



Organizational Excellence and Employee Retention in Social Work

Journal:	Professional Development: The International Journal of Continuing Social Work Education
Article Title:	<i>Organizational Excellence and Employee Retention in Social Work</i>
Author(s):	<i>Dong Pil Yoon and Michael Kelly</i>
Volume and Issue Number:	<i>Vol. 11 No. 3</i>
Manuscript ID:	<i>113030</i>
Page Number:	<i>30</i>
Year:	<i>2008</i>

Professional Development: The International Journal of Continuing Social Work Education is a refereed journal concerned with publishing scholarly and relevant articles on continuing education, professional development, and training in the field of social welfare. The aims of the journal are to advance the science of professional development and continuing social work education, to foster understanding among educators, practitioners, and researchers, and to promote discussion that represents a broad spectrum of interests in the field. The opinions expressed in this journal are solely those of the contributors and do not necessarily reflect the policy positions of The University of Texas at Austin’s School of Social Work or its Center for Social Work Research.

Professional Development: The International Journal of Continuing Social Work Education is published three times a year (Spring, Summer, and Winter) by the Center for Social Work Research at 1 University Station, D3500 Austin, TX 78712. Journal subscriptions are \$110. Our website at www.profdevjournal.org contains additional information regarding submission of publications and subscriptions.

Copyright © by The University of Texas at Austin’s School of Social Work’s Center for Social Work Research. All rights reserved. Printed in the U.S.A.

ISSN: 1097-4911

URL: www.profdevjournal.org

Email: www.profdevjournal.org/contact

Organizational Excellence and Employee Retention in Social Work

Dong Pil Yoon, PhD and Michael J. Kelly, PhD

Introduction

Turnover is an important cost, performance, and morale challenge for any organization. In every case the organization should be considering factors to increase employee retention. Other job opportunities, change in personal status, education, and work satisfaction all contribute to the rate of turnover for an organization. In a moderate-sized organization, such as one with a few hundred employees, turnover of 5 to 10 percent can be positive for the organization as new members often bring other perspectives, higher energy levels and recently acquired education. However, any turnover must be balanced against a number of factors. One is the degree to which existing members can pick up the slack when an experienced member is lost, their availability to train and socialize the new member, and the psychological impact of seeing another leave the organization. When members perceive high levels of turnover then these burdens increase and both performance and morale may suffer. In some organizations the cost of turnover simply to recruit, select, and train the new employee will run more than \$50,000 per employee. To the extent that the position requires several months before the new employee comes up to speed then an additional cost is incurred as existing employees must undertake reparative efforts, while a lessened job load is created for the new employee to learn the tasks.

New employees pull down heavily on supervisory and training staff. High rates of turnover deter service improvement and absorb resources that might be applied to task improvement.

To understand and control the level of turnover it is important to have a working theory of variables that may account for turnover. One might suspect that pay, working conditions, education, gender, job satisfaction, and general organizational morale might all contribute. To see if these variables do account for turnover and to provide some

insight into how organizational leadership is involved in understanding and controlling turnover, the authors turn to data from a standard organizational assessment and data recently gathered from a moderately sized human service organization in a Midwestern state. The tool used to assess organizational members' attitudes on these variables is the Survey of Organizational Excellence.

Instrumentation

The Survey of Organizational Excellence

The Survey of Organizational Excellence has been developed and tested extensively in public and private organizations in Texas and other states. It is designed to assess the climate in organizations, particularly service organizations, and so is broad in scope and language. This instrument is particularly well-suited to the present study as it was developed to promote an environment of self-reflection and learning in organizations (Lauderdale, 2001b) and it is quite broad. It measures five workplace dimensions (work group, work setting, organizational features, communication, and personal demands), within which have been identified twenty constructs, including supervisory effectiveness, team effectiveness, organizational change-oriented, goal oriented, and quality. (Lauderdale, 1999). The instrument also captures sixteen demographic or descriptive variables, including job category, highest educational level, salary level, and years of service with the organization (Lauderdale, 2001a).

The instrument's development and improvement over the past thirty years included initial identification of concepts to be measured through review of organizational literature, focus groups with public agency employees, pretesting of the instrument, and original piloting in 1979 with 3,000 persons and then with 62,000 public employees in 1994. The instrument has demonstrated through repeated testing to be reliable

Dong Pil Yoon, PhD is an Associate Professor at the University of Missouri-Columbia.

