
**ANALYZING THE FACTORS AFFECTING EMPLOYEES' TURNOVER IN
TEXTILE MILLS OF SITE AREA KOTRI, SINDH (PAKISTAN)**

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ABSTRACT

Textile is the largest industry of Pakistan, which caters to 40 percent employees of the country. Site area Kotri is a hub of employment for Jamshoro district and other adjacent areas. This study sought to analyze the causes of turnover that can be controlled in order decrease employees' turnover and maintain organizational effectiveness. Sample consists of 105 employees selected randomly from textile mills situated in Site area Kotri. Data were collected by closed-ended questionnaire and analyzed using SPSS 24.0 in terms of mean, multiple regression, and Pearson correlation. Education level, alternate job opportunities, job security, rewards and benefits, work environment, management style, and overtime availability were found to have significant effects on turnover intention, whereas age, marital status, tenure and attraction to gratuity withdrawal do not have significant effects on turnover intention. The factors found as causes of turnover need to be improved in order to retain employees in organization, who will help in achieving organizational goals.

Keywords: Turnover, Causes, Textile, Site Area.

INTRODUCTION

Textile industry plays a significant role in the development of a state. It is the major industry of Pakistan which makes Pakistan the 8th largest exporter of textile products in Asia (Afzal, 2012). Total gross domestic product (GDP) of Pakistan is contributed 8.5 percent by textile industry and total manufacturing is 46 percent contributed by it. There is 52 percent share of textile sector in the total exports of the country. Textile industry caters to 40 percent employees of the country (APTMA, 2017), and there are around 5,000 production units in Pakistan (Stotz, 2015).

Leading countries such as the USA, the European Union and Japan emphasize exclusively on promotion and distribution of the textile products, whereas, developing and underdeveloped countries are utilized for manufacturing processes (Tot, 2014).

About 54 percent of country's textile units are situated in Sindh and the province has room for accommodating 34 percent large scale and 25

percent small scale industrial units from total manufacturing capacity in the country (Sindh Board of Investment, Government of Sindh, 2009). There are 111 textile units in Sindh out of total 452 units in the country (APTMA, 2017).

Sindh Industrial Trading Estates (Guarantee) Limited was established in 1947. SITE is an advisory and — to some extent — regulatory body, responsible for inspecting and laying down wage practices and other narratives time to time. Government of Sindh appoints Board of Directors for SITE. Its objective was to provide a conducive industrial environment where industrialists could be facilitated with public amenities. Total nine industrial estates are situated in Sindh (SITE, 2016).

Site area Kotri consists of approximately 104 small to large scale concerns that are members of Kotri Association of Trade and Industry (KATI). There are total 80 industrial units out of which 30 are textile mills and each unit caters to approximately 600 employees, that make about 18000 employees working in textile mills at Site Area Kotri (Assistant Director, Directorate of Labour Hyderabad).

For analyzing an organization's status and growth employees' turnover is considered a key factor. High employee turnover symbolizes the instability and ambiguity in manpower's livelihood. It also signifies in adequate policies or improper treatment of employees, which may result in incurrence of high cost, lapses and chaos in the organization.

The textile industry is facing problems and bearing high costs because of the energy crisis, whereas employee turnover is also unavoidable cost for the industry. Site area Kotri caters to the residents of Jamshoro district and other adjacent districts i.e. Hyderabad, Thatta, Dadu and Karachi. Even employees from other provinces also work there. Hence the grievances and dissatisfaction prevail in the employees remained unstated, that may result in employee turnover without tracing its reasons. So it is key concern to ascertain the reasons of employees' turnover as employee retention can be maximized, and long lasting solution can be found.

LITERATURE REVIEW

Researchers have identified various factors that influence the employee turnover in different sectors. Kumar (2011) studied on sample of 138 employees from two Textile Companies of Ethiopia and his analysis provided a strong relation between age and turnover. Odiro (2017) Pawar and Chakravarthy (2014) suggested demographics of employees a major factor in analyzing employees' turnover.

