MAIN CAUSES OF VOLUNTARY EMPLOYEE TURNOVER: A STUDY OF FACTORS AND THEIR RELATIONSHIP WITH EXPECTATIONS AND PREFERENCES

by

JAIME LEE LIU

Seminario para optar al Título de Ingeniero Comercial, Mención Administración

SUPERVISING PROFESSOR:
SEBASTIÁN UGARTE GÓMEZ (Ph. D.)

SANTIAGO, SPRING 2014
Abstract

Why do people change jobs? What drives them to decide they will be better off somewhere else? This study analyzes various factors which, when combined, may affect voluntary employee turnover. It also helps to provide an understanding of people’s behavior and preferences because it can allow employers to design better and more effective retention programs. The project analyzes information provided from 112 respondents between the ages of 18 and 40 in the Chilean labor market; and complements it with the experience of 5 professionals with knowledge of the turnover issue. Results confirm that turnover is the consequence of work dissatisfaction – a combination of factors which include pay, recognition and career development opportunities, among others. These factors are related to people’s expectations and preferences, which vary between generations, the stage of life they are in and the type of work they do.

¿Por qué la gente se cambia de trabajo? ¿Qué los lleva a decidir que estarán mejor en otro lugar? Este estudio analiza varios factores que, combinados, pueden afectar la rotación laboral voluntaria. También provee un entendimiento del comportamiento y preferencias de las personas, ya que puede ayudar a que los empleadores sean capaces de diseñar programas de retención mejores y más efectivos. El proyecto analiza la información de 112 encuestados de entre 18 y 40 años de edad del mercado laboral Chileno, y lo complementa con la experiencia de 5 profesionales con conocimiento en el tema. Los resultados confirman que la rotación es una consecuencia de la insatisfacción laboral: una combinación de factores que incluyen remuneración, reconocimiento y oportunidades de desarrollo de carrera, entre otros. Estos factores están relacionados con las expectativas y preferencias de las personas, las cuales varían entre generaciones, la etapa de vida en la que están y el tipo de trabajo que hacen.
Acknowledgements

To my father, Frank, and my mother, Carol, who have continuously sacrificed so much to guide me, raise me and prepare me for life. To my brother, Chien, my sister, Dasfne, my brother-in-law, Pablo, and sister-in-law, Catalina, who have aided me through the difficult stages of my life. As my role models I strive to follow their steps.

To Cynthia, for her unwavering support, never-ending encouragement, patience and confidence in my abilities. Through her love she brings out the best of me, allowing me to thrive and succeed while we reach true happiness together.

To Doctor Sebastián, for his constant support, advice, and teachings. His example has inspired me to work hard to accomplish my life goals.

To my friends and to those who have become family to me, for being there and helping me through the hard times. Their company and unconditional care is invaluable and I will always cherish them.

To all of those who have helped me at some point and especially those who helped me to gather data for the completion of this project, thank you very much.

“There were thousands and thousands of forms of joy in the world, but that all were essentially one and the same, namely, the joy of being able to love.”

_The Neverending Story – Michael Ende_
## Contents

Abstract ...............................................................................................................................................II  
Acknowledgements .........................................................................................................................III  
Contents ...........................................................................................................................................1  
List of Figures ..................................................................................................................................2  
Introduction ......................................................................................................................................3  
Theoretical Background .....................................................................................................................5  
Method ...........................................................................................................................................11  
Results ...........................................................................................................................................14  
Discussion .......................................................................................................................................30  
Limitations & Suggestions for Future Research .............................................................................32  
Conclusions ......................................................................................................................................34  
References .......................................................................................................................................35  
Annexes ..........................................................................................................................................37  
  Survey ............................................................................................................................................37  
  In-depth Interview .........................................................................................................................45
List of Figures

Figure 1: Employee turnover decision process ................................................................. 5
Figure 2: Initial + Adjusted Respondent Age Distributions .................................................. 19
Figure 3: You would prefer: ............................................................................................... 19
Figure 4: You would prefer: ............................................................................................... 20
Figure 5: You would prefer: ............................................................................................... 20
Figure 6: Preference of Manager vs. Salary - by Industry .................................................. 20
Figure 7: Money motivates me to work harder ................................................................. 21
Figure 8: Attractive benefit packages will motivate me to work harder .............................. 21
Figure 9: Getting recognition at work motivates me to try and perform better .................... 21
Figure 10: Having more responsibilities motivates me to try and perform better ............... 21
Figure 11: Participating in different areas of the company motivates me to try and perform better .................................................................................................................................. 22
Figure 12: Having career development opportunities at work is more important than a wage raise .................................................................................................................................. 22
Figure 13: Being recognized at work matters more than a wage raise ................................ 22
Figure 14: I changed jobs because the wage I got didn’t meet my expectations .................. 23
Figure 15: I changed jobs because they didn’t give me attractive benefits ....................... 23
Figure 16: I changed jobs because I didn’t get enough recognition for my performance ........ 23
Figure 17: I changed jobs because it wasn’t challenging enough in terms of the responsibilities I was given ................................................................. 23
Figure 18: I changed jobs because I couldn’t participate in different areas of the company .................................................................................................................................. 23
Figure 19: I changed jobs because I didn’t have career development opportunities ............... 23
Figure 20: For the currently employed: "I expect to change jobs in the following:” v/s "How many years have you been working at this company?" .................................................................................................................................. 24
Figure 21: For the currently employed: "You expect to change jobs in the following:" v/s "Age" .................................................................................................................................. 24
Figure 22: For the currently employed: "Do you have children?" v/s "I expect to change jobs in the following:” .................................................................................................................................. 25
Figure 23: For the currently employed women: "Do you have children?" v/s "I expect to change jobs in the following:” .................................................................................................................................. 25
Figure 24: For the currently employed men: "Do you have children?" v/s "I expect to change jobs in the following:” .................................................................................................................................. 26
Figure 25: For those currently employed: "You expect to change jobs in the following:" v/s "Current level of income" .................................................................................................................................. 26
Figure 26: For those currently employed: "You expect to change jobs in the following:" v/s "Educational Level" .................................................................................................................................. 27
Figure 27: For those currently employed: "You expect to change jobs in the following:" v/s "Educational Level" .................................................................................................................................. 27
Figure 28: If you found out that a work colleague who fulfills the same roles and responsibilities as you got a 15% higher salary, you: .................................................................................................................................. 28
Figure 29: What percent difference in salaries would you accept between work colleagues who fulfill the same roles and responsibilities? .................................................................................................................................. 28
Figure 30: If your manager refused to even up your salary to that of your colleague, you: .................................................................................................................................. 29
Introduction

Organizations are made with people. When employees decide to leave for other jobs their firms need to find other people to replace them. According to the Hay Group (2014), finding an employee to take another’s place can cost more than 12 months’ salary, which means that if companies are looking to save money, they need to be able to retain the members of their workforce. How can employers prevent their best talents from leaving? This research aims to identify the main causes of voluntary employee turnover in the Chilean labor market, recognizing how they affect it and how they vary across industries. In addition, finding out if there are any other variables which may affect said causes by relating them to people’s expectations in terms of work interests may help to further understand people’s behavior under certain circumstances and what eventually leads to their decision to change jobs. Getting to know employees’ needs in terms of job satisfaction, challenges (Neal, 1989) and work-family compatibility (Batt & Valcour, 2001), among others, can help organizations to devise and invest in advantageous retention programs. Moreover, this project intends to discover if causes for turnover have changed over the years and if they differ along a person’s career by examining variations between generations (Twenge & Campbell, 2012).

