

Causes and Consequences of Collective Turnover

Key Finding: The article summarizes the vast amount of research on the drivers and outcomes of organizational turnover. It shows that multiple drivers affect organizational turnover and that high turnover is associated with various negative outcomes for the firm. This knowledge is useful for managers wishing to understand the underlying causes of turnover and its effect on firm performance.

Executive Summary: The authors find six distinct drivers of organizational turnover:

Driver	Turnover risk	Explanation
HRM inducements and investments	↓	Investments in human capital that contribute to employee commitment and satisfaction, such as high-commitment HR systems, benefits, pay, and training.
HRM expectation-enhancing practices	↑	Practices that reduce autonomy and increase control over employees, such as increased monitoring, greater managerial oversight, and more routinization of tasks.
Shared attitudes toward the job and organization	↓	Shared perceptions among employees, such as aggregate views of job satisfaction and engagement.
Quality of work group and supervisory relations	↓	Employee perceptions of the quality of relationships within work groups and with the supervisor in terms of, for example, the group climate, group cohesiveness, and supervisory relations.
Job alternative signals	↑	Whether employees have good job opportunities outside the organization, as reflected in such factors as labor-market trends, unemployment rates, and levels of education.
Job embeddedness signals	↓	Whether there is a close fit between the employee and the organization, and whether the employee feels leaving the organization would represent a sacrifice; often characterized in terms of tenure, experience, employee age, gender, and union presence.

The article also sums up some of the most influential outcomes of organizational turnover. Collective turnover has a particularly negative effect on customer satisfaction, profit margins, production efficiency, and sales.

What are the practical implications for my organization?

- Regularly monitor your organization's turnover using HR dashboards or other reporting tools. This allows you to target initiatives at key areas.
- Think of possible interventions that might help reduce turnover in important, high-risk areas. These might include stronger internal mobility, more high-commitment HR practices, and participation-enhancing designs.
- Be aware of contextual characteristics (e.g., the labor market) that affect turnover but have nothing to do with management or HR practices. Consider whether these characteristics influence turnover in some of your high-risk areas.

Summary of: Heavey, A. L., Holwerda, J. A., & Hausknecht, J. P., (2013). Causes and consequences of collective turnover: A meta-analytic review. *Journal of Applied Psychology*, 98(3), 412-453.