Melaku (2014) concluded that salary and benefits are the most highly affecting factors on employees' decision to quit in the Ethiopian Evangelical Church Mekane Yesus. Tanchi (2015) concluded unattractive pay packages along with other factors influence employee to leave the job. Rajapaksha (2015) argued that pay does not become a core factor to set a felling in the mind of employees to leave the job while analyzing factors of employees' turnover in medium scaled apparel industry in Sri Lanka.

Tanchi (2015) opined lack of job security do not influence employee turnover though it seems to be important factor. Nyanjom (2013) suggested employees' retention is influenced by job security. Khan (2014) identified that employees turnover has a negative and significant effect of job security.

Pawar and Chakravarthy (2014) in fusion healthcare organization of India and Lee *et.al.*, (2012) in hotel employees of Taiwan found work environment as one of the factor that can influence on employee turnover. Shami *et.al.*, (2015) found less support of supervisors can affect employees' turnover in paint industry of Pakistan. Getahun (2005) found inadequate management system makes employees to leave organization. Melaku (2014) identified mismanagement as one of the reasons for employees' exit and employee-employer relationship as a very significant factor.

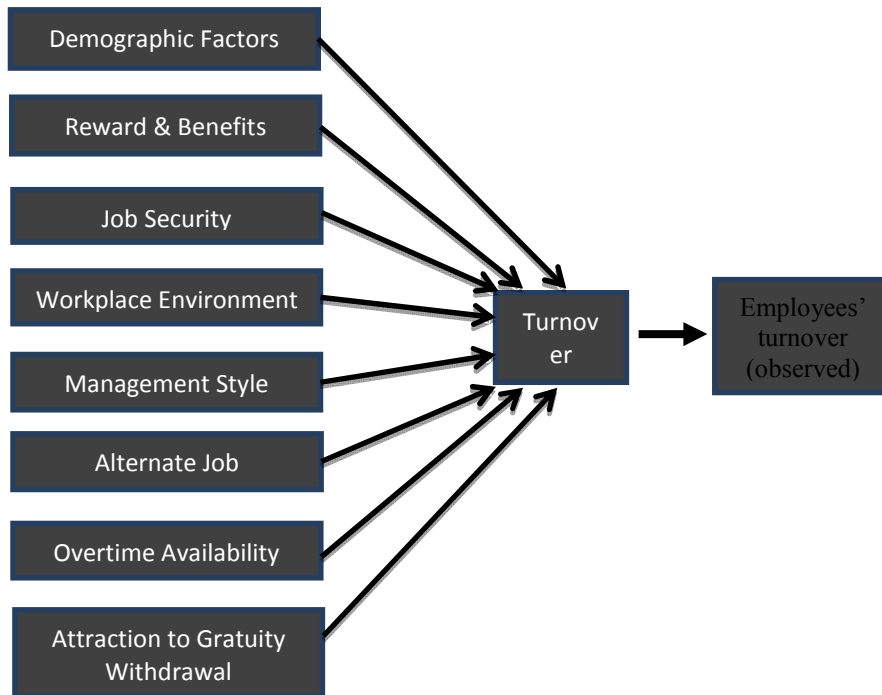
Kumar (2011) concluded that employee turnover is cause by better employment opportunities for the employees. Ing-San and Jyh-Huei (2006) conducted research in the public sector organizations and concluded a significant positive relationship between alternative job opportunities and turnover intention. Khatri *et.al.*, (2001) labeled availability of alternate job opportunities as a weak predictor of turnover intention.

While conducting research on textile industry of Pakistan, Bodla and Hameed (2008) took satisfaction with pay, working conditions and supervision as controllable factors, whereas Farooqui and Ahmed (2013) analyzed age and tenure as demographical factors and identified rewards and benefits, working environment, supervisor behavior, job security, better employment opportunities as important causes of employee turnover.

