

Key Success Factors for Organizations in Controlling Employee Turnover

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Article Info	ABSTRACT
Submitted: 17-04-2025 Final Revised: 23-04-2025 Accepted: 28-04-2025 Published: 28-04-2024	<p>This study aims to identify the factors that influence employee turnover and to explore effective strategies to control it. Employee turnover, which refers to the permanent resignation of employees either voluntarily or involuntarily, can significantly disrupt organizational operations and hinder goal achievement, especially when involving competent and high-performing staff. A descriptive analysis method was employed, with data collected through a literature review from academic books, journal articles, and research reports related to employee turnover. The findings reveal that key factors contributing to turnover include weak organizational culture, low job security, limited career advancement, insufficient recognition and benefits, lack of work flexibility, and poor work-life balance. If not managed properly, these factors can lead to increased dissatisfaction and voluntary resignation. The study highlights that organizations must proactively implement comprehensive retention strategies, such as competitive compensation, transparent career development paths, supportive leadership, and flexible work arrangements. The implications of this study suggest that by addressing these areas, organizations can reduce turnover rates, enhance employee satisfaction, and foster long-term organizational success and stability.</p> <p>Keywords: turnover, turnover intention, turnover control, employees</p>

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Introduction

Human resources are one of the drivers of an organization or company that must be managed as best as possible, especially quality human resources (Darmawan et al., 2020; Hardiyanti et al., 2017; Tri & Thanh, 2022). One of the problems that an organization often experiences is the high turnover rate, even though employees are one of the important assets in ensuring the achievement of an organization's goals. The rapid development of industrial and technological innovation is one of the driving factors for competition between business actors. In order to survive, it is necessary

to gain the public's trust as consumers. Organizations will make changes by making innovations, increasing target achievements, and improving services.

Many organizations have difficulty retaining their employees and are unable to anticipate this. One of the indicators is that employees who have the competence to resign so that they can disrupt the performance of an organization. This reflects the organization's health, employee satisfaction, and commitment. Organizations not only lose potential employees but can also lead to a poor view of the organization's partners, and can cause losses to the organization itself.

Turnover is grouped in several ways; each classification can be used and is not separate from the others, namely, Involuntary and voluntary turnover. Involuntary turnover is carried out by dismissal due to poor performance and violation of work regulations, while voluntary turnover of employees leaves the company due to their desires (turnover intention). Involuntary turnover is triggered by organizational policies, work regulations, and work standards employees do not meet. Many factors, including career opportunities, salary, supervision, geography, and personal or family reasons, can cause voluntary turnover.

Not all turnover negatively impacts an organization because losing generations of employees is highly desirable, especially those who are underperforming and less reliable, or who annoy colleagues. Unfortunately, what often happens is that important and high-performing employees leave at critical moments.

Organizations will be better able to retain employees if they can handle employee problems that can cause turnover. While turnover is inevitable, organizations should know that reducing turnover is essential. Turnover losses, including reduced productivity, have made organizations put in serious effort to manage employees (Ardela, 2019; Wahyunata, 2021).

For several reasons, efforts to retain employees have become a significant issue in various organizations. Employee turnover will increase the organization's burden and the number of people who must be recruited, selected, and trained. The organization will lose valuable assets and may not be able to replace them in a short period of time. Losing competent and qualified employees will cause operational disruptions that prevent the organization from achieving its goals.

Retaining the best employees owned by the company is a big challenge, especially with the phenomenon of the war for talent. Companies must pay serious attention to efforts to maintain superior-quality human resources so they do not leave or move out of the company.

Various factors, such as organizational culture, job security, career opportunities, recognition benefits, work flexibility, and work-life balance causes employee turnover. Organizations must have a strategy in place to prevent or reduce turnover rates. Therefore, the organization needs to identify the aspects that need improvement. Analyze factors that can affect turnover in the organization and find steps to control employee turnover successfully (Ait Alla & RAJÂA, 2019; Al-Suraihi et al., 2021; Duda & Žůrkova, 2013; Hossain et al., 2023; Salleh et al., 2020).

Employee turnover remains one of the most critical challenges for organizations, particularly in today's competitive business environment, where talent acquisition and retention define operational success. High turnover rates lead to operational disruptions, increased recruitment and training costs, and the potential loss of intellectual capital. Many organizations struggle to retain

their employees, especially competent and high-performing ones, which negatively impacts productivity and morale.

Additionally, the "war for talent" phenomenon has intensified the need for companies to maintain their top-performing employees. Employees leave organizations for various reasons, including job security, inadequate compensation, limited career growth, and an unsupportive organizational culture. These factors make it essential for organizations to understand why turnover occurs and proactively develop strategies to address the underlying causes.