Michael J. Kelly, PhD is a Professor at the University of Missouri-Columbia.

(Cronbach's alpha of .85 or greater). Particular subscales have been subject to establishment of convergent validity with other instruments, such as the burnout subscale with Dean's Alienation Scale, and Maslach's Burnout Inventory, and have been found to be sound measures. This instrument has been designed primarily as a repeated measure instrument for use in measuring organizational culture over time. Therefore particular attention has been paid to face validity through expert review by agency employees and administrators in many organizations. In addition, content validity has been established through comparison of data to ratings by trained observers (Lauderdale, 1999). The most recent review by an expert panel of users was in 2000 (M. J. Kelly, personal communication, May 11, 2004).

Variables and Instruments

Work group

"Work group" has four sub scales including supervisor effectiveness, fairness, team effectiveness, and diversity. *Supervisor effectiveness* provides insight into the nature of supervisory relationships in the organization, including the quality of communication, leadership, and fairness that employees perceive exists between supervisors and themselves. *Fairness* measures the extent to which employees believe that equal and fair opportunity exists for all members of the organization. *Team effectiveness* captures employees' perceptions of the effectiveness of their work group and the extent to which the organizational environment supports appropriate teamwork among employees. *Diversity* addresses the extent to which employees feel that individual differences, including ethnicity, age, and lifestyle, may result in alienation and/or missed opportunities for learning or advancement. Each sub scale consisted of a 5-point response format, which ranged from 1 (strongly disagree) to 5 (strongly agree). Cronbach's alpha was .72 in this sample. A higher score indicates a better work group.

Accommodations

There are four sub scales to accommodations: fair play, physical environment, benefits, and employee development. *Fair play* is an evaluation

from the viewpoint of employees of the competitiveness of the total compensation package, addressing how well the package holds up when employees compare it to similar jobs in their own communities. *Adequacy of physical environment* captures employees' perceptions of the work setting and the degree to which employees believe that a safe and pleasant work environment exists. *Benefits* provide an indication of the role that the employment benefit package plays in attracting and retaining employees. *Employee development* captures perceptions of the priority given to the career and personal development of employees by the organization. Each sub scale consisted of a 5-point response format, ranging from 1 (strongly disagree) to 5 (strongly agree). Cronbach's alpha was .81 for this sample. Higher scores reflect better accommodations.

Organizational features

There are five sub scales of organizational features: change oriented, goal oriented, holographic, strategic, and quality. *Change oriented* secures employees' perceptions of the organization's capability and readiness to change based on new information and ideas. *Goal oriented* addresses the organization's ability to include all its members in focusing resources towards goal accomplishment. *Holographic* refers to the degree to which all actions of the organization hang together and are understood by all, particularly concerning employees' perceptions of the consistency of decision-making and activity within the organization. *Strategic* orientation secures employees' thinking about how the organization responds to external influence, including those which play a role in defining the mission, services, and products provided by the organization. *Quality* focuses upon the degree to which quality principles, such as customer service and continuous improvement, are a part of the organizational culture. Each sub scale consisted of a 5-point response format, which ranged from 1 (strongly disagree) to 5 (strongly agree). Cronbach's alpha was .75 in this sample. Higher scores reflect better organizational features.

Organizational Excellence and Employee Retention

Information

Information is composed of three sub scales including internal communication, availability of information, and external communication. *Internal communication* captures the nature of communication exchanges within the organization, addressing the extent to which employees view information exchanges as open and productive. *Availability of information* provides insight into whether employees know where to get needed information and whether they have the ability to access it in a timely manner. *External communication* looks at how information flows in and out of the organization, focusing on the ability of the organization to synthesize and apply external information to work performed by the organization. Each sub scale consisted of a 5-point response format, ranging from 1 (strongly disagree) to 5 (strongly agree). Cronbach's alpha was .75 for this sample. Higher scores reflect better information.

Personal

Job satisfaction addresses employees' satisfaction with their overall work situation, concerning their evaluation of the availability of time and resources needed to perform jobs effectively. *Time and stress management* looks at how realistic job demands are, given the constraints of time and resources, and also captures the feelings employees have about their ability to balance home and work demands. *Burnout* is a feeling of extreme mental exhaustion that can negatively impact employees' physical health and job performance, leading to lost resources and opportunities in the organization. *Empowerment* measures the degree to which employees feel that they have some control over their jobs and the outcome of their efforts. Each sub scale consisted of a 5-point response format, which ranged from 1 (strongly disagree) to 5 (strongly agree). Cronbach's alpha was .85 in this sample. Higher scores reflect better personal attitudes.

