

# A STUDY ON THE FACTORS AFFECTING EMPLOYEE TURNOVER AT PRIVATE SECURITY AGENCIES

Vivek Jinendra<sup>1</sup> , Dr.Rajinder Kapil<sup>2</sup> , Dr.Parveen Kumar Garg<sup>3</sup>

<sup>1</sup> Research Scholar, University College of Commerce & Management,  
Guru Kashi University, Talwandi Sabo

<sup>2</sup> Professor, University College of Commerce & Management, Guru Kashi University, Talwandi Sabo

<sup>3</sup> Assistant Professor, University College of Commerce & Management,  
Guru Kashi University, Talwandi Sabo

## ABSTRACT

Employee turnover is a vital issues and challenges for human resources management strategies and organization performance (Davidson, et al., 2010). The highest turnover rate in financial services particularly in commercial banks has great impact on productivity, quality and profitability due to the loss of knowledge and technical skills. The turnover rate of any organization will impact the organization's operation cost in investing trainings that required for new employee and eventually will impact the end profit of the organization. Researcher has identified five costs which are expensive to any organization to replace the employee; these are pre-departure costs such as severance costs, recruitment costs, selection, orientation and training costs and productivity loss costs (Tracey and Hinkin, 2008). According to Armstrong (2006), there are a number of factors which promote the employees' to leave the organization, those factors are associated with the job dissatisfaction of the employees, these are dissatisfaction caused by unfair pay system, unrewarding job and lacking skill variety, lack of performance standards and feedback; dissatisfaction caused by lack career prospect, unfair supervision, and bad relationships with supervisors and co-workers.

The paper aims to study about the factors affecting employee turnover at private security agencies. The present research study has used non-probability convenience sampling research methods include Univeriate, Anova to study the employee job turnover. Simple percentage analyses have been used in the analysis.

**Keywords:** Employee Turnover, Private Security Agencies, *Demographic factor*.

## Review of Literature

**Tett and Meyer (1993)** studied Cross-study differences in the contributions of work attitudes to the turnover process led us to (a) estimate the six relations among job satisfaction, organizational commitment, turnover intention/withdrawal cognitions, and turnover using meta-analysis; (b) assess the effects of several psychometric moderators on those relations; and (c) compare the influences of satisfaction and commitment in the turnover process by applying path analysis to the meta-analytic correlations. Based on aggregations involving a total of 178 independent samples from 155 studies, results showed that (a) satisfaction and commitment each contribute independently to the prediction of intention/cognitions; (b) intention/cognitions are predicted more strongly by satisfaction than by commitment; (c) intention/cognitions mediate nearly all of the attitudinal linkage with turnover; and (d) attitudinal contributions to the turnover process vary with the use of single- versus multi-item scales, the 9- versus 15-item version of the Organizational Commitment Questionnaire, and turnover intention versus withdrawal cognition scales.

**Zobal (1998)** found that salary was being the prime factor for motivation and job satisfaction of salaried employees of the automobile industry. The study tried to assess the various job characteristics and the way the employees ranked them as motivators and satisfiers. The results showed that compensation was ranked as the number one job element for job satisfaction and increase in salary for performance was ranked as the number one job element for motivation.

**Currihan (1999)** examined four possible models of the causal relationship between job satisfaction and organizational commitment in models of employee turnover: (1) satisfaction precedes commitment, (2) commitment precedes satisfaction, (3) satisfaction and commitment have a reciprocal relationship, and (4) satisfaction and commitment have no significant relationship. Structural equation models with two-wave panel data reveal no significant effects between satisfaction and commitment, and the overall fit for each of the four alternative models is virtually identical. Although analysis of the alternative models suggests the relationship between satisfaction and commitment may be spurious due to common determinants, alternative explanations for these results and conclusions for turnover research are discussed.

