

# WHY people leave

A “behind the scenes” look at the psychology of staff turnover.

**N**o one can disregard the significant impact of the late Peter F. Drucker on contemporary organizations, on intellectual thoughts or even on working practices. He was named the ‘Father of Modern Management’, and a ‘Management Guru’, not only because of his writing on people, performance and management, but also because he inspired many management practitioners to think critically and be his followers.

Staff turnover has been, and remains, an active area of study within HRM and business psychology, and the days of having employees who stick with one job for their entire career may be over, with the exception of government employees who like to stay in their comfort zone. And, although turnover remains a perennial concern for employers, during the pandemic, we witnessed the reactions of many companies, what types of organizations we have and what messages we are sending to the public.

Three of the top private business companies have shown their real faces to the public. The first one announced no downsizing, no layoffs and no salary reductions, but full support to all employees and their families in such hard-times. The second company declared a 25% salary cut to be increased to 50% if necessary and appropriate. The third company stated that, for the survival of the company, they had to lay off and termination some employees.

Aside from the above examples, in this article, we will look behind the scenes to explore why people leave. But, first things first.

## TURNOVER ANALYSIS

In analyzing employee turnover, we need to ask ourselves is it (1) voluntary or involuntary, (2) functional or dysfunctional, or (3) avoidable or unavoidable? Having got the answers to the reasons, we need to move forward and ask ourselves: Can we predict employee turnover? The answer is, “Yes.”

Employee turnover intention is an employee’s reported willingness to leave the organization within a given period of time, and is considered the best predictor of actual employee turnover. Since employee turnover can have a detrimental impact on business, it is important to understand the determinants of such a choice. We know that waiting for people to resign and chasing them out the door with a better offer doesn’t work.

In addition to using machine learning to analyze the potential of employee leaving, practitioners can easily observe the following symptoms: Bad working culture, role conflict, absenteeism rate, workplace stress, role overload, degree of routine tasks, lateness, and cognitive ability of the individual. Those are some of the quick observable indications that your organization will suffer from staff turnover. Furthermore, the impact of the

psychological contract on the intention of the departing employees cannot be ignored.

## THE STAYERS

One strategy to understand employees’ turnover (leavers) is to better identify the factors that influence an employee’s decision to stay (stayers), and we all know the factors and reasons for them to stay. The decision making process that underlies employees’ decisions to stay in or leave jobs varies tremendously across individuals.

An employee who isn’t looking for anything new may get an offer that can’t be refused from a competing business, while others may quit to go back to continuing their education or stay home or any other good or bad reasons. Even external factors like the economy impact people’s readiness to switch jobs.

Common retention management practices, such as exit interviews, attitude surveys or staff satisfaction questionnaires only identify leavers after they have made the decision to leave. While a company may obtain very valuable information from termination interviews, this kind of approach has two indicator defects:

1. It looks at only one side of the coin - the termination side. If a company wants to keep its employees, then it should also study the reasons for retention and continuation, and work to reinforce these. From the viewpoint of a company’s policies on employment and turnover, the reasons why people stay in their jobs are just as important as the reasons why they leave them. An obvious point in evidence is that one individual will stay in a job under conditions that would cause another to start pounding the pavements. In the corporate setting, there are definite rationales for terminating and definite, although sometimes unconscious, rationales for continuing; and
2. This approach also tends to assume a perfect correlation between job dissatisfaction and turnover. Many a company has a low turnover and think a low rate suggests that their employees are pleased with their jobs. This is not necessarily true, by any means. A low rate



FROM EGYPT

**BY PROF. DR M AMR SADIK**  
Chairman and CEO of Quodrat Egypt

may just be the effect of a tight job market, like nowadays. There are many factors involved. The fact that employees’ stays on a payroll is meaningless; the company must also know why they are staying.

By helping managers identify employees at the highest risk of leaving before they exit, organizations may be able to prevent turnover.

## THE LEAVERS

Almost all of us have experience being a candidate for a job. The argument made here that there is a significant correlation and/or influence of recruitment and selection on employee turnover could be the preliminary reason.

There are some factors that affect the recruitment and selection in which bad hiring decisions can be made:

- Company reputation;
- Labor market and availability; and
- Time constraints.

When hiring employees, companies are interested in assessing at least two types of fit. Organizational fit, that refer to the degree to which a person’s values, personality, goals





and other characteristics match those of the organization, and job fit is the degree to which a person's skill, knowledge, abilities and other characteristics match the job demands. To a great extent, the majority of companies are making their hiring decisions based on job-fit, and ignoring the other side of the story.

The cultural fit is as important as the technical skills when hiring. The company must take into account the professional profile that usually adapts better to the corporate values. This type of evaluation greatly increases the chances of retention, after all, it is very common for a worker to give up the job shortly after being hired due to difficulties of adaptation. In addition, carrying the values that are important to the company impacts not only on the quality of the work but also the desire to build a career in the field.

In 2007, I was instructed to search for a Chief Commercial Officer for my company in order to manage sales and marketing, customer relations departments. After a lengthy search, we finally found the right candidate.

Having invited him to fly over for a full day interview with the Vice President, Chairman and myself (CHRO), we have concluded that,

despite his expertise, the impressive results he attained with his current employer, all the good credentials he has, and the job-fit, he does not fit with our organizational culture and values. Thus, he was rejected.

As a prerequisite to the development of a program to manage retention, certain difficult questions must be answered:

- Why do employees stay?
- What are their values for working and for living?
- What are the right and wrong reasons for employees staying in their jobs?
- How dissatisfied is dissatisfied?

Finally, in reducing the potential turnover within the company, we have to look into consistent selection. After all, by choosing the employees that fit as closely as possible to the needs of the company, we can contain such turnover. ■

**PROF. DR M AMR SADIK** is Chairman and CEO of Quodrat Egypt. He is an HBR Advisory Council Member, Adjunct Professor IPE Management School, Paris, and of Middle East Programs for, Victoria University, School of Management, Switzerland.

Cancer is increasing so it is important to know the warning signs and to promote early detection to enable better treatment outcomes.

Research • Educate • Support

**Employee Wellness Programme**

Call CANSA Toll Free  
0800 22 66 22  
nbuwellness@cansa.org.za  
www.cansa.org.za

**BENEFITS:**

- ➊ Convenience
- ➋ Professional
- ➌ Feedback
- ➍ Cost saving
- ➎ Cancer risk reduction
- ➏ CANSA patient support
- ➐ Workplace support when a colleague is diagnosed with cancer
- ➑ Valued workforce

CANSA can help employers reach Sustainable Development Goals through the CANSA Employee Wellness Programme

072 197 9305  
071 867 3530

ENGLISH, AFRIKAANS, ZHOSA, ZULU, SOTHO, XHOSA