Employee Turnover & It's Impact on Apparel Industry in Bangladesh: A Case Study of Mondol Group

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Abstract This study attempts to identify the particular reasons behind turnover and its damaging effects on the apparel industry in Bangladesh. The term "employee turnover" is a crucial metric that's usually central to organizations workforce planning and strategy. The impact of turnover has received substantial attention by senior management, human resources professionals and textile engineers in apparel industry. To explore turnover in larger detail, this text can examine the most sources of turnover rate, its effects and advocate some ways on however a company will retain staff and scale back turnover rate in apparel industry in Bangladesh. The results of this study area unit expected to be helpful for numerous apparel industry for taking remedial measures to scale back the worker turnover that is the major resource in determining the general success of an apparel industry.

Keywords Employee turnover, Staff turnover, Causes and effects of employee turnover, Employee retention strategy

1. Introduction

Today's competitive business world, it is considered to be an important task to manage employee turnover for any organization. Naturally people want diversities in his/her everyday life; seeks for new and challenging jobs and good working environment in job place [15]. To provide these things to the employees in an economic way is very difficult and cumbersome. But it is also crucial for any organization to retain its talented employees. Every organization wished to have high productivity, fewer turnovers and to be profitable. Managing turnover successfully is a must to achieve the above goals. In Bangladesh, it is very important to manage turnover for both government and non-government sectors. In government sectors, although some fringe benefits are given to the employees regularly do not satisfy them sufficiently. In private sectors, though salary and benefits are high but security of job is less. Due to these reasons turnover rate in private sectors are higher than public sectors. Turnover rate also varies from manufacturing to service sectors. Very few researches have been conducted related to turnover in Bangladesh so far. The owners of the business organizations do not concentrate on this important issue because of less awareness. They have little idea about how detrimental the effect of turnover is into the productivity of their organizations. Hence, this study tries to find out the damaging effects of turnover on the apparel industry in Bangladesh.

2. Objective of the Study

The objective of the study is to measure the casual relationship between employee turnover and its impact on apparel industry in Bangladesh.

a. To investigate the employee turnover and its impact on organizational productivity.
b. To examine the relationship between employee turnover and organizational effectiveness.
c. To explore the relationship between employee turnover and job satisfaction.
d. To find out the causes of employee turnover and remedies of it.
e. To evaluate the solution and follow up it.

3. Literature Review

Turnover is an index of organizational effectiveness and as such it authorizes attention and some understanding of itself. Additionally, however information on turnover can help the planning, prediction and control of resources. Despite an enormous literature on turnover in organizations, there is as yet no universally accepted account or framework for why people choose to leave. The phenomenon of turnover is of interest to organizations and theorists because it is significant, potentially costly and relatively clear cut. It also describes the end result of a decision process. The goal of 'effective management of turnover' dictates that a high

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level of sophistication, and thereby particularity, needs to be achieved by organizations in order to selectively influence the turnover process. However, the phenomenon has not so far proved amenable to prediction. Although some researches have focused on potential predictors of turnover behavior, such as job tenure, locus of control etc.

3.1. Employee Turnover

Employee Turnover is technically and mathematically defined as the ratio of the number of workers that had to be replaced in given time period to the average number of workers. Put simply it is an instance when an employee leave their position at their workplace and need to be replaced.

Employee turnover is a ratio comparison of the number of employees a company must replace in a given time period to the average number of total employees. A huge concern of most companies, employee turnover is a costly expense especially in lower paying job roles, for which the employee turnover rate is highest. Many factors play a role in the employee turnover rate of any company, and these can stem for both the employer and the employees. Wages, company benefit, employee attendance, and job performance are all factors that play a significant role in employee turnover. In a human resources context, turnover or labor turnover is the rate which an employer gains and losses employees. High turnover can be harmful to a company's productivity if skilled worker are often leaving and the worker population contains a high percentage of novice workers.

