



FACTORS INFLUENCING EMPLOYEE TURNOVER IN THE NGO'S OF PAKISTAN

¹Kashif Kamran Khan, ²Amber Shahzadi
^{1,2}EQUIP Research and Development Consultants

Article DOI: <https://doi.org/10.36713/epra9540>

DOI No: 10.36713/epra9540

ABSTRACT

Non-government organization (NGO) sector in Pakistan is characterized by diversity and vibrancy. They provide employment opportunities in addition to the private sectors and government institutions. These days the cost of staff turnover becomes one of the major concerns of organizations both in for profit & Non for profit terms. Currently most of the NGOs in Pakistan are affected by high staffs turnover, due to this high staffs turnover most of the NGOs has been losing its experienced employees. The present research sought to investigate factors influencing employees' turnover in the NGOs of Pakistan. This study is cross-sectional and quantitative. Data were collected by close-ended questionnaire based on a seven-point Likert-type scale comprising a total population of 200 people in most of the big cities in Pakistan. The study depicted a significant association between employee's turnover and the pay package and employee motivation rewards provided by the organization. The study concludes that in order to ensure less people leave NGOs in Pakistan it is important that the organization must focus in increasing their pay packages and must offer certain motivational awards.

KEYWORDS: *Employees turnover, NGO, Co-relational analysis*

INTRODUCTION

Non-government organization (NGO) sector in Pakistan is characterized by diversity and vibrancy and in recent years it has grown considerably as the government has recognized the value of NGOs to development and improving the life of its citizens (Khan et al 2020). It includes traditional welfare organizations, as well as modern development-oriented NGOs, and many informal networks of community-based organizations. NGOs run several programs ranging from health issues, education, environmental conservation, Agriculture, as well civil concerns in different social set ups but face unprecedented employee turnover in stark contrast to most public sector organizations (Araidi et al 2018).

NGOs also provide employment opportunities in addition to the private sectors and government institutions. The non-profits play an increasingly important role in providing services, for which the public and the private sector lack time, information, resources and inclination (Yasmeen et al 2020). NGOs in Pakistan are growing in number and size and are

getting stronger. The reasons of NGOs becoming a third sector of society, side by side, the state and business sectors are attributed to the ineffectiveness of state apparatus and failure of business sector in providing the effective development lead at grass root level (Nawaz et al 2020).

NGOs in Pakistan can be divided into several broad categories: There are those who are involved in advocacy and lobbying, some are involved in policy issues and debates, while some deal with emergency, rehabilitation and relief organizations (Jamal and Baldwin 2019). There are some which are heavily responsible in the implementation of development project and programs, Including service delivery organizations and CBOs (community based organization). The last few years have seen a rapid increase in the number of NGOs in Pakistan. There are various types of NGOs distinguishable by the factors that have led to genesis and importantly their impact on the process of democratization and socio-economic transformation. The more important reason for the growing interest is its track record of an agent of socio-



economic change not only in Pakistan but also in the South Asian region (Hassan et al 2017).

These days the cost of staff turnover becomes one of the major concerns of organizations both in for profit & Non for profit terms. With regard to financial costs NGOs are forced to allocate significant amount of money, even smaller organizations are forced to assign personnel to process frequent staffs resignations and recruitment activities. As the result of the high turnover in these organizations, most of them are exposed to low productivity in terms of quality and quantity of work (Ejaz et al 2011).

Most of the NGOs are highly affected by staff turnover and therefore the quality of the service they provide to the beneficiaries is affected and the financial and nonfinancial cost of replacing vacant posts is significantly increased. Turnover and retention are also major issues for non-profit organizations (Hussain and Asif, 2012). In a study of staff turnover conducted on an American NGO, International Relief Committee, the findings revealed that the causes of staff turnover are a combination of factors. Family problems, poor leadership, dissatisfaction with the job, better opportunity in other organizations, dissatisfaction with the area, and educational opportunity are some of the causes (Kim, 2015).

Currently most of the NGOs in Pakistan are affected by high staffs turnover, due to this high staffs turnover most of the NGOs has been losing its experienced employees who have better relationship with donors, beneficiaries, controlling authorities and other stakeholders (Malik et al 2013). Therefore, the non-financial cost of staff turnover is beyond the expectation of the officials of the organization. In many of the NGOs in Pakistan, there has been prevalence of employee turnover for formal engagement in other

organizations, rendering these NGOs less effective in service delivery (Ali and Jaan, 2012).