Data Analyses

Hierarchical multiple regression analyses were performed to determine the relative influence of four sets of variables on the dependent variables: job satisfaction, time and stress, burnout, and em-

powerment. Overall, two hierarchical regression models were used to determine each level of dependent variables. In Model 1, the independent variable included the demographic variables of age, ethnicity (dichotomously coded as 1 = White and 0 = Non-White), education (dichotomously coded as 1 = bachelor's degree or above, 0 = no bachelor's degree), annual income (dichotomously coded as 1 = > \$25,000, 0 = ≤ \$25,000), number in household (dichotomously coded as 1 = single, 0 = family), and years in service (dichotomously coded as 1 = > 5 years, 0 = ≤ 5 years). The Model 2 included work, accommodations, organization, and information. In addition, the logistic regression method was used to predict perception of turnover.

Characteristics of the Participants

Overall, females comprised approximately 88 percent of the participants, while males comprised approximately 12 percent of the participants. Most participants (87%) were White and 82 percent had bachelor's degree. Annual income categories included 127 individuals reporting under \$25,001 (17%), 606 reporting between \$25,001- \$35,000 (81%), and 18 individuals reporting over \$35,000 (2%). In terms of years in service, 39% had worked at least six years. Sixty-seven percent of the respondents planned to still be working for the organization in two years, though most respondents (89%) were not promoted during the last two years.

Multivariate Analyses

Job Satisfaction. Table 2 indicates that Model 2 accounts for 56% of the variance in job satisfaction ($F = 93.93, p < .001$; adjusted $R^2 = .56$). In Model 1, among participant's demographic information, annual income significantly predicted job satisfaction. In Model 2, as expected, work, accommodations, and organization were significant predictors of a subject's job satisfaction, explaining an additional 52% ($p < .001$) of the variance in job satisfaction. Thus, having better work, accommodations, and organization predicts higher job satisfaction.

Time and Stress. Table 2 indicates that Model 2 accounts for 53% of the variance in time and

Table 1: Characteristics of the Participants

Variable	Frequency	Percentage
Sex (N = 751)		
Male	91	12.1
Female	660	87.9
Age (N = 746)		
Younger than 30	272	36.5
30-49	357	47.8
Older than 49	117	15.7
Ethnicity (N = 748)		
Non-White	98	13.1
White	650	86.9
Education (N = 750)		
No Bachelor's degree	14	2.0
Bachelor's degree	618	82.2
Master's degree	118	15.8
Annual salary (N = 751)		
Under \$25,001	127	16.9
\$25,001 to \$35,000	606	80.7
Over \$35,000	18	2.4
Years of service (N = 751)		
Less than 3 years	222	29.5
3-5	235	31.4
6-10	146	19.4
More than 10	148	19.7
The primary wage earner in the household (N = 745)		
Yes	420	56.4
No	325	43.6
Promotion during the last two years (N = 750)		
Yes	84	11.2
No	666	88.8
Years of living in this state (N = 739)		
Less than 2	17	2.3
2-10	103	13.9
Over 10	619	83.8
Plan to work for the organization in two years (N = 740)		
Yes	496	67.0
No	244	33.0

stress ($F = 93.93, p < .001$; adjusted $R^2 = .52$). In Model 1, annual income was a significant predictor of time and stress. In Model 2, as expected, in the equation to predict time and stress, accommodations, organization, and information appeared to contribute significantly and explained an additional 48% ($p < .001$) of the variance in time and stress. Thus, having better accommodations, organization, and information predicts better time and stress management.