4. Causes of Turnover

Turnover basically arises from the unhappiness from job place for individual employee. But being unhappy in a job is not the only reason why people leave one company for another. If the skills that they possess are in demand, they may be lured away by higher pay, better benefits or better job growth potential. That's why it is important to know and recognize the difference between employees who leave the job because they are unhappy and those who leave for other reasons. There are number of factors that contribute to employee turnover. We explore some of these factors in more detail below:

(i)   The economy - in exit interviews, one of the most common reasons given for leaving the job is the availability of higher paying jobs.

(ii)   The characteristics of the job - some jobs are intrinsically more attractive than others.

(iii)   Demographics - empirical studies have demonstrated that turnover is associated in particular situations with demographic and biographical characteristics of workers.

(iv)   The person - In addition to the factors listed above, there are also factors specific to the individual that can influence turnover rates. These include both personal and trait-based factors.

(v)   A bad match between the employee's skills and the job

- Employees who are placed in jobs that are too difficult for them or whose skills are underutilized may become discouraged and quit the job.

(vi)   Substandard equipment, tools or facilities - If working conditions are substandard or the workplace lacks important facilities such as proper lighting, furniture, rest rooms and other health and safety provisions, employees will not be willing to put up with the inconvenience for long time.

(vii)   Lack of opportunity for advancement or growth- If the job is basically a dead-end proposition, this should be explained before hiring so as not to mislead the employee

(viii)   Feelings of not being appreciated - Since employees generally want to do a good job, it follows that they also want to be appreciated and recognized for their works.

(ix)   Inadequate or lackluster supervision and training- The absence of a training program may cause workers to fall behind in their level of performance and feel that their abilities are lacking.

(x)   Unequal or substandard wage structures-Inequity in pay structures or low pay is great causes of dissatisfaction and can drive some employees to quit.

5. Relationship among Turnover and Productivity

Turnover deeply related with the productivity of an organization. Employee turnover can hamper the overall productivity of an organization and is often a symptom of other difficulties.

This problem is one of the main factors for Ready Made Garment (RMG) sectors in Bangladesh. Small percentage of turnover may cause considerable amount of production loss. Turnover directly affects the production and productivity. It causes a replacement which is costly and time consuming. So many formalities have to maintain to replace a person. During that time production is hampered to a great extent. There are also other difficulties during the replacement of workers such as follows:

- The newly replaced worker may not be efficient like the previous one. The newer one takes time to be easy with the new system, with the co-worker, to be habituated with the new environment etc.

- During the time of replacement the co-worker faces problems due to the vacancy. After the replacement the co-worker have to spend time from their task to help the new worker.

- Some organizational authority point on the turnover tendency of the worker that affects their productivity. Suppose, a worker may get assurance from another organization for joining and the joining date may be after one month later, then the worker gives up concentration from working. At the time productivity of the organization falls down.

- Newly appointed employee may not be trained properly for the new position and needed time consuming training for settle down with the new job place.
- There may be cultural differences between new employ- yes with the previous one which slows down his / her job performance. Demographic position also influences workers performance and characteristics.

All the causes mentioned above contribute hugely to the damage of productivity of any organizations or service sectors. Care therefore must be taken to reduce or minimize turnover rate as minimum as possible.

6. Research Methodology

6.1. Research Design

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. The research design for this study was a descriptive survey through questionnaire. The purpose of using descriptive surveys was to collect detailed information that describe an existing phenomenon. From a review of literature, a survey questionnaire was developed to collect data for the study the primary data was collected through this form of questionnaire and was hand delivered to the target employees. The questions were filled by the participating employees and were returned. After that, the results were further analyzed using descriptive statistical analysis method to find out how the employee turnover affect their production. This study is a descriptive survey because it adopted the use of questionnaire aimed at finding the impact of Employee turnover on organizational performance.

6.2. Target Population

A population refers to the aggregate of all cases that conform to some designated set of specifications it is the entire set of relevant units of analysis or data. For this study, employees with different designation and experience level were chosen as target population over 4 unit of Mondol Group. A total of 50 people were chosen and they were provided with the questionnaire. Their answers were collected as primary data. Afterwards these data were analyzed to get an overall idea regarding impact of employee turnover on different stages showing target population (Table 1).