A number of research studies emphasized on the role of turnover intention in forecasting and understanding actual exits e.g. Mobley (1977), Mobley *et.al.*, (1978), Bluedorn (1982), Hom & Griffeth (1991),

Gialuisi (2012). Thus, the following conceptual model has been developed on the basis of reviewed literature.

CONCEPTUAL FRAMEWORK



There are eight independent variables; demographical factors, reward & benefits, job security, workplace environment, management style and alternate job opportunities, which were found common in literature and significant for the population; whereas unavailability of overtime and attraction to gratuity withdrawal were found important factors while conducting semi-structured interviews during pilot study in the manufacturing units of Site Area Kotri.

Data was collected from turnover intents; therefore, turnover intention is taken as dependent variable. Furthermore employees' turnover (observed) was taken as another variable to know the correlation between the turnover intention and employees' turnover.

OBJECTIVES OF THE STUDY

- To identify the factors causing employees to quit their jobs in textile mills of Site area Kotri.

- To analyze the factors significantly affecting the employees' turnover intention in textile mills of Site Area Kotri.
- To identify the correlation between turnover intention and employee turnover in textile mills of Site Area Kotri.

HYPOTHESIS

- H1: Demographic factors (age, education level, marital status and tenure) are the significant determinants of employees' turnover intention.
- H2: Poor reward & benefits System significantly affect employees' turnover intention.
- H3: Job insecurity significantly affects employees' turnover intention
- H4: Unfavorable work environment significantly affects employees' turnover intention.
- H5: Un-conducive management style significantly affects employees' turnover intention.
- H6: Alternate job opportunities significantly affect employees' turnover intention.
- H7: Unavailability of overtime significantly affects employees' turnover intention.
- H8: Attraction to gratuity withdrawal significantly affects employees' turnover intention.
- H9: Turnover intention is significantly correlated to employees' turnover.

RESEARCH METHODOLOGY

This is a cross-sectional, descriptive, explanatory research study. A survey was conducted using self-administered questionnaire, which was also used as researcher-administered when respondents were uneducated or less educated. The questionnaire was translated into Urdu for convenience of respondents. Before the development of questionnaire, semi-structured interviews were also conducted as pilot study in which employees were asked about the factors that cause employees' turnover in the organizations, and thematic analysis was used to identify the factors as causes of turnover.

INSTRUMENT

Closed-ended questionnaire was developed comprising 38 items, five items for demographical factors and 32 for other eight variables(four for each) measuring response on five point Likert scale i.e. 1= strongly disagree to 5 = strongly agree. One question for observed Turnover Rate

was also included. Pawar and Chakravarthy (2014) also asked the respondents about the annual turnover rate in a similar study.

Questionnaire was tested for reliability on sample of 40 and Cronbach's alpha was calculated that results a satisfactory internal consistency among the items measuring a particular variable. All the variables have α coefficient ranging from 0.70 to 0.90 that is recommended acceptable values by Tavakol and Dennick (2011).

RELIABILITY STATISTICS

Variable	Cronbach's Alpha	N of Items
Turnover intention	.885	4
Poor Rewards & Benefits	.793	4
Job Insecurity	.828	4
Unfavorable Work Environment	.904	4
Un-conducive Management Style	.832	4
Alternate Job Opportunities	.862	4
Overtime Unavailability	.796	4
Attraction to Gratuity Withdrawal	.730	4

SAMPLE

Sample consists of 120 employees(non-executives/operatives and line managers), selected randomly from three different textile mills functioning in Site Area Kotri, out of which only 108 were received, three questionnaires were incomplete therefore discarded, hence the sample size of study is 105. Rahman *et.al.*, (2008) analyzed IT Professionals' turnover in Pakistan with sample size of 100, and while probing in the labour turnover of Sugar Industry of Kenya Justus, *et.al.*, (2011) also selected the sample size of 100.