This research assesses the factor influences of the staff turnover in the NGOs of Pakistan. It provides important information about the existing problem of staff management in this organization. The project also provides sufficient data about the causes of staff turnover and the means for minimizing staffs turnover. Moreover, this research lay ground for future researchers and contributes to the Pakistani human resource management literature.

The variables that are being considered are described in the conceptual framework. Employee turnover is the dependent variable, which is going to be checked for a relationship with leadership, remuneration, general environment of work & motivational reward that are independent variables, whereas the personal responsibility is a moderating variable for this research.

Here we are using the Time Duration as Moderator variables - "In general terms, a moderator is a qualitative (e.g., sex, race, class) or quantitative (e.g., level of reward) variable that affects the direction and/or strength of the relation between an independent or predictor variable and a dependent or criterion variable. Specifically within a correlational analysis framework, a moderator is a third variable that affects the zero-order correlation between two other variables.

The present research sought to investigate factors influencing employees' turnover in NGOs of Pakistan considering following objectives a) assessing the influence of effective & efficient leadership on employee turnover in the NGOs of Pakistan. b) To investigate the influence of remuneration on employee turnover in the NGOs of Pakistan c) To examines the influence of motivational rewards on employee turnover in NGOs of Pakistan.

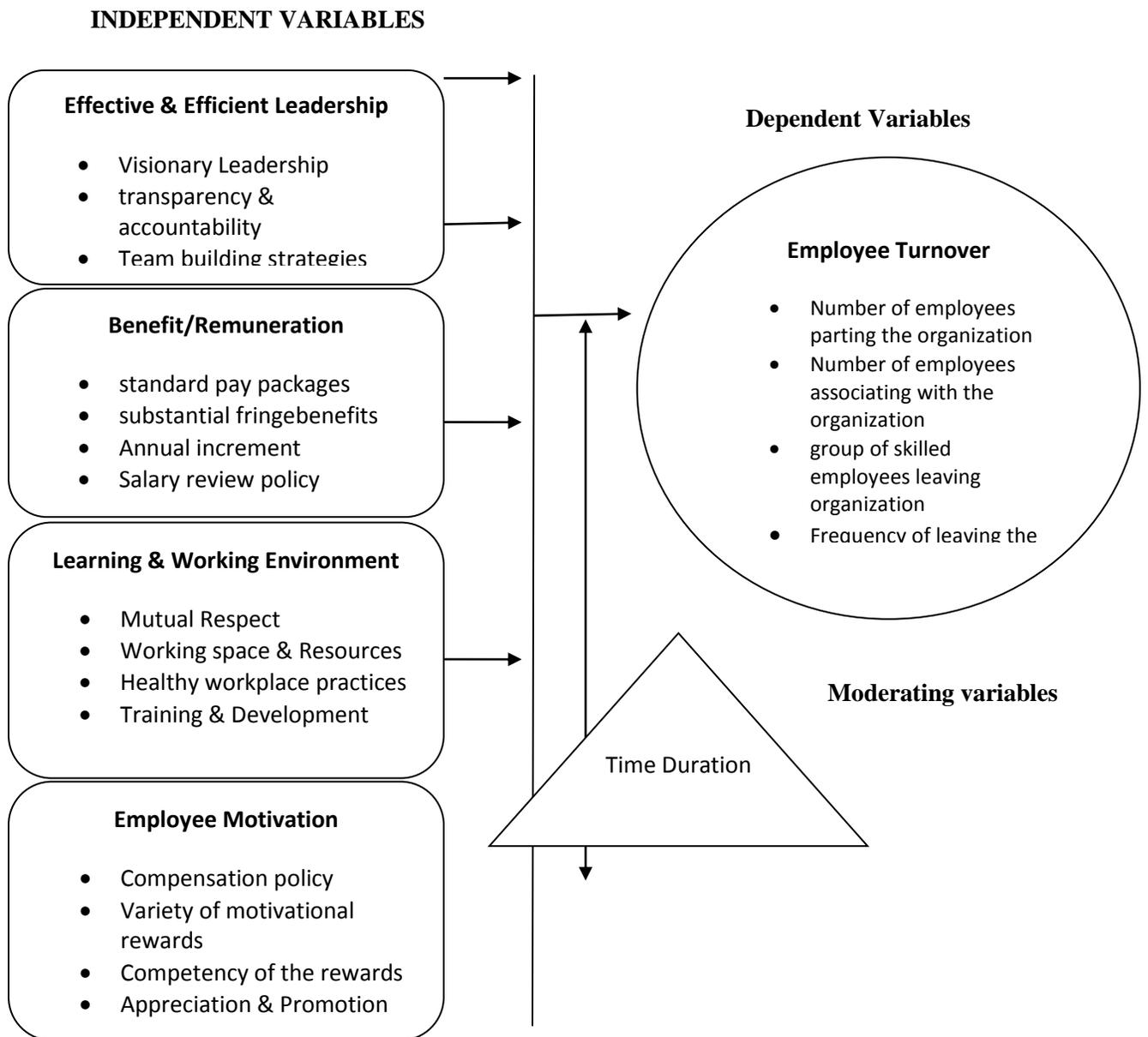


Fig 1: Conceptual Framework Representing Relationship between Independent and Dependent Variable

