Identification and classifying of affecting motivation factors in employee turnover by using Topsis method in the National Iranian Oil Products Distribution Company (N.I.O.P.D.C)

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ABSTRACT

Motivational factors involved in reduction of employee turnover were classified in Oil Refining and Distribution Company in selected cities of Iran. For this purpose, we reviewed the literature and concepts of turnover. Primary Questionnaire was designed and Distributed in statistical population to identify the effective factors involved in reduce of turn over. Main factors determined by using Minitab15 software and Pareto charts. Reliability of Questionnaire measured by retesting method. In order to classify of the identified factors, TOPSIS method was used. Then second questionnaire developed to evaluation of impact of each factors in selected cities. Data collected and purified to make a decision matrix. Finally, effective factors classified according to weights and importance of each factor. Results showed that job security, Achievement motivation, and organizational commitment, respectively, have the greatest impact on reducing employees' turnover.

1. Introduction

Turnover is a big problem for business today. Many companies are finding it more difficult to keep employees as the economy and job market improves. Turnover costs for many organizations are very high and can definitely affect the financial performance of an organization. Direct costs include recruiting, poor production practices and reduced standards as well as high replacement and training costs (Babbie, 2001). Indirect costs include increased workloads and overtime expenses for coworkers and reduced productivity associated with low employee morale. Moreover indirect costs associated with decreased levels of employee motivation, absenteeism, tardiness leading to customer dissatisfaction and ultimately customer defection (Gupta, 2001).

While this may seem like unnecessary advice, some organizations spend the large amount of money developing new programs and projects as well as solving problems that do not necessarily exist. Another challenge is to consider using leading indicators to spot turnover problems before they become serious issues. As mentioned earlier by Fair (1992), intention to quit is an important leading indicator along with organizational commitment and job satisfaction data. These leading indicators can crucial for early analysis and action before turnover develops into a serious problem.

Turnover can be divided into two main groups according to voluntary and mandatory. It does differentiate a person who gets out of organization by owner functioning than something gets fired by manager. (Glebbeek, 2004). Since most origination experienced Malicious turnover in voluntary situation by Employees working hard, organizations should try to focus on the management and control voluntary turnover of employees.

In regard to employees who do not have the efficiency, organizations try to making logical financial incentives for early retirement, divestiture of technical knowledge, Inviting them in growing networks and trying to find work for them to give them turnover conditions (Ruwan, 2007)

In this context, Current study classified effective factors causing labor turnover in National Iranian Oil Products Distribution Company.

Literature Review

The rate of turnover varies from company to company. The highest level of turnover normally found in private sectors than public sectors. The level of turnover is also different from region by region. The highest rate is found where unemployment rate is lower and where it is easy to get alternative employment (Abbritti, 2009). Turnover can occur two forms, Direct and indirect. Direct turn over take places where case the employee willingly or against their will quit his work and has no physical presence in the