RESULTS AND DISCUSSION

Demographic factors as determinants of turnover intention: Demographic data were analyzed using SPSS 24.0 in terms of Descriptive Statistics as done by Wanja (2009), Nasir and Mahmood (2016), Odiro (2017) and Pawar and Chakravarthy (2014).

AGE AS DETERMINATES OF TURNOVER INTENTION

Age		Mean
Turnover intention	Below 20	1.5000
	21-30	3.3106
	31-40	3.2905
	41-50	2.9737
	51-60	3.4773
	Above 60	3.3750

Mean scores in Table 1 show that age is not a determinant of turnover intention, because there was not a meaningful pattern of mean scores of turnover intention with regard to age.

EDUCATION LEVEL AS DETERMINATES OF TURNOVER INTENTION

Education Level		Mean
Turnover intention	Uneducated	2.9700
	Below Primary	3.0000
	Primary	3.0536
	Middle	3.1786
	Metric	3.2045
	Intermediate	3.4405
	Graduate	4.0714
	Post Graduate	5.0000

Mean scores in Table 2 shows that education level is a determinant of turnover intention, because mean scores show as education increases, turnover intention also increases.

MARITAL STATUS AS DETERMINATES OF TURNOVER INTENTION

Marital Status		Mean
Turnover intention	Married	3.2671
	Unmarried	3.1953

Mean scores in Table 3 show marital statuses is not a determinant of turnover intention, because there is not a significant difference between the mean scores of married and unmarried employees.

TENURE AS DETERMINATES OF TURNOVER INTENTION

Tenure		Mean
Turnover intention	Below 1 year	4.0000
	1-5 Years	3.4671
	6-10 Years	2.8200
	11-15 Years	2.8906
	16-20 Years	3.3958
	21-25 Years	3.4167
	26-30 Years	3.0833
	Above 30 Years	4.0000

Mean scores in Table 4 show that tenure is not a determinant of turnover intention, because there is not meaningful trend of mean scores of turnover intention with regard to tenure. At the start it is high with mean score of 4.000 but afterword the mean score is fluctuating.

FACTORS AFFECT EMPLOYEES' TURNOVER

For analyzing the factors affecting employees' turnover intention multiple regressions was calculated using SPSS 24.0 as done by (Amin & Akbar, 2013) in a similar study.

<i>Model Summary^b</i>									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.888 ^a	.789	.774	.54844	.789	51.921	7	97	.000
a. Predictors: (Constant), Attraction to Gratuity Withdrawal, Job Insecurity, Un-conducive Management Style, Overtime Unavailability, Poor Rewards & Benefits, Alternate Job Opportunities , Unfavourable Work Environment									
b. Dependent Variable: Turnover intention									

R is measure of the quality of the prediction of the dependent variable. A value of 0.888 indicates a good level of prediction. The adjusted R^2 of the model is .774 with the $R^2 = .789$, which shows 78.9percent of the total variance in turnover intention is explained by the independent variables of this model. Estimated standard error is relatively smaller.548, as compared to the estimated coefficient, which indicates a large enough sample size. Table 5 exhibits the results.

<i>ANOVA^a</i>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	109.321	7	15.617	51.921	.000 ^b
	Residual	29.176	97	.301		
	Total	138.498	104			
a. Dependent Variable: Turnover intention						
b. Predictors: (Constant), Attraction to Gratuity Withdrawal, Job Insecurity, Un-conducive Management Style, Overtime Unavailability, Poor Rewards & Benefits, Alternate Job Opportunities , Unfavourable Work Environment						

Table 6 indicates, the full model is statistically significant $F(7, 97) = 51.921, p < .05$, thus we can assume that the model explains a significant amount of the variance in turnover intention and the regression model is a good fit of the data.