MATERIALS AND METHODS

Research design

This study adopted a descriptive survey research design. This research design was therefore found suitable in studying employee turnover, since the researcher did not have to manipulate such factors as they had already occurred, coupled with the fact that the study targeted a large population of NGO employees spread across the Pakistan.

Methodology

This study is cross-sectional and quantitative. Data were collected by close-ended questionnaire based on a seven-point Likert-type scale, containing 35 question items related to 4 independent variables i.e., Effective & Efficient Leadership, Benefit/Remuneration, Employee Motivation and dependent variable i.e. Employee Turnover.



Target population: The Target population of this study is Non-Government Organization (NGO) employees. This research focused on all employees of different ranks in NGO sector of Pakistan. The ultimate objective of this research is to identify & analyze the various factors influencing staff turnover in the NGOs in Pakistan

Sample and sample size: Sample is the subset of the entire population that is drawn from the population to represent it as a whole (Wood & Haber, 1998). The sample size for this study was 200 employees of the NGOs sector from the provinces of Punjab and Sindh, Pakistan.

RESULTS

First of all demographic information is displayed in table 1. Most of the respondents (32%) in the study fall under the age group of 30-40 years. About 30% of the people in the study group were more having age ≤ 30 years. The demographics in the study revealed a gender partition in the respondents. But majorities (83%) still were represented by males, having a bigger part of the sample group. However, 17% percent respondents were females. The research covered almost all the big cities of Pakistan. The most dominant in this research was obviously Karachi (25%) due its larger population and bigger size. The least number of respondents (12%) were encountered in Faisalabad 9 (Fig 1). The current research was focused

on interviewing top and middle officials of the organization while the people working involved in the field works were not interviewed. It was because these employees do not work in a permanent position but rather are part time workers not involved in any decision making process. However, very few top managers served as a respondent but there information was sufficient enough to conduct the analysis.

Table 1 also reveals about the respondents level in the organization. The top managers were mostly President/Vice presidents, Executive Director, CEO, HR, Finance managers; assistants etc. represented 17% of the sample group. Whereas middle managers represented were 80%. Majority (60%) of the sample group were holding a masters degree. While analyzing the demographic distribution it was also identified that greater part of the respondents had multiple qualification. For instance, if a respondent was an Admin, finance or project coordinator, he/she also held a masters degree such as MBA, MPA or MA social work etc. Work experience after qualification was also taken into account. Most of the respondents fell under the range of < 4 years of work experience that is 41%. The minimum range for work experience was < 4 years with 41% respondents and the maximum ≥ 21 years with 10% respondents. It was observed that majority number of employees in most of the organizations under consideration were about 20-30 persons per organization (Fig 2).

Table 1: Background variables of the study

| Variable | Responses | Percentage |
|---------------------------------|-------------|------------|
| <Age | <30 Years | 30 |
| | 30-40 Years | 32 |
| | 40-50 Years | 28 |
| | >50 years | 10 |
| Gender | Male | 83 |
| | Female | 17 |
| Position in Organization | Top | 17 |
| | Middle | 80 |
| | Lower | 3 |
| Education | Bachelors | 40 |
| | Masters | 60 |
| Experience | <4 years | 41 |
| | 5-10 years | 33 |
| | 11-15 years | 16 |
| | >20 years | 10 |