6.3. Sampling Design and Size

A sample of about 50 people was selected from the target population, based on their designation and experience level. The sampling was done using stratified random sampling method, in which the population are divided into groups (in this case, designation wise and experience wise) based on factors that may influence the effect of motivation. In stratified random sampling, the strata (groups) are formed based on members' shared attributes or characteristics. Its advantages include minimizing sample selection bias and ensuring certain segments of the population are not overrepresented or underrepresented showing sample (Table 2).

6.4. Data Collection Instrument

We employed a self-administered questionnaire of descriptive type to collect primary data before analyzing. This questionnaire is convenient in many ways. Firstly, the respondents answer at their convenience. Secondly, there is no need to set up interview appointments. Furthermore, no interviewer is present to inject bias in the way of questions asked. Moreover, the low cost-per-completion makes it an economical method of surveying large sample.

Table 1. Target Population

Unit	Frequency	Number of Employees Interviewed
Cotton Club	1	14
Tropical	1	12
Cotton Clothing	1	12
Cotton Clout	1	12
Total		50

Table 2. Sampling design and size

Unit	Frequency	Sample size	No. of respondent	Sample population
Cotton Club	1	1	14	14
Tropical	1	1	12	12
Cotton Clothing	1	1	12	12
Cotton Clout	1	1	12	12
Total				50

6.5. Data Analysis and Presentation

We used Microsoft Excel as a data management and statistical analysis tool which has a very versatile data processing capability. It is an electronically storing questionnaire data. It also generates routine descriptive statistical data for question responses, such as frequency counts of closed questions, distribution of multiple-choice question responses etc. It creates graphical presentations of questionnaire data for reporting, presentations or publication which also explores relationships between responses to different questions collating open question responses.

We developed questionnaire by using 5 scale method where, Strongly Agree is good & strongly disagree is bad.

Table 3.   Questionnaire for employee turnover

| Sl No.	Question	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	Company provide all the benefit. Are you agree with it?	4%	10%	16%	60%	10%
2	Salary structure is perfect in this organization. Are you agree with it?	6%	12%	16%	50%	16%
3	Company provide various job to employee. Are you agree with it?	8%	10%	14%	18%	50%
4	Positive attitude from supervisor. Are you agree with it?	14%	16%	30%	20%	20%
5	Company provides proper training to management. Are you agree with it?	12%	16%	30%	24%	18%
6	Job security is higher in this organization. Are you agree with it?	16%	20%	24%	16%	24%
7	Company offer promotion timely. Are you agree with it?	0%	6%	8%	30%	56%
8	Increment system is perfect. Are you agree with it?	24%	28%	32%	16%	0%
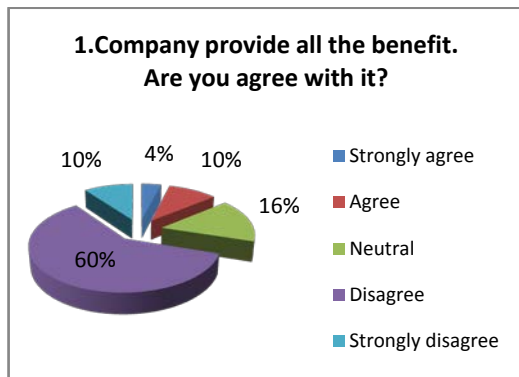
Figure 1.   Benefit