Voluntary employee turnover has been a relevant issue for companies across industries for decades (Barnard, 1938) not only because of the costs involved but also due to other consequences that may come to be because of it, such as loss of productivity, and loss of confidence and trust in leaders. This is why organizations are interested in how to design policies which can integrate employees’ needs and expectations, and align them with what the organization expects of them; while at the same time encouraging employees to keep working with them (Batt & Valcour, 2001). A great amount of work has been done to understand what people want, which is why several sources, including the Hay Group (2014), Taylor (2008), and Fitz-Enz (2009) coincide in the main causes of voluntary employee turnover. Among others, they report that a lack of confidence in the organization and its leadership; little or no room for growth; unfair exchange; no environment for success; lack of worthy authority and/or influence; age; lack of benefits; no challenging responsibilities and no recognition are some of the most important reasons to leave a company. However, because past research has not been able to accurately pinpoint other factors which may be affecting said variables of turnover, this study intends to identify as many factors as possible and study their relationship to turnover.

In addition, it is possible that these causes are also affected by employee tenure (Armstrong & Taylor, 2014), the industry in which they work in (Taylor, 2008), their level of education, “dependent people”
(a spouse, kids, etc.) (Mayers, 2013) people need to take care of, and internal and external income differences (Hay Group, 2014), among others. However, it could actually be a combination of factors – internal and external, controllable and uncontrollable, that ultimately push the employee into deciding to resign (Taylor, 2008).

This research starts with a brief overview of the theoretical background and past studies made to identify the causes of voluntary employee turnover. Because it can affect an organization’s performance, this issue is extremely relevant, and has thus been studied for more than 50 years (Barnard, 1938; March & Simon, 1958); this section will provide some initial insights on which this research is based and how they have contributed to understanding the turnover issue. Then, an explanation of the designed research methods and tools are detailed for better understanding the methods used to collect data from the Chilean labor market. In addition, this section provides information about the specific factors that were to be measured and special considerations that were taken into account while analyzing data. After the method we go through the research’s main results and what can be inferred from the examined information, discussing the research findings and making some suggestions for employers, while taking into account the project’s limitations and what we suggest for future research on the matter. Finally, some concluding remarks are made on the voluntary employee turnover issue.
Theoretical Background

In terms of voluntary employee turnover there is a large amount of past material on which we were able to base our research, particularly because this topic is quite relevant for companies all around the world. Understanding and preventing turnover allows organizations to retain their talent and use their resources for better purposes. In addition, getting acquainted with essential past research is a vital step to further explore this issue in-depth to suggest courses of action to organizations. Below is a chronological review of important research and their contributions which served as the basis for this project.

Firstly, in 1977 Mobley postulated that there is a relationship between job satisfaction and turnover, but that it is not particularly strong (Mobley, 1977). Furthermore, Mobley’s paper shows the following schematic representation of the withdrawal decision process (shown simplified below):

![Employee turnover decision process diagram]

Even though Figure 1 illustrates how a person eventually decides whether to stay at his or her job or not, it does not account for the whole range of reasons that may cause job satisfaction or dissatisfaction – either individually or combined. Mobley’s paper suggests several of the possible intermediate steps in the withdrawal decision process and presents an initial representation of the process, which in turn has encouraged other investigators to develop other theories about employee turnover. Through this project we intend to understand what makes employees change jobs by exploring what other authors have found and add our contributions.
On one hand, Jackofsky (1984) originated the *Push Model of Turnover*, which presented the integration of job performance in the process while bringing in the idea of “pushing” – low-performance employees are “pushed out” of the organization. Furthermore, the author refers to previous research where theories of negative, positive and no relationship have been presented depending on the industry the employees are working in. In addition, Jackofsky makes reference to three partial determinants of voluntary turnover: desirability of movement, ease of movement, and intentions to quit. The author discusses desirability of movement in terms of job satisfaction and ease of movement in terms of potential intra-organizational as well as extra-organizational alternatives. She refers to March & Simon’s (1958) “motivation to withdraw” and argues that the process involved in an individual’s decision to quit may originate from either the desirability or the ease side of the model. On the other hand, an individual may consider leaving if an unsolicited alternative is offered. In addition, Jackofsky also suggests the possibility of a *curvilinear* relationship between probability of turnover and job performance. Finally, she concludes that at certain levels of performance, job satisfaction, for example, would be more strongly related to turnover than at other levels of performance; while including applied relevance of the project’s results by suggesting companies to identify sub-groups of employees for whom satisfaction is more likely to be related with the withdrawal decision (Jackofsky, 1984). In summary, Jackofsky’s work presents the relevance of job performance in turnover.

Neal (1989) continues to develop the idea of turnover by characterizing it with two main variables: job satisfaction and opportunity. He refers to these elements as the “push” of internal organizational factors; the extent to which employees have positive and affective attitudes towards their jobs (job satisfaction) and the “pull” of the external labor market; the extent to which alternative occupational roles are available (opportunity) (Neal, 1989). In his paper, Neal reviews the effectiveness of exit interviews as a tool for documenting the causes of turnover and for influencing management action. In addition, the author goes through the particular difficulties individuals conducting exit interviews may encounter, such as the difficulty of obtaining accurate information due to the lack of perceived personal benefits for participating. Furthermore, employees may be reluctant to say anything which might “burn their bridge” (Fitz-Enz, 2010) and thus will avoid confrontation to leave in better terms. Finally, Neal concludes that exit interviews are a central component of effective turnover management, but notes that they must be based upon a standardized format, assure employee confidentiality, employ talented interviewing staff, involve periodic assessment of effectiveness, and provide for routine feedback to management (Neal, 1989). In summary, the author suggests a tool for managing turnover,
though unfortunately a great number of exit interviews from different companies and industries would be needed in order to obtain generalized conclusions for voluntary employee turnover.

Following Barnard (1938), Simon (1945), March & Simon (1958) and especially Jackofsky’s (1984) work, Lee & Mitchell (1994) developed the *Unfolding Model of Voluntary Turnover*, which introduced the concept of different decision paths, providing a more analytical decision making model. The model uses *image theory* (Beach, 1990) as a basis, where *screening* is introduced (a mechanism that determines whether incoming information or potential changes in people's behavior actually become options in a decision process). Furthermore, the model also adds factors such as habits, shocks, and finally a conceptual mechanism to incorporate external, unexpected, or random events into the system. In summary, the model presents the following decision paths: a simple, automatic and script-driven process with minimal mental deliberations; a more complex, employee-controlled process that focuses on image compatibility; and an even more extensive employee-controlled process that involves image compatibility and assessment of alternatives (Lee & Mitchell, 1994, p. 69). Thus, the *Unfolding Model of Voluntary Turnover* clearly shows a different, more “mental” approach to the turnover decision process.

The paper's main conclusions emphasize the fact that leaving an organization can take place in many different ways; one of the defining events for employee turnover is the shock to the system – these shocks are not only negative job-related factors; sometimes the shock triggers scripted behavior; some people leave without considering alternatives; in most cases, employees make decisions based on a fit or compatibility criterion, rather than rationally maximizing their subjective expected utilities; and employee turnover occurs over time and researchers must therefore develop methods to observe how they evolve in order to understand their decisions (Lee & Mitchell, 1994). In summary, Lee & Mitchell’s work contributes with the introduction of shocks to the system, which may greatly affect a person’s decision to change jobs.

Griffeth, Hom & Gaertner (2000) carried out a meta-analysis to further expand and update Hom & Griffeth’s (1995) research. With their results they were able to broaden overall job satisfaction and then divide it into different types: compensation, leadership, co-worker and stress. Moreover, they were also able to reconfirm the relative predictive strength of turnover determinants such as job satisfaction, organizational commitment, job search, comparison of alternatives, withdrawal cognitions and quit intentions, while adding other factors such as promotional chances, job content, external environment and age, among others. However, the meta-analysis also revealed the limits to generalizations for causes of turnover – moderator tests indicate that the effect sizes of nearly all
Main Causes of Employee Turnover and its Effects on Career Development Opportunities and Salaries

Jaime Lee Liu
Spring, 2014

Determinants, including the direction of their effects, can vary widely across situations and populations (Griffeth, Hom, & Gaertner, 2000), which means research should be carried out in a more focused rather than generalized way in order to obtain more significant and conclusive results. In short, the authors confirmed turnover determinants, allowing future researchers to have base observation factors to start from.