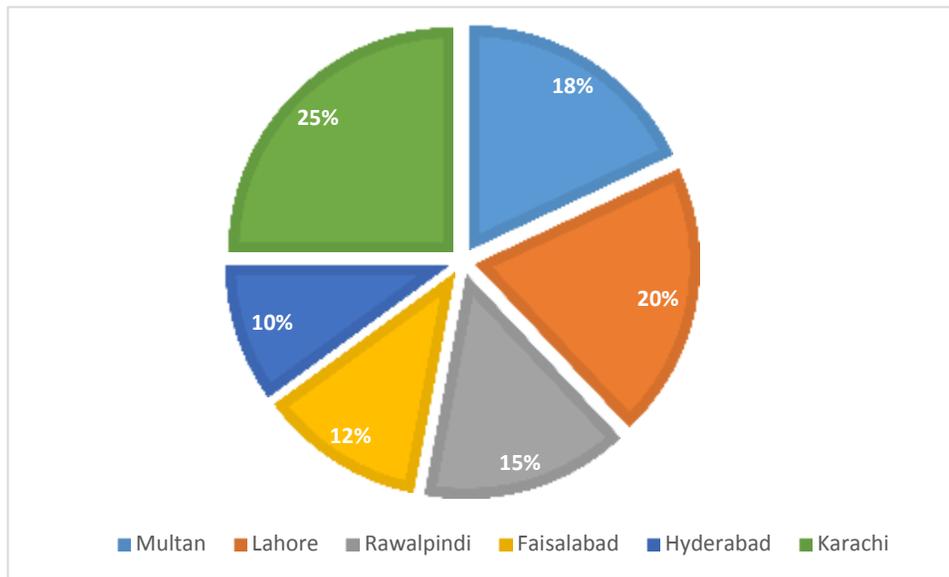


Fig 1: Percentage of respondents in the study sites

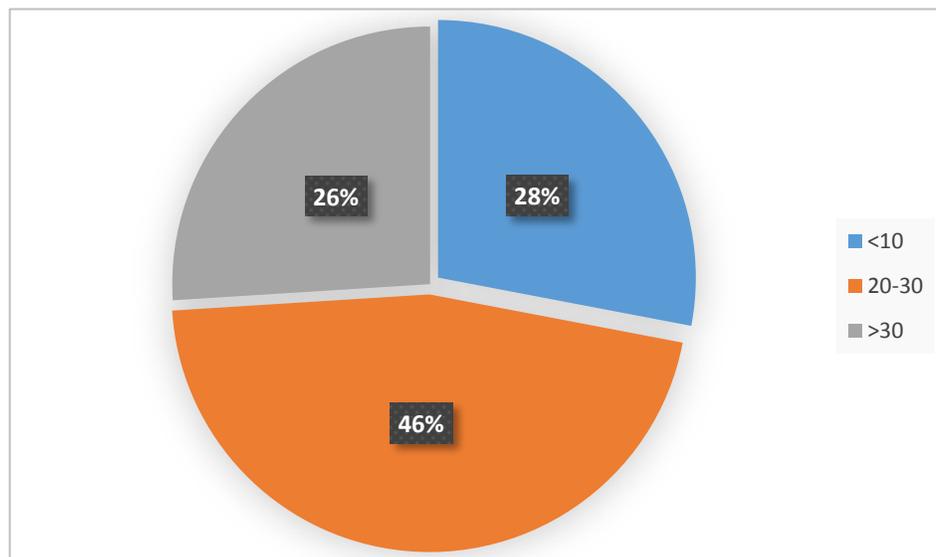


Fig 2: Average number of employees in understudied organizations

EMPLOYEES PERCEIVED FACTORS AFFECTING TURNOVER

The study also described perceived factors by the employees working in an organization that could relate with the turnover of that organization. It was observed that most respondents' believed that pay package was an important factor in determining the turnover of any company. Working hours set by an organization for their employees is another important indicator that governs the turnover of that company.

Respondents were of the view that motivational awards provided by the organization plays a pivotal role in governing the turnover. It was described the respondents that more awards are up for grabs to the employees less are their chances to leave that company. Respondents believed that lack of trainings and rigid style dictatorship of the boss in an organization does not have any link with the turnover of that organization.

**Table 2: Employees perceived factors affecting turnover of the organization**

| Variables | Responses | Percentage |
|--|----------------|------------|
| Pay package | Strongly Agree | 76 |
| | Agree | 22 |
| | Disagree | 2 |
| Working Hours | Strongly Agree | 48 |
| | Agree | 36 |
| | Disagree | 16 |
| Motivational Rewards | Strongly Agree | 88 |
| | Agree | 10 |
| | Disagree | 2 |
| Lack of trainings offered to Employees | Strongly Agree | 10 |
| | Agree | 25 |
| | Disagree | 65 |
| Rigid/dictator style leadership | Strongly Agree | 38 |
| | Agree | 34 |
| | Disagree | 28 |
| Minimal focus on team performance | Strongly Agree | 10 |
| | Agree | 40 |
| | Disagree | 50 |

CORRELATION ANALYSIS

Pearson's Correlation was carried out in order to determine relationship between the dependent (Employee's turnover) and independent variables (Organizational characteristics). Table 3 depicts the correlation matrix between employee's turnover and organizational features and benefits given to the employees. All relationship between the dependent and independent variables are positively and significantly correlated. The most significantly correlated and strong

relationship of all the variables is employee motivation $r = .546, p < 0.01$ with employee performance. The next significant and moderate correlation is found between working environment with $r = 0.573, p < 0.01$. Whereas salary package is correlated at $r = .321, p < 0.01$. Finally effective leadership came out to be positively significant at $r = .456, p < 0.01$. Hence, Table 3 presents positive relationship among all the variables of organizational characteristics/features and employee turnover.