Figure 2.   Salary structure

Figure 3.   Various job

Figure 4.   Positive attitude

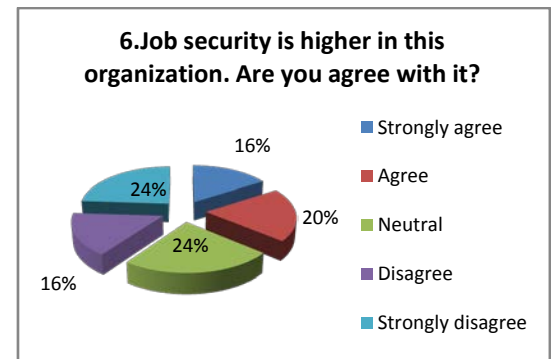**Figure 5.**   Proper training
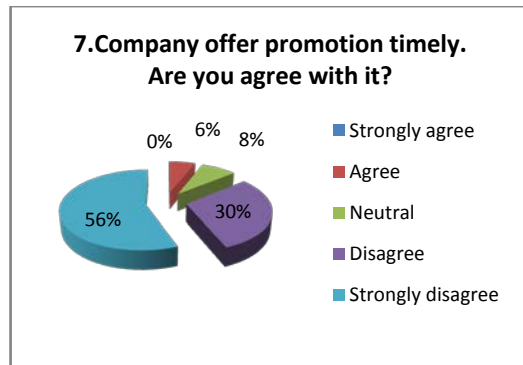

Figure 6.   Job security
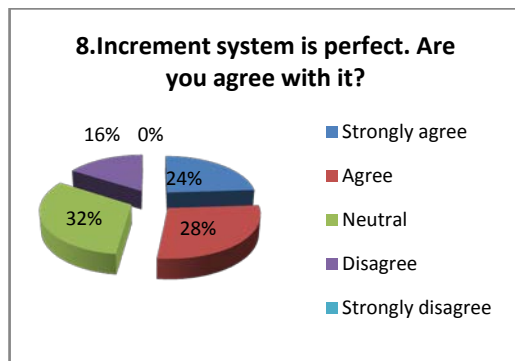
Figure 7. Promotion

Figure 8. Increment

7. Results and Discussion

During the project we found that the company should adopt these strategies to come up the problem of employee turnover:-

1. **Benefit:** Offering employees an affordable medical, dental and vision package in this day and this is a great way to keep employees happy. Healthy employees are happy employees, and being able to provide affordable health care for their spouses as families as well as something every company should offer. An added bonus could be vacation time, sick leave, on-side child care would be extremely helpful for parents who have to work long or late hours-especially single parents.

2. **Higher pays** giving employees regular raises and paying well over minimum wage.

3. **Job variation** employees get burned out on performing the same job every hour every day, day in and day out for years, even months. Cross training should be done, especially in food service and retail, in order to avoid burnout.

4. **A positive attitude from supervisor.** Most employees don't like negativity from their supervisors. Instead of always being told what they're doing wrong, they need positive reinforcement as well as constructive criticism. Managers and supervisors should always have a positive attitude toward their employees and never insult, criticize or berate them.

5. **Proper training for management.** Managers should be trained thoroughly or consistently. The policies from location to location should be the same, and every manager and supervisor in the company should be trained in the same way and be in agreement and consistent with company policies. Mangers should be trained to treat their employees to respect, because without those employees, the business could not operate.

8. Conclusions

Turnover is a burning issue for any organizations. For the steady productivity of an organization it is essential to maintain its skilled workforce. But most of the times it is very difficult to control the turnover rate within organizations. There are so many factors that affect turnover. Accor- ding to the theoretical discussion and the case studies many solutions to reduce turnover has been discussed. First of all, obviously satisfactory salary structure helps to reduce turnover though job security also an important issue too. But it is not the only and always the solution for the authority. A person does not stay in an organization only for salary but he/she may stay for many other reasons such as, rearranging employees, good stream relation, better working environment, preferable job location etc.

Most of the work of this paper is obviously theoretical but a complete mathematical model to measure this turnover rate can be done in future research. If the skill of the employee or worker is expressed in terms of weight or in percentage, a mathematical model then could be possible to measure the direct relationships of turnover and productivity. To develop such model we have to consider so many factors such as; relationships among wage and salary structure, compensations, fringe benefits, location advantage, job security, social and economic factors to turnover etc. To integrate all these factors in a model could show a new way to control turnover for the managerial concern.

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