Turnover, Layoff, and Reduction in Force
Overview

1. Maria  ➔ Collective Affective Commitment
2. Le    ➔ Effects of Community Diversity
3. Brittney ➔ Bonus Eligibility & Manager HR Practices
4. Olivia ➔ Layoffs to Voluntary Turnover
5. Randy ➔ Boomerang
6. Group take home message
The Impact of Motivation, Empowerment, and Skill-Enhancing Practices on Aggregate Voluntary Turnover: The Mediating Effect of Collective Affective Commitment

By: Maria Centeno
How are skills related to retention in organizations?
Collective Affective Commitment: how committed employees are to the company.

Enhancing Practices
- Motivation
- Empowerment
- Skill
Take Home Message

- Make more firm-specific skills.
- Establishment of HRM system to improve employees’ climate.
Crossing the Threshold: The Spillover of Community Racial Diversity and Diversity Climate to the Workplace

By: Le Nguyen
How a community deals with diversity can affect one’s intentions to leave the community, resulting in turnover.
Vocabulary Terms

Racial Dissimilarity to Community: one’s different race or ethnicity from the community

Community Diversity Climate: one’s perception of a community that accepts differences and values diversity
Vocabulary Terms

Inclusive Diversity Climate: a community that supports diversity

Adverse Diversity Climate: a community that does not support diversity
Path estimates for each group

- Racial dissimilarity to community $\xi_1$
  - Impact on Moving intentions $\eta_1$:
    - People of Color: -.04
    - Whites: .14***
  - Impact on Work stress $\eta_2$:
    - Whites: .20*

- Community diversity climate $\xi_2$
  - Impact on Moving intentions $\eta_1$:
    - People of Color: -.32***
    - Whites: -.18***
  - Impact on Work turnover intentions $\eta_3$:
    - People of Color: .42***
    - Whites: .31***
  - Impact on Job search behaviors $\eta_4$:
    - People of Color: .55***
    - Whites: .67***
Adverse diversity climate (-1 SD)

Inclusive diversity climate (+1 SD)

Respondents’ Racial Disimilarity to Their Community
Peer Group Mentoring Programs
- Diversity Inclusions -> perceptions

- Community Involvement

- Community Preview
Does Pay-for-Performance Strain the Employment Relationship?

The Effect of Manager Bonus Eligibility on Non-management Employee Turnover

By: Brittney Frost
As an employee, does your manager's bonus matter?

Would it affect your relationship or performance?
Interaction Between Manager Bonus Eligibility and HR Practices on Employee Turnover
Vocabulary Terms

**Pay-for-performance (PFP):** Compensation that is linked to the measure of work quality or specific goals.

**Manager bonus eligibility:** The proportion of managers in an organization who are eligible to receive a performance based bonus.
Interaction Between Manager Bonus Eligibility and HR Practices on Employee Turnover

Manager Bonus Eligibility ➔ Employee Relationship ➔ Voluntary Turnover

HR Practices
Are managers at the company...
- Evaluated on how they treat employees?
- Trained to treat employees fairly?
- Evaluated on how they show appreciation to employees who perform well?
Interaction Between Manager Bonus Eligibility and HR Practices on Employee Turnover

![Graph showing the relationship between voluntary turnover rate and manager bonus eligibility. The graph compares lower and higher manager bonus eligibility levels with and without HR practices.](image-url)
Results

Manager bonus eligibility **did affect** turnover when HR practices were **low**

Manager bonus eligibility **did not affect** turnover when HR practices were **high**

HR Practices **did not reverse** the effect on employee turnover
Take Home Message

➔ Incorporate HR practice measures into manager's performance appraisal. Evaluate on...

◆ How well they treat employees
◆ If they show appreciation to employees who perform well
◆ If they treat employees fairly
Creating a More Quit-Friendly National Workforce?
Individual Layoff History and Voluntary Turnover

By: Olivia Lam
**Vocabulary Terms**

**Underemployment**: skilled employees in a new job inferior than the previous job

**Psychological Spillover**: previous layoff experience leads to low trust in new employer
Psychological Spillover

- Reduced trust

Layoff

Lower Post-layoff Job Quality (Underemployment)

Voluntary Turnover
Results

- At least 1 layoff = 56% likely to voluntary quit
- Each additional layoff = 39% increase of voluntary quit
Take Home Message

- Develop a Mentoring Program
  - Follow up, Evaluate, Repeat
Gone today but here tomorrow: Extending the Unfolding Model of Turnover to consider Boomerang Employees

By: Randy Peo
Higher turnover rates lead to:

- Loss of social capital
- High cost of replacing lost workers
**Vocabulary Terms**

**Unfolding Model of Turnover**
Individual’s decision making process for leaving based upon employment experiences.
**Vocabulary Terms**

**Boomerang**
Employees who quit but are later rehired

**Alumni**
Employees who quit but will not return

**Undecideds**
Undecided former employees
TABLE 1

Characteristics of the Unfolding Model Paths

<table>
<thead>
<tr>
<th>Decision path</th>
<th>Shock</th>
<th>Script</th>
<th>Image violation of company</th>
<th>History of dissatisfaction</th>
<th>Alternative job opportunity</th>
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# Unfolding Model of Turnover

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<thead>
<tr>
<th>Predictors</th>
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<th>Alumni</th>
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<tbody>
<tr>
<td>Negative Personal Shock</td>
<td>✓</td>
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<tr>
<td>Positive Work Related Shock</td>
<td>✓</td>
<td></td>
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<tr>
<td>(Alternative Job offers)</td>
<td>✓</td>
<td></td>
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<tr>
<td>Dissatisfaction</td>
<td></td>
<td>✓</td>
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<tr>
<td>Similar Industry</td>
<td>✓</td>
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<tr>
<td>Leave the workforce altogether</td>
<td>✓</td>
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Take Home Message

Alumni Networks → Identify in Exit Interviews → Coded Resource Pool
Take Home Messages Review

- Look into **non-obvious, unintentional** effects
- Take preventative measure to combat the effects