The urgency of this research lies in the increasing need for organizations to remain competitive by retaining their best human capital. In the absence of effective turnover control strategies, companies risk facing workforce instability, decreased performance, and poor organizational reputation. Understanding and addressing turnover is not only necessary for internal efficiency but also vital for external sustainability and growth.

Lockwood (2007) emphasized that employee retention is an integral component of talent management strategies, highlighting that the ability to attract, develop, and retain talented individuals directly contributes to organizational productivity. This suggests that organizations must invest in comprehensive human resource frameworks to mitigate turnover risk.

Torrington et al. (2003) discussed five core retention strategies, such as compensation, induction programs, and employee development, that influence loyalty and reduce turnover intention. Their findings underscore the need for transparent HR practices and aligning organizational policies with employee expectations.

Mobley (1986) explored the psychological and organizational factors that drive employee turnover, emphasizing the importance of addressing dissatisfaction and disengagement. His work remains foundational in understanding how unmet expectations and poor leadership can significantly increase turnover rates.

Despite the abundance of studies on employee turnover, there is a lack of literature synthesizing key success factors for effectively controlling turnover from a strategic and holistic viewpoint. Most existing research addresses voluntary or involuntary turnover in isolation, rather than providing a comprehensive model that organizations can adopt to manage and reduce both types simultaneously.

This study offers a novel contribution by consolidating literature-based insights into a practical framework outlining key success factors for controlling employee turnover. Unlike previous research, it integrates psychological, organizational, and strategic dimensions to provide a well-rounded approach suitable for diverse organizational settings.

This research aims to identify and analyze the key factors influencing employee turnover and propose actionable strategies for organizations to control and minimize turnover rates effectively, thereby enhancing organizational stability and performance.

This study will benefit organizational leaders, HR practitioners, and policymakers by offering evidence-based recommendations for reducing turnover. It provides insights into how structured retention strategies can promote employee satisfaction, reduce operational costs, and contribute to a more resilient and competitive organization.

Research Methods

This study uses a descriptive analysis method by collecting data through a comprehensive literature review. The data were sourced from various academic publications, including books, journal articles, and institutional research reports on employee turnover. These sources were selected based on their relevance, credibility, and contribution to understanding turnover dynamics within organizational contexts. The literature collected addresses voluntary and involuntary turnover and retention strategies implemented across different industries.

The data were analyzed qualitatively using thematic analysis to identify patterns and categorize key factors contributing to employee turnover. This method allowed the researcher to synthesize findings from multiple sources, highlighting consistent issues such as compensation dissatisfaction, lack of career development, and weak organizational culture. Through this analysis, the study provides a structured overview of the significant causes of turnover and outlines effective approaches to mitigate them. The insights generated aim to support organizations in formulating strategic interventions for employee retention and overall workforce stability.

Results and Discussion

Handling Officer Turnover

The organization makes various efforts to retain its employees. Lookwood (2007), explains that retaining employees is an important part of the organization's approach to general talent management, defined as "the implementation of an integrated strategy or system designed to increase work productivity by developing processes to attract, develop, retain, and utilize people with the skills and talents needed to meet current and future business needs". Meanwhile, Susilo stated that retaining employees is how the organization maintains employees who have the potential to be owned by the organization, with all the abilities they have to remain loyal to the organization. An organization's success in achieving its goals results from operational activities that include the effective and efficient use of organizational resources. As a result, organizations must maintain their human resources to work well and generate profits for the organization. Human resources that are not maintained can increase employee turnover.

According to Torrington et al., there are five types of employee retention strategies, namely:

a. Compensation

The compensation strategy was first included because the compensation factor is often considered the main triggering factor in employee dissatisfaction, which ultimately causes employees to become disloyal to the organization. According to Herzberg's Two-Factor Theory, compensation is a hygiene factor. Employees feel dissatisfied when the organization cannot meet the hygiene factor. If employees feel dissatisfied, they will not work well and will not be loyal to the organization. Employees who are satisfied with their wages will work well, and the organization can expect loyalty from them.

b. Fulfillment of Expectations

An employee working in an organization has hope; the expectation is that the employee can work calmly, the hope of getting satisfactory financial compensation, and the hope of developing a career. The fulfillment of an employee's expectations actually falls into a psychological contract. The psychological contract includes aspects of a good working relationship between employees and the organization (De Vos in Rousseau, 1989). The organization promises to provide career development and promotion of employees, job content design, social environment, finance, and balance with the employee's personality.

c. Induction

Induction is an onboarding period for new hires. The purpose of induction is to make it easier for new employees to adapt to the new workplace, and can facilitate the delivery of basic information from an organization as well as all aspects of the organization's culture. (Torrington et al, 2003).

d. HR Practices

HR practice here is an HR practice that pays attention to the employee's family. For example, suppose an organization will reassign employees to another city. In that case, the organization needs to consider the employee's nuclear family, at least consider accommodation for his family.

e. Employee Training and Development

Assignments in participating in training and development must be carried out fairly, otherwise, it will reduce employee loyalty. Organizations must communicate transparently when providing employees with opportunities for training and development. If it is not transparent, mutual suspicion will arise, resulting in a bad working atmosphere and reducing employee loyalty.

