. The U.S. federal government has extensive internship programs, especially during the summer months. These internships are geared towards college and university students, and the employment is limited to a certain number of months. Therefore, it is to be expected that their age group would be abnormally high in turnover.

The age 20-24 category had a turnover percentage of 62.48% turnover in under one year. With a few of these ages still falling into the traditional college student age, the internship programs can still attribute to the higher than average percentage. However, moving on to the last section of that age group, 25-30, you leave the traditional college or “intern” age. Their turnover rate was 40.04% for under one year, which was still far higher compared to the next highest percentage of 27.20% for ages 30-34 for under one year.

Looking at the turnover percentage of employees who have worked between five and nine years and 15-19 years, a general trend is visible compared to the turnover for under one year of employment. The percentage of employees leaving their jobs is generally decreasing. This change is seen in the percentages from the 30-39 age group, changing from 25.27% turnover in under one year, to 24.11% in five to nine years, and 1.17% in 15-19 years. When looking at all age groups that are 40 and above, they all decrease in turnover when going from working for five to nine years to 15-19 years. This decrease in turnover is especially visible in the age group 40-49 when they change from 21.27% in 5-9 years to 6.20% in 15-19 years of employment.

From the literature review it was revealed that age and length of employment had the greatest overall impact on turnover. The comparisons above show how this data continues to support that theory. As the individual employees age increased and the length of time employed at the organization increased, turnover for the whole continued to decrease.

Taking a closer look at the total voluntary turnover instead of total turnover, the situation becomes far more complex. This is because the numbers have essentially flipped. The highest group with voluntary turnover between the federal years of 2011 and 2016 is now the 60 and above group at 81.37%. In turn, the lowest group is now the under 30 age group at 44.97% voluntary turnover. While it is difficult to say for sure, as there were not individual exit surveys distributed to employees before leaving their positions, there are a few things which may be responsible for this change in results.

For the under 30 age group, their job contracts would be considered terminated when an internship was over, rather than retired or voluntarily left employment. When examining the over 60 age group, it is logical for them to have the most voluntary turnover. They are the age group most likely to and eligible to retire, as 72.36% of their total turnover were employees who had retired between the FY of 2011 and 2016.

Moving to workplace satisfaction factors, the OPM surveys show a few trends and give insight as to the employees' general satisfaction with their pay, benefits, and opportunities for growth within their organization. While the responses to the five questions are all above 50%, indicating the majority are positive responses, some questions were lower than others. This indicates clear areas that have room for improvement.

From the responses, almost all employees find value in their jobs and what they are doing, due to the 92.35% positive responses to the statement "The work I do is important." Employees also responded positively to questions that dealt with their level of satisfaction with their job and with their pay, having positive responses of 72.16% and

69.23% respectively. However, the two low percentages of the group were in response to questions that dealt with things outside of their control.

The first was a question regarding the opportunities employees receive to improve their skills in the organization, and it was 66.63% positive. The second was a question gauging employees' level of satisfaction with their organization, and the responses were only 63.11% positive.

In their 2011 study, Pitts et al discussed how paying an employee a fair wage for the work they are completing incentivizes staying with the organization. In the FY 2016, the majority of federal government employees are clearly happy with the pay they are receiving. However, from the literature review and study of previous information, it can also be said that pay is not the most common of reasons for employees to quit their jobs. Other benefits are often far more important to employees, including their opportunities for growth and promotions within their company.

Because of this, managers should be wary when responses to those types of questions are coming close to having half of their workers being unsatisfied. It is a clear indicator of voluntary turnover. The data therefore leads to the suggestion that management should focus their efforts on improving employee-organization relations. This, as well as increasing promotion opportunities from within the organization, would help to reduce future voluntary turnover.

For organizational/relational factors, the OPM surveys give insight into employees' general satisfaction with their relationship with management and peers, and

the potential disadvantages of bad reward systems. The responses to questions in this section were less positive than the responses to questions about their workplace satisfaction.

The statement with the highest positive percentage, 85.62%, was, “My supervisor supports my need to balance work and other life issues.” The next highest was at 79.82% in response to their general opinion on whether their immediate supervisor was doing a good job or not. While these two percentages were relatively high, the other three questions are not nearly as positive.

Nearly 60% of employees responded positively that they found their workload to be reasonable, yet their happiness with management was slightly less so. The survey first asked if they felt “managers promote communication among different work units” and only 58.72% responded positively. Then the survey asked the employees’ level of satisfaction with “the information you receive from management on what’s going on in your organization”, to which there was only a 57.03% positive response.