**Lambert et al. (2001)** discovered that for the past century, worker turnover has been of keen interest to both managers and researchers. Based upon the literature, a structural measurement model incorporating four core antecedents of turnover (i.e., demographic characteristics, work environment, job satisfaction, and turnover intent) was developed and tested using a national sample of American workers. The results indicate that the work environment is more important in shaping worker job satisfaction than are demographic characteristics, and that job satisfaction is a highly salient antecedent of turnover intent. Finally, job satisfaction is a key mediating variable between the work environment and turnover intent.

**Kimosop (2007)** found that the factors that influence labor turnover are; low- pay, sickness, long working hours, misconduct, change of careers, and lack of career prospects. After undertaking the study, the following recommendations were made; that private guard is paid a salary at least within the minimum government requirement. The working conditions of the private security guards need to be improved. Thirdly, the management should be able to create job satisfaction for the employee. This can be done by doing job redesign which involves identifying the elements in a job that create satisfaction and dissatisfaction. Fourthly, since most people are opportunity seekers, employees should be aware of the opportunities that exist inside the organization. Finally, the general public should be sensitized on the important role the private security guards play in our society and therefore should not be looked down upon.

**Mosadeghrad et al. (2008)** investigated the relationship between job satisfaction and employees intention to turnover and found that there was positive relationship between job satisfaction and turnover intention. He also found that the factors that may influence the level of employees' job satisfaction are demographic variables, pay, fringe benefits, promotion, supervision, co-workers relationships, task variety and working conditions and also found that job satisfaction and its facets are the strongest predictors of intention to leave.

**Ronra and Chaisawat (2009)** conducted their study of employee turnover based on Herzberg's motivator-hygiene theory. They distribute a questionnaire to 356 blue-collar workers at 11 different hotels all over Thailand. The result of the findings indicate that factors affecting employees' turnover were inadequate recognition from managers, inadequate salary, and benefits that did not meet the employees' needs, salary and responsibilities were not compatible and inadequate career path advancement. In contrast, the factors which influenced employees' job satisfaction were that the employee felt appreciated for the completed task and that the company recognized their achievements.

**Ronra (2010)** indicated that the highest influencing factors affecting employees' turnover were the insufficient tools and resources to do the daily job, followed by inadequate recognition and rewards for a job well done, the benefits received were not met with the employees' needs, the salary and responsibilities were not compatible and the career path advancement was not compensated for lack of salary increase. In contrast, the factors which influenced to employees' job satisfaction was the employee appreciation to the task achievement, followed by the relationship with the colleagues, the pride to work for Amari, the understanding of how the job aligns with the company's mission, and the balance between my job and families responsibilities, respectively.

**Lee and Jimenez (2011)** explained further that performance-based rewards, supervision support reduce the possibility that employees will opt to leave their current jobs, and job satisfaction is the most important predictor of turnover intention.

**Mulky (2011)** explored the impact of person-job fit and person-organization fit on the job satisfaction, organizational commitment and turnover intentions of salespersons in India by a survey of pharmaceutical salespersons & found that person-job fit had a strong positive relationship with job satisfaction and person-organization fit had a positive relationship with organizational commitment.

**Joarder and Ashraf (2012)** analyzed that training and performance appraisal, work atmosphere, compensating package, supervision and company loyalty are the key factors that positively influence job satisfaction which in turn reduce employees' turnover. The study also finds that the employees of this company possess the above at the moderate level and positive attitude towards work satisfaction which causes lower turnover incidence.

**Raddaha, et al. (2012)** investigated the factors that influence job satisfaction and dissatisfaction and the intention to leave. He reported that supervision, co-worker relationships, and tenure have the influence on job satisfaction. However reported low satisfaction in terms of contingent rewards, fringe benefits and pay, these were highly associated with the employee's intention to leave their jobs. He also found that job satisfaction level as a total score was not related to any demographic variables; however, there were numerous associations between particular facets of job satisfaction and demographic variables. The levels of satisfaction between male and female on those job satisfaction facets also differed. It was also found that a substance of employees reported strong intention to leave their jobs due to low satisfaction. Hence there were impacts of employees' job satisfaction on intention to turnover.