How to Retain Employees

There are several steps that organizations can implement to control employee turnover successfully:

a. Competitive Compensation

Providing salaries and benefits through the employee's contribution is very important. Employees who feel valued through transparent and fair compensation calculations are more likely to be loyal and dedicated to the organization. Companies should also consider employee compensation to stay competitive in the job market.

b. Career development

If the organization improves employee skills through mentoring, training, workshops, and other educational programs, employees will be satisfied. Companies are more likely to retain employees who can advance in their careers. Cross-departmental programs can also help employees achieve their career goals. In addition, a clear career path will determine the future of employees in the organization.

c. Work flexibility

Flexibility in work hours and workplaces, such as work-from-home options or customizable hours, can improve employees' work-life balance. This helps reduce stress, and employees are more comfortable at work.

d. Positive work culture

Building an inclusive and collaborative company culture is essential. Employees must feel valued and listened to in the work environment. A supportive culture can strengthen employees' sense of belonging and loyalty to the company (Duncan et al., 2023; Seppala & Cameron, 2015; SIMMS JR., 2014).

e. Transparent Organizational Policy

Transparency in decision-making, especially regarding promotion and performance evaluation, is key. Organizations can prevent conflict and dissatisfaction by ensuring that every employee is treated fairly and has equal access to opportunities.

f. Feedback and Appreciation to employees

Regularly asking for employee feedback and recognizing their accomplishments can increase motivation. Appreciation does not always have to be in the form of material. Recognition of employees' hard work through public praise, special awards, or even just sincere gratitude can boost morale. Appreciation given consistently creates a sense of appreciation. Companies should create transparent communication channels to discuss issues and reward employees for their contributions (Eksantari et al., 2023; Kurniawita et al., 2021; Siswanto, 2020; SmithBattle et al., 2021; Subagio et al., 2019).

g. Strengthening Superior-Subordinate Relationships

A strong relationship between superiors and subordinates is essential. A regular meeting program to discuss employee aspirations can help create healthy two-way communication. In addition, building mutual support between colleagues through social activities or teamwork can create a sense of solidarity among employees.

h. Officer Welfare

Employee well-being includes physical, mental, and emotional aspects. Providing access to healthcare facilities, counseling programs, or even activities such as yoga in the office can support employee well-being. Organizations that care about employee health will get greater loyalty from employees (Menashe et al., 2014; Usmani & Hassan, 2022; van Luijk et al., 2013).

i. Employee creativity and innovation

Employees will feel involved when their opinions and ideas are valued. Employees' sense of belonging to the organization will be enhanced by holding forums or platforms where they can share ideas and participate in the decision-making process.

j. Analysis of Employee Turnover Reasons

Conducting exit interviews to understand why employees leave the company can provide valuable insights. This information can be used to improve existing processes and policies to prevent future turnover.

Conclusion

Employee turnover is a complex challenge that can reduce organizational stability and productivity. Various factors, such as job dissatisfaction, lack of rewards, limited development opportunities, and external conditions, can trigger turnover. Therefore, understanding the factors that cause turnover is the first step that organizations must take to create a more stable work environment. Effective measures to retain employees, including providing competitive compensation, creating a positive work culture, and focusing on employee well-being, have proven effective. By providing meaningful rewards, as well as ensuring healthy communication between superiors and employees, organizations can build strong loyalty among their employees.

To control employee turnover, organizations need to create a work environment that supports a work-life balance. Employees should feel rewarded with fair compensation, genuine rewards, and opportunities for career development. Building open and trusting communication is key to creating a harmonious relationship between superiors and subordinates. Organizations must also prioritize the physical and mental health of employees. Providing health facilities, counseling programs, and activities that support emotional well-being can increase employee loyalty and motivation. By building space for innovation and creativity, employees will feel engaged and contribute to the success of the organization. Through these measures, organizations can reduce turnover, increase productivity, create a loyal workforce, and contribute to long-term sustainability.

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