In previous research done for this study, it supported a connection between reduced turnover and a strong relationship of communication between management and employees. Chafetz’s study in 2010 examined this issue to avoid voluntary turnover and advised managers to value their high performers, as well as make the office culture a fair one. Chafetz suggested that managers provide new training for responsibilities when employees appear concerned with their workload, and to analyze tasks to eliminate low value-adding activities.

For the questions examining the employee rewards system, there was an alarming difference among the three questions. There was an overwhelmingly positive response of 90.50% to the statement “I am held accountable for achieving results.” However, the next two questions were drastically negative. Only 44.91% responded positively to the statement, “In my work unit, differences in performance are recognized in a meaningful way”. Likewise, only 43.77% responded positively when asked “In my work unit, steps are taken to deal with a poor performer who cannot or will not improve.”

It is evident from the overwhelmingly and uncharacteristically negative responses to the last two questions mentioned, that this is a crucial area for management to focus on improving. The employees are in danger of, or already have developed learned helplessness. They may come to believe that their behavior or work will have no impact on their job outcomes.

If this occurs, employees will become unproductive, and they are more likely to quit their jobs and leave the organization. According to the surveys’ responses, employees feel the organization has no level of the desirable turnover, and therefore are highly unsatisfied. To deter this thought process, management needs to examine and re-evaluate the rewards system currently in place.

Limitations and Directions for Future Research

For future research on the topic of turnover and voluntary turnover, it is suggested that managers apply this process to their own organizations. The provided survey below is for Human Resource managers to reproduce this study on a smaller scale within their

organization. It uses original questions as well as modified questions from the Pits et al 2011 study. It includes questions like “Are you considering leaving your organization within the next year?”

The context of this study is focused on personal feelings and emotions, so several questions will be posed with the possible answers such as: (1) strongly agree, (2) agree, (3) neutral, (4) disagree, and (5) strongly disagree. Additionally, there will be questions included for statistical purposes, including age, marital status, and length of employment. The questions also have the explanation for their purpose below them, to assist managers in better interpreting the data they collect.

Optimally the questionnaire will address the three dimensions, as well as the three relevant questions this study explored thoroughly. The survey should also be tailored by company managers to best fit their individual office or organization. By distributing this survey in their own organization, management will better understand their employees’ satisfaction levels, and learn which areas they should consider making adjustments or changes. The survey will also help management by assisting with prediction of voluntary turnover, and in turn, allow them to better manage for it and minimize the costs associated with it.

Survey Questions/Purpose of Questions

For Statistical Purposes:

What is your gender? (Male/Female)

What is your age? (Under 30, 30-39, 40-49, 50-59, 60+)

Marital Status? (Single, Married, Separated)

Family status? (Dependents, No Dependents)

- For the above questions, (Pitts et al, 2011, p. 752) age, gender, and familial status was believed to be the greatest factors causing turnover, because “younger employees have higher quit rates as a result of shifting career paths, greater willingness to relocate, and fewer family responsibilities.”

General Questions:

How many years have you been employed with this organization? (0-4, 5-9, 10-14, 15-19, 20+)

- According to Pitts et al 2011 study, job tenure and longevity have a negative effect on turnover. The longer an employee is with the company, the stronger their loyalty grows.

Does this job offer you a pension in the future? (Yes, No)

If yes, how much do you feel you will benefit from it? (Great benefit, small benefit, not important to me, N/A)

- (Pitts et al, 2011, p. 752) The benefit of a pension plan federal employees receive to “incentivize a version of loyalty”.

Indicate your answer with “Very Dissatisfied, Dissatisfied, Neutral, Satisfied, or Very Satisfied:

How satisfied are you with:

- Your work load?
 - (Pitts et al, 2011, p. 754) A culture of performance encourages turnover.
- Your pay?
 - (Pitts at al, 2011, p. 752) Satisfaction with pay “reduces incentives to search for and the probability of finding a better paying job”.
 - (Pitts et al, 2011, p. 757) Satisfaction decreased turnover, but dissatisfaction only slightly increased turnover.

- (Chafetz, 2010) Suggests in his 5 Steps to not give bonuses out to the boss while expecting employees to go without.
- Benefits offered?
 - (Pitts et al, 2011, p. 757) dissatisfaction with benefits is positively related to leaving his/her agency, but not the federal government.
- Process used to determine raises?
 - (Pitts et al, 2011, p. 754) a culture of performance encourages turnover.