Burnout. Table 2 indicates that Model 2 accounts for 73% of the variance in burnout ($F = 93.93, p < .001$; adjusted $R^2 = .72$). In Model 1, among demographic information, annual income, number in the household, and years in service significantly predicted burnout. In Model 2, as expected, work, accommodations, organization, and information were significant predictors of a subject's burnout, explaining an additional 67% ($p < .001$) of the variance in burnout. Thus, hav-

Organizational Excellence and Employee Retention

Table 2: Summary of Hierarchical Regression Analyses for Variables Predicting Participant's Personal Dimension Involving Job Satisfaction, Time & Stress, Burnout, and Empowerment (standardized beta coefficients)

Variable	Job Satisfaction		Time and Stress		Burnout		Empowerment	
	Model 1	Model 2	Model 1	Model 2	Model 1	Model 2	Model 1	Model 2
Demographic Information								
Age	-.05	-.04	-.05	-.05	.04	.04	.00	.00
Ethnicity	-.02	-.07	.01	-.04	.05	.00	.04	.00
Education	.03	.01	.06	.04	.00	-.03	.01	-.02
Annual income	-.17 ***	.00	-.15 ***	-.01	-.19 *	-.03	-.18 *	.00
Number in the household	.07	.01	.07	.02	.09 *	.02	.08 *	.01
Years in service	-.06	.04	-.07	.03	-.10 *	.02	-.13 *	.00
Work Environment								
Work		.19 ***		.05		.30 ***		.52 ***
Accommodations		.24 ***		.31 ***		.10 ***		.01
Organization		.46 ***		.54 ***		.63 ***		.28 ***
Information		-.07		.12 *		.15 ***		.14 ***
F	5.43 ***	93.93 ***	6.15 ***	80.69 ***	7.93 ***	194.43 ***	8.92 ***	316.81 ***
ΔR^2		.52		.48		.67		.74
R ² /Adjusted R ²	.04/.04	.56/.56	.05/.04	.53/.52	.06/.05	.73/.72	.07/.06	.81/.81

Note: N = 738, * p < .05, ** p < .01, *** p < .001.

Table 3: Summary of Logistic Regression Analyses Predicting Perception of Turnover

Variable	B	SE	Exp (B)
Demographic Information			
Age	-.75 *	.21	.47
Gender	-.60 *	.21	.55
Ethnicity	-.45	.26	.64
Annual salary	.32	.25	1.37
Number of persons in the household	-.91 **	.29	.41
The primary wage earner in the household	-.58 *	.24	.56
Years of service	-.51 *	.21	.60
Work environment			
Work	-.18	.26	.84
Accommodations	-.43	.25	.65
Organization	.60	.38	1.82
Information	-.29	.30	.75
Personal	1.12 ***	.28	3.06
Constant	-1.89	.64	
Model Chi-Square	107.43		
Cox and Snell R Square	1.14		

Note: N = 751, * p < .05, ** p < .01, *** p < .001.

ing better work, accommodations, organization, and information predicts lower levels of burnout.

Empowerment. Table 2 indicates that Model 2 accounts for 81% of the variance in empowerment ($F = 93.93, p < .001$; adjusted $R^2 = .81$). In Model 1, among demographic information, annual income, number in the household, and years in service significantly predicted empowerment. In Model 2, as expected, in the equation to predict empowerment, work, accommodations, and organization appeared to contribute significantly and explained an additional 74% ($p < .001$) of the variance in empowerment. Thus, having better work, accommodations, organization, and information predicts greater empowerment.

Discussion

Our findings contain very few surprises. Some conditions -- such as low wages, poor facilities, and skimpy benefits -- will make people dissatisfied and prone to leave. These are the hygiene conditions. Other conditions -- such as challenging work, recognition, ability to pursue quality -- are factors that speak to the quality of leadership and opportunity to participate in the organization. They motivate people to work and to stay at the organization. When both conditions are met people stay, work hard, and build strong organizations.

Conclusion

Organizations can utilize survey methods to assess factors that lead to employee retention or, conversely, high turnover. Turnover is costly both in terms of the time that a new employee must be on the job before he or she has developed requisite knowledge and skill to contribute and in terms of the culture of the organization. High-performing organizations are highly dependent on informal rules and supports, and much of this comes from experienced persons. Turnover eviscerates this important organizational cultural quality.

References

- Herzberg, F. (1966). "Work and the Nature of Man." Cleveland, World Publishing.
- Kelly, M. ((2001).). " Management mentoring in a social service agency." *Administration in Social Work* 25 (1): 17-33.
- Lauderdale, M. (1999). "Reinventing Texas Govern-

ment." Austin, TX, University of Texas Press.

Lauderdale, M. a. K., Michael (2003). "Meeting Transformational Challenges: Continuing education and leadership." *Professional Development: The International Journal of Continuing Social Work Education* Fall.