<i>Coefficients^a</i>								
Model		Un-standardized Coefficients		Standardized Coefficients	t	Sig.	Co-linearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.761	.227		-3.359	.001		
	Poor Rewards & Benefits	.215	.070	.188	3.077	.003	.582	1.717
	Job Insecurity	.230	.068	.214	3.378	.001	.541	1.849
	Unfavourable Work Environment	.149	.067	.147	2.228	.028	.500	1.999
	Un-conducive Management Style	.156	.067	.145	2.342	.021	.564	1.772
	Alternate Job Opportunities	.281	.064	.275	4.363	.000	.547	1.829
	Overtime Unavailability	.127	.064	.120	1.991	.049	.594	1.683
	Attraction to Gratuity Withdrawal	.099	.060	.094	1.645	.103	.666	1.502
a. Dependent Variable: Turnover intention								

Table 7 is showing that all factors are affecting employees turnover intention, as they have significant beta coefficient with p value $< .05$, except 'Attraction to gratuity withdrawal' which has p value $> .05$. Most affecting factor is 'Alternate job opportunities' as it has beta coefficient .281, 'Job insecurity' has second highest beta coefficient .230, 'Poor

reward and benefits', has third highest beta coefficient .215. 'Unfavourable work environment', 'Un-conducive management style' and 'Overtime unavailability' also have significant beta coefficient .149, .156 and .127 respectively with p value < .05. Furthermore, there is not high multi co-linearity among the independent variables, because Tolerance is >.25 as the minimum value recommended by Huber and Stephens (1993), and VIF is <4 as the maximum value recommended by Pan and Jackson (2008).

TURNOVER INTENTION CORRELATED TO EMPLOYEES' TURNOVER

Pearson Correlation was calculated as done by Lee *et.al.*, (2012), Bodla and Hameed (2008), and Khan (2014).

<i>Correlations</i>			
		Observed Turnover	Turnover intention
Observed Turnover	Pearson Correlation	1	.440**
	Sig. (2-tailed)		.000
	N	105	105
Turnover intention	Pearson Correlation	.440**	1
	Sig. (2-tailed)	.000	
	N	105	105
**. Correlation is significant at the 0.01 level (2-tailed).			

Table 8 exhibits a significant positive moderate correlation was found between turnover intention and employees' turnover as $r=.440$ with $p<.05$, which shows that turnover intention normally results in employees' turnover in the organizations.

CONCLUSION AND RECOMMENDATIONS

These studies have findings consistent and little contrary to literature. Education level was found to be a determinant of turnover intention. It was indicated that as education level increase turnover intention also increases. Other demographic factors were not found to be determinants of turnover intention and there was not a clear pattern in their mean score in relation to turnover intention. The factors suggested by literature and the factors identified from pilot study were found to be fit in the model. Only attraction to gratuity withdrawal was not found significant, as this variable was identified only from interviews conducted in pilot study, which could not be confirmed after data collection through

questionnaire. Most affecting factor is alternate job opportunities followed by job insecurity and poor rewards and Benefits. Availability of alternate job was found to be a big attraction for existing employees to leave an organization, which is contrary to Khatri *et.al.*, (2001). Job security is a serious concern for employees that make them leave organization. Rewards and benefits are also important as is as it is bread and butter for them. Work environment and management style have less effect on their intention to leave it can be assumed that employees fear to express their displeasure towards their supervisors. Overtime availability has least effect this variable was also identified from pilot study and found to be significant in the study.

The results are somehow consistent to Farooqui and Ahmed (2013), who also concluded the same five factors influencing employees' turnover, in addition this study has also found the sixth affecting variable that is overtime availability. Rewards & benefits system, job security, work environment, management style and overtime availability are internal variables, therefore should be improved by the management of the textile mills, which will help retain employees that will ultimately improve image and growth of organizations.

The study has practical as well as research implications. The topic can be further explored by increasing the sample size and scope of the study at province and country level as results can be generalized.

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