What is the minimum pay increase you would relocate for? (10% increase, 15% increase, 20% increase, greater than 20%)

- (Pitts et al, 2011, p.752) Satisfaction with pay “reduces incentives to search for and the probability of finding a better paying job”.

I am currently searching for a new job. (Yes, No)

I will be searching for a new job within the next 3 years. (Yes, No)

- Paiements 2009 article discussing costs incurred including direct and indirect costs associated with turnover.

What aspects of your job bother you enough to make you consider quitting? (select up to 3)

- Compensation (Pay, rewards, recognition)
- Career (Job content, development, training)
- Work life programs (Family support, personal support, child care)
- Work environment (Facility, workplace, culture)
- Benefits program (Health care, retirement, paid time off)
- Leadership (supervision, direction, guidance)
 - Pitts et al 2011 study

I am willing to make a greater effort than expected of me in order to contribute to the success of my organization. (Yes, No)

- (Pitts et al, 2011, p. 752) job length and pension incentivize loyalty.

Do you believe the best way to make a career is to work for one or two organizations, and work your way up the ‘ladder’? (Yes, No)

- (Pitts et al, 2011, p. 752) Age was believed to be the greatest factor causing turnover, because “younger employees have higher quit rates as a result of shifting career paths, greater willingness to relocate, and fewer family responsibilities.”
- (Pitts et al, 2011, p. 757) Youngest two age categories most likely to change companies, oldest category was negatively related to changing.

Indicate your answer by selecting “Strongly disagree, Disagree, Neutral, Agree, Strongly Agree:

I feel:

- I have received adequate training to perform my job properly.
- I identify with my organizations vision and mission statement.
- Loyal to my organization.
- I have plenty of opportunities for growth within my organization.
 - (Chafetz 2010) The talent exodus in his 5 steps.

I believe:

- Management recognizes me for my efforts and successes.
- The majority of the time, my workload is too heavy.
- There is a strong level of communication between management and employees.
- My companies culture is a good environment to work in.
 - Paiements 2009 article related to direct and indirect costs. By placing workloads of terminated employees on remaining ones, they “often burnout, absenteeism increases, and productivity decreases” (Para. 2).

Chapter 6: Conclusion

This study examined turnover and voluntary turnover within the federal government. To do so, it explored the answers to three questions. With unprecedentedly high turnover rates, what is causing this increase? What are the implications and effects of the trend of extreme turnover rates? And lastly, what are methods to deter voluntary turnover? It then provided managers with the ability to reproduce this study to assist in better managing for voluntary turnover themselves. It gave suggestions as to how to handle and prevent voluntary turnover, and then finally gave explanations for the more current data that was analyzed.

For demographic factors, there was one area of note in particular that was curious. When looking solely at voluntary employee turnover, the first three age categories (> 30, 30-39, and 40-49) were the most likely to quit their jobs. The other categories (50-59, 60+) were more likely to retire. This may seem obvious when considering that individuals in the first three age categories were not likely to be of retirement age. But it is interesting, however, when you look at the percentages of their total voluntary turnover as compared to the total turnover of each age category.

Again, in the youngest three age categories, voluntary turnover made up less than half of their total turnover. The oldest two categories however, had more than half of their turnover being voluntary turnover. This was especially true of those in the last category, ages 60 and over, who had a voluntary turnover rate at 81.37% of their total turnover.

This information supports the original theory that younger generations are less likely to stay with an organization and work their way up the preverbal ladder. But it also brings up new questions to be explored in future studies on this topic. Are there other reasons that are causing the first three age categories have remarkably lower voluntary turnover? Including, are they taking temporary positions that end after a certain time, or maybe they more likely to be fired than the generation before them?

For workplace satisfaction factors, the survey responses showed only minimal areas where improvement was desired. The majority of the employees were satisfied with their jobs. Organizational/relational satisfaction factors were similarly positive for a majority of statements, except those regarding the rewards system. It appears that where most of the employees were “dissatisfied” was with their organization’s reward system. This is an area that clearly needs increased attention from management, as it might decrease the number of employees voluntarily leaving the organization.

Overall, this study can be a tool for managers to combat voluntary turnover. It is an educational resource that has condensed relevant information regarding turnover, as well as the costs and effects it has, to provide a current guide book for management on turnover. By providing managers with a way to survey their own offices or organizations, it can be an eye-opening experience to help improve employee-management relations and the culture of the organization. By doing so, it can save organizations precious financial resources that can be better utilized elsewhere.

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