

The Dynamic Nature of Collective Turnover

Key Finding: The article examines dynamic properties of turnover rates from a context-emergent turnover (CET) perspective. It analyses the impact of turnover rates in terms of quantity and quality, replacement hires’ quantity and quality, and turnover dispersion on unit performance over time. The results are useful for understanding how to manage “real-world” turnover, which is embedded in a certain context and in time.

Executive Summary: CET theory conceptualizes turnover as occurring within flows of human capital resources (HCR). Therefore, it looks at turnover rate changes (flow out), staffing changes (flow in), and changes in unit performance over time. HCR inflows and outflows are evaluated on the basis of their quantity and quality. Moreover, CET distinguishes between a static *turnover rate* and *turnover rate change*, where the latter is the change in turnover rates over time. Finally, CET takes *turnover dispersion* into account, which is the distribution of turnover events across time. The results of the study support four of the authors’ hypotheses:

	Hypothesis	Explanation
H1	After accounting for turnover rate, turnover rate change is negatively related to changes in unit performance over time.	Units experience poorer performance as turnover rates increase over time.
H2	Turnover rates interact with turnover rate change to influence unit performance change. When turnover rates are high, the negative turnover rate change-change in unit performance relationship is weaker (less negative).	Units with high turnover suffer lower unit-performance losses as turnover rates increase than the losses experienced by units with low turnover.
H3	The negative relationship between turnover rate change and the change in unit performance is moderated by the quality of turnover. As turnover quality increases over time, the turnover rate change-change in unit performance relationship will be stronger (more negative).	Units with high-quality turnover suffer greater unit-performance losses as turnover rates increase than the losses experienced by units with low-quality turnover.
H4	The negative relationship between turnover rate change and the change in unit performance is moderated by the turnover dispersion. As turnover dispersion increases over time, the turnover rate change-change in unit performance relationship will be weaker (less negative).	Units with high turnover dispersion suffer lower unit-performance losses as turnover rates increase than the losses experienced by units with low turnover dispersion.

The quality and quantity of replacement hires were not found to have a statistically significant moderating effect on the turnover rate change-change in unit performance relationship. Nonetheless, these aspects are an important part of the holistic HCR system and they require attention when managing turnover.

What are the practical implications for my organization?

- Analyze static turnover rates as well as turnover rate change to gain a complete understanding of turnover in your organization, as rates and rate changes require different actions.
- Increase efforts to retain high-quality employees because their loss has greater negative cumulative effects on performance.
- Closely evaluate collective HCR flows (i.e., the quantity and quality of turnover and replacement) because better forecasting and integrated strategies can help mitigate the negative effects of turnover.

Summary of: Call, M. L., Nyberg, A. J., Ployhart, R. E., & Weekley, J. (2015). The dynamic nature of collective turnover and unit performance: The impact of time, quality, and replacements. *Academy of Management Journal*, 58(4), 1208-1232.