Taylor (2008) elaborates on the idea that while some cases of employee departures are clear, many others result from a mixture of factors, and that employers must distinguish between controllable and uncontrollable reasons (Taylor, 2008). In addition, the author states that turnover figures vary considerably among people in different occupations – highest among sales staff and those employed to do routing, unskilled work (30-50%) and lowest among management and craft workers (10-20%). Furthermore, Taylor explains that the main reasons for turnover are: (1) being bored with the content; (2) being frustrated by the lack of promotion; (3) being fed up with their supervisors; (4) being irritated by changes in the working environment. However, these reasons are just half the story because in order to actually decide to quit, an individual must first perceive better opportunities elsewhere and secure a position there. Finally, the author explains a few methods of to investigate why employees choose to leave such as exit interviews (as described above by Neal (1989)), surveys of ex-employees, attitude surveys, and quantitative approaches. In summary, Taylor contributes with the idea that sometimes it is inevitable for turnover to occur.

Fitz-Enz’s (2009) book, The ROI of Human Capital: Measuring the Economic value of Employee Performance, refers to the cost of turnover and its relevance within companies, particularly because an employee changing jobs involves more than just replacing a person – it includes the cost of termination, replacement, vacancy, and learning curve productivity loss (Fitz-Enz, The ROI of Human Capital, 2009). Fitz-Enz refers to Leigh Branham, who states that the 7 major reasons for employees wanting to leave their employer are: (1) Job or workplace not living up to expectations; (2) A mismatch between job and person; (3) Too little coaching and feedback; (4) Too few growth and advancement opportunities; (5) Feeling devalued and unrecognized; (6) Stress from overwork and work-life balance; (7) Loss of trust and confidence in senior leaders. These reasons can be related to unmet expectations, incompatibility, lack of good leadership and lack of career development opportunities. Finally, the author says that managers have become more sensitive to the need to retain talent and thus are looking for ways to keep high performing employees within the company. Managers need to be particularly observant to the points where a person is more susceptible to pull factors: about two years in, at four
or five years, and again at seven to eight years of employment, people see themselves as prized commodities. These are the points when we should be especially attentive to their career needs. Almost all turnover research shows that the main reason people leave a company voluntarily is their supervisors’ behavior. The secondary reason is perceived lack of growth opportunities (Fitz-Enz, The ROI of Human Capital, 2009). In summary, Fitz-Enz adds relevance not only to the importance of the reasons for turnover, but also to the cost it can mean to employers.

On the other hand, Fitz-Enz’s 2010 book, The New HR Analytics – Predicting the Economic Value of your Company’s Human Capital Investments, follows the same approach by focusing on the “positive” viewpoint of turnover – retention (rather than the “negative” viewpoint – turnover rates). The author encourages employers to focus on keeping the people they need, and urges them to consider the fact that research shows that 80% of employees leave their jobs for reasons unrelated to pay, and that many managers are failing to see the daily opportunities to reengage employees through recognition, performance feedback, career discussions, increased responsiveness to work-life issues, job redesign, and the full range of ‘soft’ solutions. Fitz-Enz refers to Lee’s (1994) Unfolding Model of Voluntary Employee Turnover, which show 63% of all employee decisions to leave are precipitated by a “triggering event” or turning point of some kind such as realizing there is no internal equity; that they are not in line for promotion; or realizing that they are being forced to make an unreasonable sacrifice, among many other reasons. Moreover, the author explains that if an employee is already somewhat disengaged or dissatisfied with some aspect of the job or environment (push factor), a pull factor may be exactly what they need to decide to leave. Once again, Fitz-Enz sends a direct message to employers: watch out for the signs.

In addition, Becker & Cropanzano (2011) carried out further research on the curvilinearity in the Performance-Turnover Relationship by exploring the Dynamic Aspects of voluntary turnover, which are based on both the push-pull model and the unfolding model explained above (Jackofsky, 1984) (Lee & Mitchell, 1994). Because the authors observed that there has been a general disconnect between the dynamic performance and turnover literatures, they developed a dynamic approach to voluntary turnover that draws on perspectives from decision-making theory and research to integrate dynamic performance with voluntary turnover (Becker & Cropanzano, 2011). Their study was carried out longitudinally for a year by measuring performance, turnover and tenure. Their results were congruous with previous research – overall relationship between performance level and turnover was consistently negatively correlated across all analyses. In addition, their turnover rates were slightly lower overall.
than in previous samples due to the sample being entirely salaried, professional employees. Moreover, they observed a moderate positive connection between salary growth and performance. Furthermore, through their research they were able to conclude that individuals would be more likely to turn over following a decline in their performance rating, though it should be primarily shown among low performers. However, their findings indicated that high performance ratings did not steadily increase retention (Becker & Cropanzano, 2011). The authors conclude that the perspective proved to be useful in predicting which employees were more likely to turnover (low performers with a negative performance change) and also suggest future research to build on those findings by considering the velocity relation. Becker & Cropanzano therefore add type of employee into the factors that may affect turnover.

Finally, Hay Group (2014), a global management consulting firm which specializes in maximizing the performance of their clients’ employees developed A guide on how to retain your people, where they show the results of the analysis of global macroeconomic trends and forecasts and their opinion database of over 5.5 million employees worldwide. In this guide, Hay Group warns their clients of an upcoming turnover wave and explains the five retention factors, which drive commitment and help to retain employees: (1) Confidence in the organization and its leadership; (2) Room for growth; (3) A fair exchange; (4) An environment for success; (5) Authority and influence (Hay Group, 2014). These five factors can be related to having a good manager, career development opportunities and internal equity.

The above review of past research and literature in voluntary employee turnover provided the basic variables to study for this investigation by including the most important part of each one into the project. In addition, other variables were added to the study after more ideas originated from pre-research analysis. Therefore, this research considered the following factors which were expected to influence voluntary employee turnover:

- Salary
- Career development opportunities
- Income inequality
- Gender
- Job responsibilities and challenges
- Type of job
- Recognition in the workplace
- Age
- Job satisfaction
- Manager
- Marital status
- Attractive benefit packages
- Industry of employment
- Internal equity
- Educational level
- Job motivation
- Job location
- Being the household’s main income
- Tenure
- Children in the household
Method

The revision of past research provided several insights for this project. On one hand, associating different researchers’ findings allowed us to connect various methods and results with the issue of turnover. In order to continue and expand their research, this study aimed to identify the main causes of voluntary employee turnover, by looking into employees’ expectations and how the fact that if these are met or not eventually affects their decision to change jobs. In addition, this project intended to recognize any existing relationship between the factors and if there are any other external variables which may affect turnover.

As explained above in the theoretical background, this research was carried out by using the variables described in the literature review as a starting point. In addition, the study aimed to analyze the issue of turnover in a generalized way, so as to obtain as much information as possible about all possible causes of turnover.

Considering the review of past research, we aimed to answer the following questions which might contribute to understand turnover and thus help to take actions to prevent it.

Main Questions:

1. Is there a main cause for voluntary employee turnover or is it a combination of factors? Which one or which ones are they?
2. Is salary really the determining factor of voluntary employee turnover?
3. Are there significant differences on the propensity to change jobs between generations?

Secondary Questions:

4. Do differences in the level of education determine a tendency to change jobs?
5. Do development opportunities affect the decision to change jobs?
6. Is recognition in the workplace important for employees?
7. What other factors can affect turnover?