Table 3: Correlation analysis between the dependent and independent variables.

| Variables | | Effective leadership | Salary package | Working Environment | Employee Motivation | Employee Turnover |
|----------------------|---------------------|----------------------|----------------|---------------------|---------------------|-------------------|
| Effective leadership | Pearson Correlation | 1 | .604** | .557** | .557** | .456** |
| | Sig (2-tailed) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Salary package | Pearson Correlation | .489 | 1 | .407** | .573** | .321** |
| | Sig (2-tailed) | 0.000 | .000 | .000 | .000 | .000 |
| Working environment | Pearson Correlation | .321** | .514** | 1 | .429** | .546* |



| | | | | | | |
|----------------------------|---------------------|--------|--------|--------|--------|--------|
| | Sig (2-tailed) | 0.001 | .000 | .000 | .000 | 0.000 |
| Employee Motivation | Pearson Correlation | .661 | .806** | .538** | 1 | .553** |
| | Sig (2-tailed) | 0.003 | .000 | .000 | .000 | 0.000 |
| Employee Turnover | Pearson Correlation | .455** | .761** | .324** | .312** | 1 |
| | Sig (2-tailed) | 0.002 | .000 | .000 | .000 | 0.000 |

CONCLUSION

The current study focused on the relationship of employee's turnover on various characteristics and features of various non-governmental organizations in Pakistan. The study depicted a significant association between employee's turnover and the pay package and employee motivation rewards provided by the organization. The study concludes that in order to ensure less people leave NGOs in Pakistan it is important that the organization must focus in increasing their pay packages and must offer certain motivational awards. Further the study shows that leadership efficiency did not showed strong relation in effecting the employees turnover.

REFERENCES

1. Khan, M., Chaudhry, M. N., Ahmad, S. R., & Saif, S. (2020). *The role of and challenges facing non-governmental organizations in the environmental impact assessment process in Punjab, Pakistan. Impact Assessment and Project Appraisal, 38(1), 57-70.*
2. Ariadi, S., Saud, M., & Ashfaq, A. (2018). *Exploring the role of NGOs' health programs in promoting sustainable development in Pakistan. In 2nd International Symposium of Public Health (ISOPH 2017)-Achieving SDGs in South East Asia: Challenging and Tackling of Tropical Health Problems (pp. 430-435).*
3. Yasmeen, A., Ahmad, M., Raziq, M. M., & Khan, M. L. (2020). *Structural empowerment, cultural diversity, and interpersonal conflict: Evidence from international NGOs in Pakistan. International Journal of Cross Cultural Management, 20(2), 125-139.*
4. Nawaz, A., Hussain Javed, Z., Shabbir, M., Ali Waeem, L., & Mushtaq, A. (2019). *Participation of NGOs for development of Socio-Economic status of Employees in Pakistan. European Online Journal of Natural and Social Sciences: Proceedings, 8(1 (s)), pp-170.*
5. Jamal, A., & Baldwin, C. (2019). *Angels of mercy or smiling western invaders? Community's perception of NGOs in northwest Pakistan. International Social Work, 62(1), 89-104.*
6. Hassan, M. M., Bashir, S., & Abbas, S. M. (2017). *The impact of project managers' personality on project success in NGOs: The mediating role of transformational leadership. Project Management Journal, 48(2), 74-87.*
7. Ejaz, I., Shaikh, B. T., & Rizvi, N. (2011). *NGOs and government partnership for health systems strengthening: a qualitative study presenting viewpoints of government, NGOs and donors in Pakistan. BMC health services research, 11(1), 1-7.*
8. Kim, J. (2015). *What increases public employees' turnover intention?. Public Personnel Management, 44(4), 496-519.*
9. Malik, S. A., Bashir, N., Khan, M. M., & Malik, S. A. (2013). *Predicting employees turnover in telecom mobile communication call centers of Pakistan. Middle-East Journal of Scientific Research, 17(4), 481-494.*
10. Ali, N., & Jan, S. (2012). *Relationship between organizational justice and organizational commitment and turnover intentions amongst medical representatives of pharmaceuticals companies of Pakistan. Journal of Managerial Sciences, 6(2), 202-2012.*