**Teeraprasert and Khantanapha (2012)** carried out a study in Thailand regarding job satisfaction influence on employee turnover. The study focuses on the determinants of job satisfaction which affects employee turnover. The researchers provided approximately 350 blue collar employees with a self-administered questionnaire. The result shows that employees' intentions to leave their organization are highly affected by the lack of job satisfaction.

**Kanwal and Majid (2013)** investigated the factors which are the major contributors towards employee's job satisfaction. It was found that low pay, long working hours, bonuses and rewards and effective communication were the contributors towards job satisfaction or dissatisfaction and have the impact to the employee's intention to leave or stay in the organization.

**Shah (2014)** explored that Individuals are the most important factor in the organization on which employers and managers rely to face the complex issues and make critical decisions. Accordingly, organizations invest a lot in hiring, training and for furnishing their employees with skills and expertise, to use all of them for their own benefits. However, when employees leave the organizations, hurt their interest and all the investment goes to waste. This research study investigated the relationships between dispositional traits and job satisfaction to employee turnover intention. By applying Multiple Regression Analysis on 134 sample of the private banking

sector, this study concluded that positive affectivity and job satisfaction has the negatively significant relationship with turnover intention. However, negative affectivity has now relationship with turnover intention. This research may contribute to the literature of organizational and individual development. Furthermore, it may help human resource experts to understand turnover intentions more precisely than before and assist in making new human resource policies and strategies

### Objective of the Study

1. To Identify the Factors affecting Employee Turnover at private security agencies of Punjab.

### Hypothesis of the Study

**H<sub>02</sub>**: There are no significant differences in employee turnover across demographic characteristics/factors.

**H<sub>02A</sub>**: There are no significant differences in employee turnover across Gender group.

**H<sub>02B</sub>**: There are no significant differences in employee turnover across Age group.

**H<sub>02C</sub>**: There are no significant differences in employee turnover across educational qualification.

**H<sub>02D</sub>**: There are no significant differences in employee turnover across organizational tenure.

**H<sub>02E</sub>**: There are no significant differences in employee turnover across nature of employment.

**H<sub>02F</sub>**: There are no significant differences in employee turnover across experience in security guard agency.

### Research Design

Sr.No	Description	Contents
1	Problem Statement	To Identify the Factors affecting Employee Turnover at private security agencies of Punjab.
2	Group of Problems	Objective of the Study
3	Area of Population	Punjab
4	Sampling Technique	Convenience Sampling
5	Data Collection	Primary Data
6	Research Variables	4 Variables
7	Sample Size	451 respondents
8	Respondents	Employees of Some Selected Private Security Agencies

### Data Analysis

Apart from that demographic information, respondents were asked to rate their opinion according to five point Likert rating scale, with rating five being “Strongly Agree” and one being “Strongly Disagree”.

Analysis of data has been using quantitative and cross-sectional statistical tools like Frequency distribution, Percentage, Arithmetic Mean, Standard Deviation, Reliability Analysis (Cronbach’s Alpha). For hypothesis testing and analyzing significant difference Analysis of Variance test using General Linear Model (Univariate Analysis), Anova.

### Data Analysis and Interpretation

#### Demographic Analysis

In this section, the gender profile of the respondents, the majority of the respondents i.e. 78.3% is male and 21.7% respondents are female in the study. Most of the respondents (45.2%) are belongs to <20 years age group followed by 45.0% belongs to age group  $\geq 20 < 40$ . 9.8% respondents belong to age group of  $\geq 40$ .

According to Education the respondents i.e. 10.9% are post-graduate, 24.6% respondents are the graduate, 3.1% respondents are doctorate and only 6.9% respondents are the graduate. 49.9% respondents having intermediate and 14.6% respondents are the Metric pass. According to organizational tenure, 35.9%

respondents belong to an organization having tenure <10 years. 51.4% respondent belongs to an organization having tenure >=10<20 yrs. 12.6 % respondents belong to an organization having tenure >=20.