On one hand, answering these questions would allow us to obtain insight into people’s expectations in terms of the job they are currently doing, allowing employers to find out what their employees really value and making the link between both. This is particularly important because meeting these expectations is important for job satisfaction (Greene, 2014).
Two main instruments were used to collect information. On one hand, semi-structured in-depth interviews were carried out with human resources managers or professionals with knowledge in turnover issues to obtain data from their experiences. Their responses provided great complimentary information to the survey and allowed a deeper understanding of people’s answers. On the other hand, a general survey was designed using Qualtrics and was then sent to the chosen sample through different media (Facebook, email, etc.). The survey was targeted at a sample of people who will either start working soon or people who are currently working (or have worked in the past); from college students to full-fledged professionals. With their responses we were able to analyze the information to identify expectation and behavioral patterns between them. This will enable to help employers take preventive measures in order to more successfully retain their most important employees. These two methods of data collection were chosen due to their simplicity and convenience, especially because a survey can reach a high number of participants in a short period of time. In addition, because the turnover issue has not been fully explained, the tools were aiming to verify the importance of the reviewed variables and identify any others that could arise. Moreover, the information gathered from the surveys was analyzed and presented in several figures (shown below in the Results section) for better understanding. The information from the in-depth interviews was summarized and was presented in a descriptive manner to compare and complement the survey results.

Several considerations were made for the creation of the research tools described above. On one hand, the in-depth interview was designed in a semi-structured manner to gather as much information as possible from the interviewees in terms of their experience and perspectives on the turnover issue, so in addition to the planned questions, interviewees were allowed to elaborate as in much detail as they saw fit, listening to their stories and opinions on turnover. This allowed us to obtain the most profound possible insights from their experience and knowledge. Interviews took approximately 30 minutes each and were held either face to face or through phone calls, depending on what was more convenient for interviewees.

On the other hand, the survey was created and designed to fit this particular study and to try to understand behavioral preferences, so not only reasons for changing jobs were explored but work variable inclinations as well. In order to obtain information from people in different stages of their lives, some questions were directed specifically (e.g. for those currently employed and for those currently unemployed) to analyze differences between them.
Survey responses were processed in Microsoft Excel and the analysis was based on descriptive statistics analysis after the information was put into figures. Because the data was analyzed through two-dimensional figures, results were shown together in order to compare and find specific relationships and trends between them; these relationships were displayed as percentages in order to show proportionality within groups of information. Furthermore, a brief analysis was made after each figure (or group of figures) and each was supported by interviewees’ responses and/or past research results.
Results

As explained above, 5 semi-structured in-depth interviews were carried out to complement the survey’s responses and to obtain more professional insight for the analysis. Interviewees were all qualified professionals, from senior supervisors to senior managers who have had first-hand experience with people leaving organizations. Furthermore, their understanding of the turnover issue provided very interesting and diverse perspectives because of their different backgrounds, industries, and responsibilities. Below is a brief summary of their experience and what was learned from them to help the project’s analysis. In order to keep their information as confidential as possible, only their position and company description is stated.

Interviewee 1: HR Corporate Manager; Technology Security Company:

- The average age of employees in the company is 28.
- The company’s voluntary turnover rate is about 3% per year, and they mainly decide to change because they are mostly Millenials, they look to development and challenges as core ideals and they like to try different jobs. They also change because of salary.
- Having a person who leads them is very important for employees, they look up to them and want someone who teaches and helps them develop.
- Young employees don’t have as much commitment as older employees do so they tend to have higher turnover rates.
- The industry in which employees work affects the likelihood of turnover; people working in more specialized, technical jobs are usually motivated by money and will move to wherever they are offered more.
- There are no gender differences in terms of turnover.
- Age is an important factor in terms of preferences; older employees prefer having a good salary over having a good manager because they have other people and needs to take care of.
- Employees with lower performance tend to stay in their jobs, while those with higher performance get “pulled” out from the company.
- People might accept a maximum of 20% of pay differences (internal inequity) within the same job.
- People also get attached to the company’s culture and people; it greatly affects their decision to change.
- Companies need to observe the “critical” years where turnover is most likely. Younger, less experienced employees tend to start looking for other possibilities after 2 years, whilst older employees start looking after 4 years. Once they have gone through this they tend to stay.
- There is a direct correlation between those who have worked longer and those who stay. After employees have worked 5-6 years they tend to settle down and the turnover rate falls.
- If I had to distribute 10 importance points between the following elements:

<table>
<thead>
<tr>
<th>Salary</th>
<th>Good Manager</th>
<th>Benefits</th>
<th>Promotions</th>
<th>Career Development Opportunities</th>
<th>Job Recognition</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

**Interviewee 2:** Manager; Electrical Service Company:

- $\frac{2}{3}$ of the company are technicians who work in different and variable shifts.
- They need to comply with the physical requirements that the job implies and they must be able to work as needed since we deal with lots of electrical emergencies. Thus, they might end up getting called into work during weekends.
- The company’s voluntary turnover rate is about 4.44% per year, and they mainly decide to change because of salary, shifts, and physical demands.
- Young employees tend to stay temporarily as a way to gain experience while older employees tend to stay in the company.
- Having a good manager is more of a hygienic factor. If they had to choose, in the short term people would prefer getting a better salary and having a bad manager, but in the long term they will probably choose a good manager.
- People might accept a maximum of 20% of of pay differences (internal inequity) within the same job.
- If I had to distribute 10 importance points between the following elements:

<table>
<thead>
<tr>
<th>Salary</th>
<th>Good Manager</th>
<th>Benefits</th>
<th>Promotions</th>
<th>Career Development Opportunities</th>
<th>Job Recognition</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

**Interviewee 3:** HR Manager; Credit and Risk Evaluation Company:

- The company is mainly comprised of technical level professionals.
• The company’s voluntary turnover is about 5% per year, lower than the average industry turnover. They mainly decide to change because of salary, career development opportunities and lack of affinity with the company’s strategies and values.
• Having a good manager greatly affects people’s decision to change jobs because of its relation with the climate in the workplace.
• Young employees tend to change jobs more frequently because of salary and career development opportunities; their goals also change as they get older because they are interested in buying a house or their economic needs change.
• People with higher educational levels tend to have higher turnover rates.
• If they had to choose, people would prefer sacrificing a small part of their salary for a good manager, because they value the quality of life they would get.
• Women look for companies with strong gender equality and where they can get the flexibility they need for their children.
• People might accept a maximum of 20% of pay differences (internal inequity) within the same job.
• People with higher performance get more opportunities so they tend to have higher turnover rates.
• If I had to distribute 10 importance points between the following elements:

<table>
<thead>
<tr>
<th>Salary</th>
<th>Good Manager</th>
<th>Benefits</th>
<th>Promotions</th>
<th>Career Development Opportunities</th>
<th>Job Recognition</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>

**Interviewee 4:** Business Manager; Business Outsourcing Solutions Provider:

• Out of 250 people, 80% of the company’s employees are between the ages of 18 and 23, with completed high school.
• The company’s voluntary turnover is about 20% per **month** (about 40 people). They mainly decide to change because of working conditions (shifts, schedules and having to work on national holidays), they also change because it’s their first job and because of salary.
• Managers affect to a certain point - having a bad manager affects more than having a good manager. If people have a bad manager they’ll leave through their own means, but even if they have a good manager they might leave if other companies offer more money.
• People over 30 have different responsibilities and are thus less likely to change jobs (compared to those under 30).

• The industry people work in is very relevant in terms of turnover. We deal with a very stressful environment, employees get called at any time and they have to answer their phones.

• People with a higher educational level tend to think more about their career and change jobs accordingly.

