It staff turnover: causes and management tools

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Abstract. The article is devoted to the analysis of the turnover causes and retention tools for IT specialists during the period of deep transformation of the corresponding segment of the labor market. For companies, a serious challenge is the outflow of highly qualified specialists and a large number of vacancies that stimulate excessive inter-organizational mobility. The purpose of this study is to develop a system of tools that can keep the turnover rates of IT specialists at an acceptable level. The study was conducted in the IT departments of three regional divisions of large federal organizations in December 2022 by the survey method (questionnaire and Exit interview). According to the study, the main quit causes are getting a more interesting offer from another employer and dissatisfaction with wages. The authors proposed the use of retention tools, which are grouped into the following groups: motivating, team-building, career, supportive. The article has practical value, since the presented tools can be used in various organizations to prevent excessive turnover.

1 Introduction

Staff turnover is the most important characteristic of a company's well-being. A stable team, which gradually accumulates and transmits rational methods of work and ways of interaction in a team to newcomers, is able to ensure high organization competitiveness and efficiency. On the contrary, functioning in the "passing yard" mode does not allow the company to take advantage of the use of stable methods of doing work and verified patterns of labor behavior. The company's financial losses from turnover consist of articles on the search for new employees, their adaptation, evaluation, and training. In addition, the labor productivity of the retiring and the new employee taken in his place is reduced, and the frequency of errors and the creation of emergency situations by the adaptant is significantly higher than that of the rooted employee. That is why the study of the causes of employee dismissals and the search for tools to influence these causes to retain employees is an urgent task of the management of any organization. This fully applies to IT companies and IT departments, since the labor market of specialists in this profile underwent enormous changes in 2022, which resulted in excessive labor mobility.

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2 Materials and Methods

By staff turnover, we will understand the process of spontaneous movement of labor, caused, on the one hand, by the employee's dissatisfaction with the workplace, and on the other hand, by the organization's dissatisfaction with this employee [1]. Staff turnover management involves, first, an analysis of statistics and reasons for dismissals, second, an analysis of the current value offer of the employer as a tool for retaining staff, and, third, the development of tools for solving problems that employees are aware of as reasons for termination of employment relations with the employer.

The intensification of the competition of companies for specialists in the field of information technology and information security is due to a number of trends in the labor market of IT specialists:

1. The outflow of experienced specialists to the so-called friendly countries in connection with the beginning of a special military operation and partial mobilization. As the head of the Ministry for Digital Technology, Communication and Mass Media of the Russian Federation M. Shadaev noted at the government hour in the State Duma on December 19, 2022, "if we take two waves of departure of IT specialists, then up to 10% of employees of IT companies left the country and did not return. If you take in total, about 100 thousand of IT specialists are located outside our country" [2]. Similar estimates are also given by representatives of the largest companies in this sector of Russia (Table 1). At the same time, 80% of them continue to work for Russian companies. The outflow led to a shortage of personnel, which is estimated at 170,000 specialists [3].

Table 1. Dynamics of outflow of IT specialists from Russia in 2022 and forecasts for 2023 [4].

Period		Number of specialists who left
Assessment for 2022	First wave (spring)	40 thousand*/50-70 thousand**
	Second wave (autumn)	80-120 thousand***
Total 2022		100 thousand****
Forecast for 2023	Negative scenario	10-25 thousand*
	Positive scenario	4-8 thousand*

*Russoft rating
**RAEC rating
***IC|ENERGY rating
****Rating of the head of the Ministry for Digital Technology, Communication and Mass Media of the Russian Federation M. Shadaev

2. The emergence of more accessible IT specialists in the labor market, which was facilitated by two reasons: firstly, the relocation of the most qualified (and expensive) personnel, and, secondly, the emergence of numerous online courses in IT specialties. Nevertheless, in this case, companies face the need for active adaptation and serious training. Graduates of these courses studied programs and received qualifications in various specialties and began to replenish the market, while advanced and experienced workers are in short supply [5].

Increased competition for experienced IT specialists and young talents is forcing IT companies and departments to develop tools to retain relevant specialists in the company, managing staff turnover.

As noted above, the process of turnover management consists of several stages:

1. Determination of the level and causes of staff turnover in the companies under study.

2. Analysis of existing tools for retaining valuable specialists.

3. Development of tools to overcome excessive external mobility.

Let's consider how this process is implemented in three IT departments of regional divisions of large state organizations of the Russian Federation, since they are the object of

our research. It was conducted in December 2022 by the survey method (questionnaire and Exit-interview) of retired employees; a total of 724 people were interviewed. The turnover rate of IT specialists in 2020-2022 averaged 16.8%, which is generally higher than the indicators for the industry, which in 2021, according to Antal Russia, was 11.0% (based on Antal Russia research) [6].