**Table1: Summary of Demographic Profile**

Variables	Groups	Frequency	Percent	Cumulative Percent
Gender	Male	353	78.3	78.3
	Female	98	21.7	100.0
Age	<20	204	45.2	45.2
	>=20<40	203	45.0	90.2
	>=40	44	9.8	100.0
Qualification	Metric	66	14.6	14.6
	Intermediate	225	49.9	64.5
	Graduation	111	24.6	89.1
	Post Graduation	49	10.9	100.0
Organizational Tenure	<10	162	35.9	35.9
	>=10<20	232	51.4	87.4
	>=20	57	12.6	100.0
Nature of Employment	Permanent	88	19.5	19.5
	Contract	300	66.5	86.0
	Adhoc/Others	63	14.0	100.0
Experience in Security Agencies	<5	313	69.4	69.4
	>=5<10	96	21.3	90.7
	>=10<20	25	5.5	96.2
	>=20	17	3.8	100.0

**Source: Primary Data**

According to nature of employment 66.5%, respondents working on the contractual basis and 19.5% are working as the permanent employee of an organization. 14% respondents are working on ad-hoc/others basis. As according to experience 69.4% respondents having experience less than 5 years and 21.3% respondents having experience between >=5<10 years. Only 3.8% respondents having experience >=20 years.

**Reliability Analysis**

To assess internal consistency of the items for each of the theoretical concepts, a Cronbach’s Alpha was computed for each factor assessing that the items were measuring the same concept. While desired  $\alpha$  levels were 0.70 (Stevens, 2002; Vogt, 1998).

This study has overall construct Cronbach’s alpha ( $\alpha$ ) = 0.990 where is considered as acceptability and reliability.

**Findings of the Study**

**Table 2:Statement-wise Univariate Analysis of Demographic Variables**

Sr. No.	Research Statements	Gender	Age	Qualification	Organizational Tenure	Nature of Employment	Experience
	<b>Employee Job Turnover</b>						
1	I will probably look for a new job in the next year	0.37	0.03*	0.21	0.54	0.20	0.39
2	I often think about quitting	0.24	0.19	0.42	0.28	0.06	0.53
3	Presently, I am actively searching for another job	0.18	0.21	0.30	0.37	0.17	0.66
4	The first pages of a newspaper I read daily are the job advertisement pages.	0.17	0.16	0.27	0.34	0.26	0.31

**Source: Primary Data**

There are no significant differences across demographic variables (Gender-wise, Age-wise, Qualification-wise, Organizational Tenure, Nature of Employment and Experience-wise) with respect to the above all research statement.

### **Analysis of demographic Variables and employee turnover in One Way Anova**

The results of the current study show that there was no significant difference between demographic variables i.e. age, gender, qualification, nature of work, organizational tenure and experience with respect to employee job turnover.

- Majority of respondents across the category (gender-wise) pointed that there is no significant difference in respondent opinion with respect to the hypothesis “There are no significant differences in employee job turnover across Gender group (p=0.294).
- Majority of respondents across the category (Age-wise) pointed that there is no significant difference in respondent opinion with respect to the hypothesis “There are no significant differences in employee job turnover across Age group (p= 0.681).”
- Majority of respondents across the category (Qualification-wise) pointed that there is no significant difference in respondent opinion with respect to the hypothesis “There are no significant differences in employee job turnover across qualification groups (p= 0.589).”
- Majority of respondents across the category (organizational tenure-wise) pointed that there is no significant difference in respondent opinion with respect to the hypothesis “There are no significant differences in employee job turnover across organizational tenure groups (p= 0.444).”
- Majority of respondents across the category (nature of employment-wise) pointed that there is no significant difference in respondent opinion with respect to the hypothesis “There are no significant differences in employee job turnover across nature of employment (p=0.170).”
- Majority of respondents across the category (experience-wise) pointed that there is no significant difference in respondent opinion with respect to the hypothesis “There are no significant differences in employee job turnover across experience (p= 0.756).”

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