• People definitely prefer money over having a good manager.

• Men tend to change jobs more often.

• People don’t accept pay differences (internal inequity) within the same job.

• Employees with higher performance tend to have more turnover, but it also depends on other factors.

• If I had to distribute 10 importance points between the following elements:

<table>
<thead>
<tr>
<th>Salary</th>
<th>Good Manager</th>
<th>Benefits</th>
<th>Promotions</th>
<th>Career Development Opportunities</th>
<th>Job Recognition</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

**Interviewer 5:** Consultant; Headhunting Company:

• The company is comprised mainly of executives of MBA level, and depending on the economic cycle it is in the turnover rate it will have. If the economy is going into a recession then people will tend to keep their jobs.

• Employees usually change jobs because of promotions, salary and work dissatisfaction.

• Having a good manager decreases turnover because they teach employees and help them become independent.

• People over 40-45 change less because their experience costs more and thus they can’t find jobs as easily as before. They also seek stability.

• Employees with more experience and/or abilities are more confident and thus have higher expectations, which means they might change more often if the company doesn’t meet them.

• If they had to choose, people would prefer sacrificing a small part of their salary for a good manager.

• There are gender differences in terms of turnover because men and women value different things (women value flexibility to be able to raise and take care of their children whereas men...
choose higher pay). Having children also affects turnover but the children’s age is also a factor because parents need to provide for them, so they become the top priority.

- People don’t accept pay differences (internal inequity) within the same job.
- Higher performance employees need to get recognition and will thus change jobs if they don’t get it.
- If I had to distribute 10 importance points between the following elements:

<table>
<thead>
<tr>
<th>Salary</th>
<th>Good Manager</th>
<th>Benefits</th>
<th>Promotions</th>
<th>Career Development Opportunities</th>
<th>Job Recognition</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>1.5</td>
<td>1.5/1</td>
<td>2</td>
<td>1/1.5</td>
<td>2</td>
</tr>
</tbody>
</table>

From these in-depth interviews we could obtain an important amount of data because of the interviewees’ different backgrounds and varied experiences. On one hand, they concur that salary is one of the main causes of turnover. This is interesting because it does not directly follow what Fitz-Enz (2010) states about salary (80% of employees leave their jobs for reasons unrelated to pay); however, the result opens the possibility of a combination of factors leading to turnover, together with a triggering event as suggested by Lee & Mitchell (1994). However, managers could have deemed salary as one of the main causes because they don’t want to admit that employees leave because they had problems with their managers – whether it was them or not. In addition, opinions on gender differences varied, but according to Griffeth, Hom & Gaertner (2000), women’s turnover rate is similar to that of men, so turnover must be caused by other factors instead.

On the other hand, we can infer that the different industries they work in and the type of employees they work with affect how they envision turnover, particularly because of the different turnover rates they have in their companies. The type of job the employees are doing also greatly affects their expectations and how often they will change jobs. We can certainly see that nowadays younger employees are expected to have higher turnover rates because of the lower level of commitment they have with the organizations they work with, the different life priorities they have compared to older, more experienced employees and what they really expect from their employers. Interviewees also concur that young people’s goals change as they develop in their careers, which is consistent with the Griffeth, Hom, & Gaertner’s findings (2000). Furthermore, managers are valued more or less depending on the industry they are working in because of the contact they have with their subordinates, which is also related to voluntary employee turnover itself, as suggested by Taylor (2008).
As stated before, the interviewees’ responses provided useful information for the survey analysis in the context of the Chilean labor market; not only as a complement to their responses but also to further observe the data. What follows is an overview of the survey’s main results.

In order to better analyze the survey’s results, respondents who did not completely answer the questionnaire were dropped from the final sample and analysis. In addition, because of the respondents’ uneven age distribution, people older than 40 (8.2%) were not included due to their small representation in the sample. Thus, a total of 112 respondents between the ages of 18 and 40 were examined for the project.

The following analysis is based on the descriptive results to identify different trends which can contribute to answer the research questions.

Figures 3 – 5 show people’s preferences of salary vs. different factors:

**Figure 3: You would prefer:**

- 76.61% Having a bad manager and a good salary
- 23.39% Having a good manager and a bad salary
In general, people seem to be willing to sacrifice a small part of their salary for better conditions such as having a good manager, working at nearby location and having benefits. This finding is consistent with Fitz-Enz’s result (2010) that 80% of employees leave their jobs for reasons unrelated to pay; which could mean that even though salary is an important factor, people may be influenced by other factors.
Respondents’ work industries in the Chilean labor market were grouped according to their similarities. Through observation we can see a contrasting trend between “secondary activities + industrial services” and “public + health services”, where people in the “secondary activities + industrial services” industry prioritize having a good salary because they probably work in production, and thus their performance would be measured in units and wouldn’t be affected as much by their managers; another possible reason for this could be that because they do not earn high salaries (Indeed, 2014) they might prefer to put up with a bad manager if it means providing more for their families. On the other hand, people working in “public + health services” probably have direct contact with their managers and thus prefer sacrificing a portion of their salary for a good manager.

The following figures show people’s level of agreement with different motivational factors:

**Figure 7: Money motivates me to work harder**

**Figure 8: Attractive benefit packages will motivate me to work harder.**

**Figure 9: Getting recognition at work motivates me to try and perform better.**

**Figure 10: Having more responsibilities motivates me to try and perform better.**
By observing the information displayed on figures 7-13 we can see that at least 75% of respondents agree or strongly agree that money, attractive benefit packages, recognition, having more responsibilities and having career development opportunities are important motivators.

Figures 7-13 are moderately consistent with the respondents’ level of agreement with the reasons they had for changing jobs the last time:
Figure 14: I changed jobs because the wage I got didn’t meet my expectations.

- Strongly Disagree: 5.63%
- Disagree: 12.68%
- Indifferent / Don’t know: 40.85%
- Agree: 21.13%
- Strongly Agree: 19.72%

Figure 15: I changed jobs because they didn’t give me attractive benefits.

- Strongly Disagree: 5.63%
- Disagree: 18.31%
- Indifferent / Don’t know: 28.17%
- Agree: 28.17%
- Strongly Agree: 19.72%

Figure 16: I changed jobs because I didn’t get enough recognition for my performance.

- Strongly Disagree: 16.90%
- Disagree: 23.94%
- Indifferent / Don’t know: 32.39%
- Agree: 18.31%
- Strongly Agree: 8.45%

Figure 17: I changed jobs because it wasn’t challenging enough in terms of the responsibilities I was given.

- Strongly Disagree: 16.90%
- Disagree: 23.94%
- Indifferent / Don’t know: 35.21%
- Agree: 28.17%
- Strongly Agree: 5.63%

Figure 18: I changed jobs because I couldn’t participate in different areas of the company.

- Strongly Disagree: 22.54%
- Disagree: 23.94%
- Indifferent / Don’t know: 30.99%
- Agree: 15.49%
- Strongly Agree: 7.04%

Figure 19: I changed jobs because I didn’t have career development opportunities.

- Strongly Disagree: 26.76%
- Disagree: 43.66%
- Indifferent / Don’t know: 14.08%
- Agree: 7.04%
- Strongly Agree: 8.45%
As shown above, at least 50% of respondents agree or strongly agree that wage, recognition, challenging responsibilities, and career development opportunities are the reasons that led them to look for another job. This could also suggest that there are, in fact, other factors (internal or external) which may have affected their decision but were not accounted for with these particular questions. Thus, we observed respondents’ expectation to change jobs v/s different factors:

**Figure 20:** For the currently employed: "I expect to change jobs in the following" v/s "How many years have you been working at this company?"