The research plan included an analysis of the following:

– information about quitted employees (reasons for the dismissal of employees on their own on the basis of the "questionnaire of the retiring" and checklists of leaving interviews of those who quit);

– results of the study of the level of the working staff satisfaction to determine the level of potential turnover and identify factors of dissatisfaction of employees, conducted by questionnaire survey;

– current showcase of staff retention tools in the organizations under study.

3 Results and Discussion

The survey data of retired employees on the reasons for their own dismissal are given in Table 2.

Table 2. Reasons for voluntary dismissals, 2020-2022.

N	Reason for the dismissal of employees on their own	Share of those who quit due to some reason, %
1.	Getting a more interesting offer from another employer	35.21
2.	Dissatisfaction with wages	12.24
3.	Relocation	8.35
4.	Dissatisfaction with working conditions	7.31
5.	Desire to change the type of activity	5.72
6.	Family reasons	5.54
7.	Personal reasons	8.1
8.	Other reasons (health condition, inconvenient work schedule, job content, violation by the head of corporate culture norms and business ethics, difficult relationships in the team, inefficient or outdated business processes, lack of career prospects)	17.53

The most common reason for the dismissal of employees in three years is "Getting a more interesting offer from another employer" – more than a third of employees for the period from 2020 to 2022 indicate this reason. Most often, this is due to information security restrictions, low vertical mobility of employees and lack of necessary freedom, "uninteresting" tasks in the organizations under study, which is explained by the nature of work in government organizations. The second in the rating was the reason of dissatisfaction with wages [7,8]. These reasons are related to each other, because by exploring the labor market, employees change their salary expectations. As a rule, a job offer from another employer implies more money. Among the reasons for dismissals there are also "dissatisfaction with the conditions and content of work", "inefficient or outdated business processes", "lack of career prospects", "violation by the head of the corporate culture norms and business ethics". The share of these reasons is small, but still they require attention.

Many of these reasons are associated by respondents with the software used and difficulties in obtaining it, the instability of the Internet and the lack of cloud technologies in the arsenal due to compliance with information security requirements, which we cannot

affect. Work in the public sector is also associated with certain salary restrictions. Therefore, we will focus on the reasons for dismissals that are subject to the influence of the management of organizations.

1. Uncompetitive wages in the public sector, although it should be noted that IT specialists are growing much faster than other categories of personnel working in state and municipal organizations.

2. The work of employees in remote teams leads to alienation, lack of interaction and team spirit, and sometimes lack of personal acquaintance with colleagues.

3. Lack of opportunities for personal and career growth.

4. Poor quality of managers' feedback: the manager's message is not always clear to the performer, and managers do not always have the opportunity to give feedback on request.

5. Violation by the head of corporate culture norms and business ethics.

It is important to note that the dismissals of employees over the past three years also include dismissals initiated by the employer for reasons of low efficiency, productivity, and violation of labor discipline. The percentage of dismissals initiated by the employer for three years is only 4.1% of the total number of dismissed during the period.

The following employee retention tools are used in the organizations under study (retention showcase): voluntary health insurance, flexible work schedule, remote work (only every fifth employee works in the office, the rest are working in the remote mode, training at the expense of the employer, decent wage level compared to other industries, system of encouragement and recognition, transfer to/ from the office, payment for preschool institutions, provision of hostel/apartment rental payment, corporate events, vouchers to boarding houses and other health facilities, corporate dining room, large parking, including for scooters and bicycles, etc.

In our opinion, the following activities will contribute to building long-term labor relations between employees and employers:

1. Motivating:
– financial remuneration for the project implementation,
– reduced working day on Friday,
– additional vacation days at the expense of the company,
– benefits for employees and their families, for example, discounts on vacation trips,
– expansion of VMI by connecting next of kin,
– improving the workplace, even if it is remote.

2. Team-building:
– team-buildings, for example, "Chain Reaction",
– involvement of employees in solving common tasks for the functioning of the company,
– regular online meetings with cameras turned on; at the beginning of the working day – a check-in to tune in to business, at the end - a check-out, i.e. a quick exchange of opinions on how productive the day was and what the result of the work is.

3. Career:
– training at the expense of the company,
– providing an opportunity to become a team leader,
– conducting internal hackathons.

4. Supporting:
– monthly sessions with top officials of the organization and division with information about the impact of the economic situation on the company, about the development vector in the near future,
– development of corporate rules for providing managers' feedback to their employees,
– assistance to employees in solving family difficulties,

– ensuring the possibility of obtaining the help of a psychologist,
– formation of a favorable psychological climate in the team.

4 Conclusions

The analysis of statistical data and the results of empirical research has shown that the labor market of IT specialists is in a state of deep dynamics characterized by the outflow of highly qualified specialists and the presence of a significant number of newcomers to the profession. In addition, during 2022 there was a smooth but steady increase in the income level of this group of workers. As a result, a significant part of the employees found a desire to change position. Employers faced the problem of retaining specialists by improving the content of the value proposition. In our opinion, the retention tools traditional for state organizations can be supplemented with new ones, including motivating, teambuilding, career and support activities.

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