

**THESIS**  
**ON**  
**FACTORS AFFECTING**  
**TURNOVER**

In The AVIATION INDUSTRY

**Supervisor: Mr. Tahir Masood**

**Researcher: Rehana Naseem**



Department of Management Sciences

# CONTENTS

<b>ABSTRACT</b>	<b>1</b>
<b>INTRODUCTION</b>	<b>3</b>
<b>RATIONALE</b>	<b>8</b>
<b>PROBLEM STATEMENT</b>	<b>9</b>
<i>A BRIEF STATEMENT OF WHY THE PROBLEM IS SIGNIFICANT</i>	<b>10</b>
<b>LITERATURE REVIEW</b>	<b>12</b>
JOB RELATED FACTORS	<b>176</b>
VOLUNTARILY VS. INVOLUNTARY TURNOVER	<b>187</b>
ORGANIZATIONAL FACTORS	<b>198</b>
<b>STRATEGIES TO MINIMIZE EMPLOYEE TURNOVER</b>	<b>ERROR! BOOKMARK NOT DEFINED.9</b>
<b>RESEARCH THEORY AND HYPOTHESIS</b>	<b>21</b>
DEMOGRAPHIC FACTORS	<b>21</b>
CONTROLLABLE FACTORS	<b>22</b>
UNCONTROLLABLE FACTORS	<b>24</b>
<b>MODEL</b>	<b>25</b>
<b>METHODS</b>	<b>26</b>
<b>RESULTS</b>	<b>27</b>
DEMOGRAPHIC CHARACTERISTICS	<b>27</b>
HYPOTHESIS TESTING	<b>ERROR! BOOKMARK NOT DEFINED.9</b>
CORRELATIONS OF TI AND DEMOGRAPHIC FACTORS	<b>30</b>
<b>ANSWERS OF 5 IMP QUESTIONS</b>	<b>32</b>

<b>DISCUSSION OF THE RESULTS</b>	<b>38</b>
<b>RECOMMENDATIONS</b>	<b>42</b>
<b>APPENDIX</b>	<b>43</b>
<b>QUESTIONNAIRES</b>	<b>49</b>
<b>REFRENCES</b>	<b>53</b>

## **ABSTRACT**

Today and in past few years the topic of turnover is continuously drawing the attention of the researchers. Turnover supervisory evaluation is the topic of my research. My area of research goes on explaining the the factors affecting turnover while the early attempts of researchers were to find the correlates of turnover. My area of study deals with issue related to employee performance in making decision to stay with the organization or leave. Early research in this topic has diagnosed that superior performers have high turnover as they see more opportunities of employment outside their current organization. It has been found out in the past research that turnover is very low among the best performers-McEvoy and Casion(1981) found out a  $-.28$  correlation between turnover intentions and turnover indicating that turnover is lower among the best performers.

Jackof sky (1984) has taken a theoretical stance in which he argues that employee performance is related to turnover. However, in involuntary and voluntary turnover (I.e no volitional which means that turnover in reponse to administrative threat of being fired), then job performance will be negatively related. Therefore, the relationship between the performance and turnover should have been curvilinear. Because the turnover should be terminated, the average or satisfied workers should stay and the best performers should be motivated and given opportunities of growth. Up till now there has been less investigated research on this proposed relationship.

Turnover is evaluated for every type of company. It can be for individual company or for the industry as a whole. A company of the same industry having a high turnover means that in this company the employees have shorter tenure compared to the companies in the same industry. The productivity of the company goes down when there is high turnover, if the percentage of skilled and novice workers leaving the Organization is high.

For any business, especially the running business the employees are very important for it, otherwise it would be unsuccessful. According to the bureau of Labour Statistics 2006, employees remain in the organization for approximately 2 years.

High Turnover does not only indicate towards the dissatisfaction of employees in regards of work or compensation, it also points at the insecure, unhealthy environment or that only few employees are able to give satisfactory performance (due to poor recruitment process and unrealistic expectations). The predictors of high turnover have been cited as dissatisfaction from the work, unhappy or uncomfortable with the environment, conflict with the management or lack of career opportunities.

On the other hand the low turnover states that non of the above mentioned statistics are true. To the employer, the employees seems to be satisfied at their work and the performance is upto the expectations of the employer. However, the factors of both high and low turnover varies at times. There can be a difference between it. Apart from the fore mentioned benefits of having better career opportunities, salary, corporate culture and above all the friendly environment of the company has tremendous affect on the employees' decision to stay with the current employees.

This research examines one of the major human resource issue i.e. employee turnover and its impact on performance in the aviation industry of Pakistan. The purpose of this study is to determine if the turnover factors have the significant influence on the performance and developed strategies on how to minimize employee turnover in the Aviation Industry.

A 30-question, sub-standard questionnaire with a Likert- type scale was used for collecting data. The data is collected from 50 employees form each company. The statistical Software, SPSS was used to analyze the data and the tool was correlation.