Figure 20 shows the relationship between tenure and expectation to change jobs; one very important observation we can make is the fact that no respondents have an expectation to change of more than 8 years; it seems like the people who have worked for more than 4 years actually decide not to change jobs, which can be directly related to Fitz-Enz’s (2009) idea that there are particular years where employers must be particularly aware of employees’ expectations and needs; the result is also complemented by what Interviewee 1 said. In addition, there is a clear tendency with people who have worked 1-2 years to expect to change within the next 2 years, while most of those who have worked 3-4 years expect to change any time between 6 months and 4 years. Furthermore, those who have worked for more than 10 years tend to at least stay for a couple of more years or not change at all.

**Figure 21:** For the currently employed: "You expect to change jobs in the following" v/s "Age"
Observing the answers from respondents from different age groups we see a clear difference between people between 31 and 40, who don’t expect to change jobs while younger respondents expect to change within the next year. This tendency is supported by Interviewees 1, 4 and 5, and is consistent with Twenge & Campbell’s (2012) findings that more recent generations show lower levels of community feeling, which might reflect in their expectation to change jobs.

![Figure 22: For the currently employed: "Do you have children?" v/s "I expect to change jobs in the following:"](image)

Observing the answers from respondents who have children, we can see that people who have children have a tendency to stay longer in their jobs, probably because they have children to care for and are thus more reluctant to change because of the risk it implies and how it can affect them, as stated by Interviewees 4 and 5, while it is also supported by Mayers (2013).

In addition, we separated Figure 22 to analyze gender differences on expectations to change jobs:

![Figure 23: For the currently employed women: "Do you have children?" v/s "I expect to change jobs in the following:"](image)
We can see that the majority of employed women respondents with children (62.5%) don’t expect to change jobs, while employed men respondents clearly tend to expect to change more whether they have children or not. Thus, women with children are prone to have lower turnover levels than their male counterparts. These findings are consistent with Interviewees 4 and 5’s opinions where men tend to change jobs more often and that men and women have different priorities; thus changing jobs at different times.

Observing the answers from respondents who are the household’s main income we see that a great number of them don’t expect to change jobs, probably because they need to take care of their families and therefore possibly tend to be more careful when making this decision (Mayers, 2013). Those who are not the household’s main income do not have as much to lose if they change jobs, which is possibly why a large part of them expect to change within the next 12 months. This finding is supported by Interviewees 4 and 5; while it contributes to the research suggested by Griffeth, Hom & Gaertner (Griffeth, Hom, & Gaertner, 2000).
Figure 26: For those currently employed: "You expect to change jobs in the following:" v/s "Current level of income"

Figure 26 shows particularly interesting results. On one hand, 42% of respondents who expect to change jobs within the following 3 months earn between CLP$225,000 and CLP$400,000. In addition, we can observe that people with lower incomes (less than CLP$1,200,000) tend to expect to change within the next 12 months (42%, 67% and 72% for 3, 6 and 12 months respectively). Furthermore, respondents with higher incomes expect to stay longer and will probably wait until they are “pulled” from the organization (Hay Group, 2014; Neal, 1989). These results are supported by the Interviewees’ responses where salary is one of the main causes of turnover; while they are also supported by the fact that compensation is one of the main factors of job satisfaction (Griffeth, Hom, & Gaertner, 2000).

Figure 27: For those currently employed: "You expect to change jobs in the following:" v/s "Educational Level"

Figure 27 shows three distinct trends. First, respondents of high school level either expect to stay for four years or indefinitely, probably because their educational level makes finding another suitable job harder than if they had a higher educational level. Second, most respondents of incomplete
postgraduate level expect to change within one or two years, probably because as soon as they finish their studies they will be able to reach another stage in their careers and change to better jobs. Finally, we can observe that respondents who don’t expect to change jobs are those with complete postgraduate studies, possibly due to the fact that they have reached the highest stable level they aspire to and have thus settled there. These findings are consistent with the statements from Interviewees 3, 4 and 5.

The following figures refer to how employees see internal equity in their organizations and what respondents feel from it:

*Figure 28: If you found out that a work colleague who fulfills the same roles and responsibilities as you got a 15% higher salary, you:*

- Wouldn’t do anything because you don’t care (15.87%)
- Would think it’s unfair but wouldn’t do anything (28.57%)
- Would think it’s unfair and would complain to your manager (55.56%)

*Figure 29: What percent difference in salaries would you accept between work colleagues who fulfill the same roles and responsibilities?*

- I wouldn’t accept difference in salaries (31.75%)
- 5% (12.70%)
- 10% (3.97%)
- 15% (2.38%)
- 20% (10.32%)
- I wouldn’t care about difference in salaries (38.89%)
By observing figures 28-30 we can see that a lack of internal equity is generally considered unfair, but some people are willing to accept it up to a certain point – 89.68% of respondents care about difference in salaries but only 38.89% of them would not accept it. Furthermore, 47.83% of the respondents who would complain to their managers would quit if they did not get a raise to even their salaries, which is consistent with not having internal equity being a “triggering event” (Fitz-Enz, 2010).
Discussion

The results described above helped us answer the research questions stated before. First, through figures 14-19 we confirmed that there is no unique cause for turnover; it is actually a combination of factors and events which eventually lead to the employees’ decision of changing jobs (Mobley, 1977). In addition, we can see from our results that it is because several of their expectations were not met that they decided to change. The findings show that in the context of the Chilean market, wage, recognition, challenging responsibilities and career opportunities are main causes for voluntary employee turnover, and while salary is an important factor it is not the only one that determines a person’s decision to change jobs or not, because even though 79% of respondents agree that money motivates them to work harder, only 61% of them changed jobs because the wage they received did not meet their expectations. Second, we can infer from figures 14-19 that several situations or dissatisfaction with some parts of their jobs led to their resignation, which means that employees do in fact experience a series of stages before making the decision to change jobs (Mobley, 1977), and that the triggering event most probably varied from person to person in an individual scale (Fitz-Enz, 2010). We concur with Mobley (1977) when he states that people go through a withdrawal decision process, which is why we agree with Fitz-Enz (2010) in suggesting that employers regularly ask employees whether or not they are satisfied with what they are doing, in order to avoid reaching the event which triggers an individual’s resignation.

Third, both the findings from the survey and some of the interviews indicate that there really is a difference in the tendency to change jobs between generations, not only because people change their preferences through time in terms of money, job expectations and life priorities such as children and spouses (Mayers, 2013), but also because recent generations do not seem to bond as much with the community and are thus less bound to stay with a certain company and their people (Twenge & Campbell, 2012). This is why we suggest that employers make sure they understand what their employees expect from them. If not, they (especially the younger employees) are highly unlikely to remain with the organization.

Moreover, our results show that people’s educational level in the Chilean market does affect their expectations in terms of turnover, possibly because of their different career aspirations. On the one hand, the majority of less educated people know that if they decide to change jobs it will probably be hard for them to find a suitable one since their capabilities are usually not as extensive as more educated employees. In addition, they know that unless they obtain new competencies they will not
be able to aspire to better jobs. On the other hand, most employees who are currently obtaining their postgraduate degrees expect to change in the following year or two years, probably because they are becoming more capable of taking higher level jobs and they are likely to hope to get a job that covers the study and monetary investment they made. Lastly, the majority of employees who have reached complete postgraduate level have probably settled on their jobs and reached stability (Mayers, 2013), thus having fewer incentives to change jobs. Another possibility for their tendency to remain with the organization is what was stated by Interviewee 5: because their experience costs more, it is harder for them to find jobs that are equally good.

To add more, our findings indicate that career development opportunities are very important for most employees, which is consistent with Hay Group’s (2014) idea that this factor helps to retain employees; 77% of respondents agree that having career development opportunities at work is more important than a wage raise, which means that employees think about their careers and will tend to move if their employers don’t offer future development. In addition, 70% of respondents agreed that they decided to change jobs because they did not have career development opportunities. This is why we believe that all employers need to create attractive development programs in order to have their employees grow within their organizations to encourage them to stay.

