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**Definition of Labour Turnover:**

Labour turnover refers to the rate at which employees leave employment. Labour turnover can be evaluated by relating the number of employees leaving their employment during a period of time to the total or average numbers employed in that period.

It may also be defined as engagements and losses in the working force as related to the total number of employees who were on the pay roll at the beginning of the period in question.

**Causes of labour Turnover:**

**Avoidable causes are:**

- (i) Lower wages;
- (ii) Bad working conditions;
- (iii) Unsympathetic attitude of the management;
- (iv) Lack of opportunities for promotion;
- (v) Lack of proper training;
- (vi) Improper manpower planning;
- (vii) Lack of proper incentives;
- (viii) Bitter relationship between management and workers;
- (ix) Lack of conveyance, accommodation, medical and educational facilities and recreational amenities etc.

**Unavoidable causes:**

Sometimes workers have to leave the organisation because of management requirements and administrative actions. They also leave their employment at their own will, that is, on personal reasons. In the latter case the management can do nothing but remains a helpless onlooker. So, unavoidable causes may be administrative or personal.

**(1) Administrative causes:**

- (i) Termination of service due to indiscipline, insubordination, bad conduct etc.
- (ii) Retrenchment or lay-off due to shortage of resources, low demand for recession.

**(2) Personal causes:**

- (i) Change for better job;
- (ii) Death;
- (iii) Retirement due to old age;
- (iv) Change for better working conditions, better environment;
- (v) Change for secured job;
- (vi) Marriage, especially of women workers;
- (vii) Illness and accident rendering the worker permanently incapable of doing any work;
- (viii) Domestic need and responsibility etc.

## **Effects of Labour Turnover:**

**Labour turnover is harmful and costly. It results in increased cost of production due to the following reasons:**

(i) With frequent changes in labour force, production planning cannot be properly executed resulting in substantial loss in production.

(ii) Since the new workers have no previous experience in production there is loss arising out of defective work, increased spoilage and wastage resulting in high cost of production.

(iii) Newly recruited workers are likely to mishandle tools and equipment which results in breakages.

(iv) The organisation has to incur extra cost for workers' training.

(v) Labour turnover causes increased replacement cost.

(vi) Labour cost increases because of lower productivity of newly recruited workers as they do not possess the same expertise as the old workers who have left the organisation.