On the other hand, even though people value recognition at work, it does not seem to be as important as other factors such as a wage raise. Although 95% of respondents agree that getting recognition at work motivates them to work harder, only 52% of them agree that being acknowledged matters more than a wage raise. This is consistent with 51% of respondents agreeing that they changed jobs because they did not get enough recognition for their performance. Therefore, we can conclude that acknowledgement is important and contributes to employee satisfaction but is not the determining factor in turnover. Of course, employers should certainly praise employees who perform well since it helps to increase their level of engagement (Fitz-Enz, 2010).

Lastly, because we believe that the turnover issue is caused by a combination of factors depending on each specific individual, we think that employers need to be aware of other factors that can affect their employees’ decision to change jobs. For instance, offering attractive benefit packages, assigning their employees more challenging responsibilities and allowing them to participate in different areas of the company can contribute to employee retention. In addition, in order to design successful retention programs, employers need to thoroughly understand their employees’ needs and expectations because
employee turnover is related to the cultural side of organizational problems (Barnard, 1938), which means that employers must work on getting to know their people and why they behave as they do.

**Limitations & Suggestions for Future Research**

Unfortunately, the making of this project did not come without difficulties. On one hand, the limited and uneven number of responses for the survey forced us not to consider people older than 40, which could have provided useful insight to compare to those younger than 40. Moreover, this sample limitation also affected the analysis since it included a small number of each particular type of person, risking biased conclusions. Thus, future research should be carried out on a larger scale in order to obtain a more balanced sample of respondents.

On the other hand, even though this research identified (and confirmed) several of the causes of turnover, it was not able to conclusively define which factors are the most important, nor which ones weigh more. Therefore, future study should focus on creating a model to represent the causes of turnover and how they affect the final decision. We suggest redefining or creating new survey questions to obtain more conclusive answers (e.g. “Was salary the only reason why you changed jobs?”). In addition, this study was mainly done by studying two variables at a time, so we suggest future researchers to combine at least three factors at a time to evaluate the issue in more depth. Furthermore, the study did not reach a significant number of different industries which might help identify particular industries where turnover is most likely and the reasons for this. This is why future research should be done in a more focused manner in order to make specific analyses to compare, for example, differences between industries in terms of voluntary turnover (Taylor, 2008), identifying trends across job types and positions. Another limitation related to this is the restricted spectrum of people that could be reached with the survey; the survey was sent by email and distributed through Facebook, but the type of people (in terms of educational level, income and children in the household, among others) who responded were quite similar and of similar backgrounds, making the results more difficult to read and analyze, especially considering the proportionality within data.

Moreover, because we tried to make the survey as short and forward as possible in order not to discourage people from answering it, information about some topics such as internal equity was not gathered to their full extent, which is why the analysis made on this matter was not as profound as it
could be. Thus, we suggest future research is done to further investigate this issue because even though it affects employees in terms of fairness, their behavior cannot be fully explained yet.

Furthermore, because we believe that experience and knowledge from professionals can provide significant insight to further develop and complement the research on turnover, we suggest that future investigations include more information from in-depth interviews in order to account for their valuable opinions.

In addition, we suggest future research to follow up with Griffeth, Hom & Gaertner’s (2000) work and collect more information on gender differences on voluntary employee turnover, particularly because no conclusive data has been found yet. Moreover, with women rising more and more in the labor market (Costa, 2000), understanding the different causes that may affect men and women will be essential to create well-designed policies for each.

Finally, we believe that just as there are differences in turnover between industries (Taylor, 2008), there are differences between countries because of cultural preferences in terms of which factors affect employees’ job satisfaction and motivation (Mobley, 1977); especially due to the fact that other research shows that the efficiency of a compensation system may largely depend on the culture of a country (Shao & Sturman, 2006), so we suggest future research is done separately but in a standardized way for several countries in order to compare them.
Conclusions

The present study obtained a great amount of interesting data which contributed to continue extending the knowledge about voluntary employee turnover. On one hand, we were able to confirm that turnover is the final consequence of a combination of factors and expectations which were not met, things which lead to an individual’s decision to change jobs (Mobley, 1977). Even though the triggering event (Fitz-Enz, 2010) can be different for each person, our findings, which were complemented by our Interviewees’ experiences, show that at least 75% of respondents concur that money, recognition and career development opportunities are important motivators for employees working in the Chilean labor market. In addition, our analysis showed that people’s preferences change over the years and that current generations feel less commitment to their organizations, which is why over 70% of employees younger than 30 years old expect to change jobs within the following two years.

Furthermore, our results show how people value having career development opportunities – 77% of respondents agreed that having chances to develop themselves and grow is more important than receiving a wage raise. However, we found that even though only 52% of respondents would prefer getting recognition instead of a wage raise, praising and acknowledging employees’ good performance can serve as a great motivator and may help retention as well. In addition, we observed an interesting difference between employed men and women, where women with children have a significant tendency to remain in their jobs, whereas their male counterparts have more expectations of changing jobs.

Lastly, thanks to our findings we were able to make a few suggestions for employers to better design their retention policies and programs, by identifying the most relevant factors such as salary and career opportunities while still considering other variables such as recognition and benefits. All in all, we believe that this project contributes to raise awareness of the importance of understanding people’s behavior, needs and expectations in order to successfully prevent turnover.
References


Annexes

Survey
Please note that this survey was carried out in Spanish and was translated here for better understanding.

Dear Sir/Madam,

Greetings! Thank you for your time and disposition to complete this survey. My name is Jaime Lee, I’m a 5th year Business Management (Ingeniería Comercial) student at the University of Chile’s School of Business and Economics (Facultad de Economía y Negocios de la Universidad de Chile). I am currently working with Professor Sebastián Ugarte (Ph. D.). All the information gathered here will be used for an investigation titled Main Causes of Voluntary Employee Turnover. The survey will be completely anonymous, used only for academic purposes, and treated with extreme confidentiality. Once again, thank you for your collaboration.

<Page Break>

The purpose of this survey is to obtain information to analyze expectation differences about people’s jobs and their effects on voluntary employee turnover. Please answer with honesty, taking into account that there are no correct or incorrect answers.

1. Are you currently employed?
   - Yes (1)
   - No (2)

   Answer If Are you currently employed? Yes Is Selected

2. You work:
   - Dependently (1)
   - Independently (2)
3. Which industry are you currently working in?

- Agriculture (1)
- Wholesale and Retail (2)
- Construction (3)
- Education (4)
- Hotels & Restaurants (5)
- Housing (6)
- Banking/Finance (7)
- Manufacture (8)
- Mining (9)
- Fishing (10)
- Public Service (11)
- Social & Health Services (12)
- Basic Services (electricity, gas, water, etc.) (13)
- Transport, Storage & Communications (14)
- Other (please specify) (15) ____________________

The following questions will allow us to get an idea of your perception about different topics.

4. How many years have you been working at this company?

- Less than a year (1)
- 1 - 2 years (2)
- 3 - 4 years (3)
- 5 - 6 years (4)
- 7 - 8 years (5)
- 9 - 10 years (6)
- More than 10 years (7)

5. Your job is classified as:

- Frontline (1)
- Supervisor (2)
- Manager (3)
- Section Manager (4)
- General Manager (5)
6. Please indicate your level of agreement with each of these statements.

<table>
<thead>
<tr>
<th>Level of Agreement</th>
<th>Strongly Disagree (1)</th>
<th>Disagree (2)</th>
<th>Indifferent / Don’t know (3)</th>
<th>Agree (4)</th>
<th>Strongly Agree (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money motivates me to work hard. (1)</td>
<td>•</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attractive benefit packages will motivate me to work harder. (2)</td>
<td>•</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Getting recognition at work motivates me to try and perform better. (3)</td>
<td>•</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Having more responsibilities motivates me to try and perform better. (4)</td>
<td>•</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participating in different areas of the company motivates me to try and perform better. (5)</td>
<td>•</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Having career development opportunities at work is more important than a wage raise. (6)</td>
<td>•</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Being recognized at work matters more than a wage raise. (7)</td>
<td>•</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
7. Please indicate your level of agreement with each of these statements, thinking about the reasons for which you changed jobs the last time.

<table>
<thead>
<tr>
<th>Level of Agreement</th>
<th>Strongly Disagree (1)</th>
<th>Disagree (2)</th>
<th>Indifferent / Don’t know (3)</th>
<th>Agree (4)</th>
<th>Strongly Agree (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I changed jobs because the wage I got didn’t meet my expectations. (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I changed jobs because they didn’t give me attractive benefits. (2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I changed jobs because I didn’t get enough recognition for my performance. (3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I changed jobs because it wasn’t challenging enough in terms of the responsibilities I was given. (4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I changed jobs because I couldn’t participate in different areas of the company. (5)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I changed jobs because I didn’t have career development opportunities. (6)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>*This is the first time I work. (7)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Answer If Are you currently employed? Yes Is Selected

8. Given the (monetary and non-monetary) compensation that you currently get, you are:

- Very little motivated (1)
- Little motivated (2)
- Indifferent / Don’t know (3)
- Motivated (4)
- Very motivated (5)
9. Please state how much satisfaction the following factors in your current job give you, considering that 1 is very little satisfaction and 7 is a lot of satisfaction.

- Salary (1)
- Benefits (2)
- Recognition (3)
- Challenging Responsibilities (4)
- Career Development Opportunities (5)

10. You expect to change jobs in the following:

- 3 months (1)
- 6 months (2)
- 12 months (3)
- 2 years (4)
- 4 years (5)
- More than 8 years (6)
- I don’t expect to change jobs (7)

11. If you were currently working, how often do you think you would change jobs?

- Every 2 years (1)
- Every 4 years (2)
- Every 6 years (3)
- Every 8 years (4)
- Every 10 years (5)
- I wouldn’t change jobs (6)
12. If you found out that a work colleague who fulfills the same roles and responsibilities as you got a 15% higher salary, you:

- Wouldn’t do anything because you don’t care (1)
- Would think it’s unfair but wouldn’t do anything (2)
- Would think it’s unfair and would complain to your manager (3)

13. What percent difference in salaries would you accept between work colleagues who fulfill the same roles and responsibilities?

- I wouldn’t accept difference in salaries (1)
- 5% (2)
- 10% (3)
- 15% (4)
- 20% (5)
- I wouldn’t care about difference in salaries (6)

**Answer If 12.** If you found out that a work colleague who fulfills the same roles and responsibilities as you got a 15% higher salary, you: Would think it’s unfair and would complain to your manager. Is Selected

14. If your manager refused to even up your salary to that of your colleague, you:

- Would give up and stop complaining (1)
- Would keep complaining knowing that you might be fired for it (2)
- Would quit and change jobs (3)

15. Taking into account that a good manager is the one who teaches, leads, and provides performance feedback and at the same time makes the workplace more enjoyable; and that a good salary is that which at least exceeds your expectations, you would prefer:

- Having a bad manager and a good salary (1)
- Having a good manager and a bad salary (2)

16. You would prefer:

- Working at a distant location where you are paid a little more than the market salary (1)
- Working at a nearby location where you are paid a little less than the market salary (2)

17. You would prefer:

- Being paid a little more than the market salary without benefits (1)
- Being paid a little less than the market salary with benefits (2)
General information. You will not be asked to provide any kind of personal data.

18. Gender
- Male (1)
- Female (2)

19. Marital Status
- Single (1)
- Engaged (2)
- Married (3)
- Divorced (4)
- Widowed (5)
- Cohabitng (6)

20. Age

21. Do you have children?
- Yes (1)
- No (2)

22. Are you the household’s main income?
- Yes (1)
- No (2)

23. Current level of monthly income (please state in Chilean Pesos – CLP):
- $225,000 - $400,000 (1)
- $400,001 - $800,000 (2)
- $800,001 - $1,200,000 (3)
- $1,200,001 - $1,600,000 (4)
- $1,600,001 - $2,000,000 (5)
- $2,000,001 - $2,500,000 (6)
- More than $2,500,000 (7)
24. Educational Level
- Incomplete grade school (1)
- Complete grade school (2)
- Incomplete high school (3)
- Complete high school (4)
- Incomplete higher education (5)
- Complete higher education (6)
- Incomplete postgraduate (7)
- Complete postgraduate (8)

Thank you very much for your help, time and cooperation!!!
In-depth Interview

Please note that this interview was carried out in Spanish and was translated here for better understanding.

1. Greeting.
   a. Hi, my name is Jaime Lee, I’m a 5th year Business Management (Ingeniería Comercial) student at the University of Chile’s School of Business and Economics (Facultad de Economía y Negocios de la Universidad de Chile). I am currently working with Professor Sebastián Ugarte (Ph. D.). We are investigating the main causes of voluntary employee turnover and its consequences on career opportunities and wage raises.
   b. The information obtained through this interview will be treated with the strictest confidentiality; and will be used only for academic purposes.
   c. If you’d like us not to mention your name or your company’s on the final document, we will only state your position and the industry in which you work.

2. Topic introduction.
   a. The idea is that we briefly talk about your experience in the labor market and what you have seen or lived in terms of voluntary employee turnover.

3. Questions.
   a. Please tell me a little bit about the industry in which your company is in and what specific position you have.
      i. Name: _____________________
      ii. Organization: _____________________
      iii. Position: _____________________
      iv. Years of Experience: _____________________
   b. Roughly, how are your company’s employees distributed in terms of academic level and ages?
   c. What is the resignation/turnover rate your company has? Is it greater, equal to or less than the industry in which it is set?
   d. Which do you think are the main 3 reasons (in order of importance) of why your ex-employees decided to change jobs? Why?
   e. How much do you think having a good boss/supervisor/manager affects the decision of changing jobs? Why?
   f. Do you think there are significant differences between younger and older employees in terms of the tendency to change jobs? How do their motivations/reasons to change vary between them?
   g. Do you think there are significant differences in terms of the propensity to change jobs between industries?
   h. Do you think there are significant differences in terms of the tendency to change jobs between employees with different educational levels? Why?
   i. Do you think people prefer:
      i. Having a bad boss/supervisor/manager and a good salary, or
      ii. Having a good boss/supervisor/manager and a bad salary.
1. Think of a good boss/supervisor/manager as the one who teaches you, leads to objectives, gives performance feedback and guides you to do a better job and at the same time makes the work climate more enjoyable. A good salary would be the one which is at least exceeds your expectations.

j. How much do you think the fact of being a man or a woman, or the fact of having kids affects the tendency to change jobs?

k. How would you weigh the following elements in terms of importance? Distribute 10 points between the elements (more points = more importance)
   i. Salary
   ii. Good boss/supervisor/manager
   iii. Benefits
   iv. Promotions (having more opportunities)
   v. Recognition at work

l. What margin of internal inequity do you think employees would be willing to accept?
   i. An example of internal inequity is two employees who earn different salaries, even though they fulfill the same roles and responsibilities (and are in the same conditions).

m. Do you think the tendency to change jobs varies between employees with higher or lower performance? Exclude those who are let go.

4. Closing, thanks and farewell.
   a. We are now finished with the interview. Once again, I thank you very much for your time and disposition to help us with this research. See you soon.

Importance: 1, 2, 3.