DETERMINATION OF THE FACTORS CONTRIBUTING TO PROJECT MANAGEMENT TURNOVER

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Abstract

The removal of any employee must create an impact on organizational performance in both positive and negative way, and when it comes to management level, it has been found to have significant effect on organization or project performance. Though no studies have been deeply investigate the factors of managerial turnover in Pakistan and for this turnover how much project or organization suffer. A number of researches have been done so far all over the world which already point out the organizational circumstances of turnover, the timings relative to the project/task life cycle and the strategies to overcome it. To examine causative factors of managerial turnover and factors that retain managers, a questionnaire was design from thorough study of different past researches. 60 managers were scrutinized for collecting the responses from different sector of private and government organization in Karachi – Pakistan. The aim is to find out the factors that incite the managers to depart and to investigate the retention strategies in order to demote managerial turnover. The significant findings of the study are the timing of the departure of the manager during the implementation stage of the project. The factors that push managers to leave the organization are better career opportunity, workplace politics and poor cooperation with the team work. The results corroborate the adverse affects on project performance as well as organization growth.

Keywords: Project Management, Management Turnover, Managerial Turnover, Performance Measurement

INTRODUCTION

Managers are considered as one of the main figure of the organization as well as for the project. They make the project successful and put together all achievements in the organization. A number of studies have been done so far to dedicate the honor against the services of managers whether it was a policy making or implementing strategies, they played their role effectively in the management of project or performance manipulation (Boyne 2004; Brewer and Selden 2000; Hill 2005; Meier and O'Toole 2002; Rainey and Thompson, 2006; Riccucci 1995; Terry 1995; Williams and Kellough 2006). Even if an enormous attention has already been applied to find out grounds why leaders depart, but not much attention has been given to evaluate the manager's quit and specially in the circumstances of project management. The thought about how much removal of executives disturb the organizational goals as compare to substitute such persons with similar competency highlighted in many research but not focused the departure of top management. According to Meier and Hicklin (2008, 587), the studies highlighted the turnover impact on organization achievements is in initial phase.

There was a question crop up that how much this managerial turnover created impact on organizational performance? Two types of opinion come forward; one thought focused on the private sector, and implied that in the private companies, the executive turnover resulted performance enhancement through strategically changes in the organization (Boeker 1997a, 1997b; Goodstein and Boeker 1991). But according to Andrews et al (2006), top management turnover reduced organizational performances in public sector. Beside this, the archetypal description of the top level argument claimed that top level performers are critical player of organizational achievements (Hambrick and Mason 1984). This opinion is extensively welcomed in the private sector (Certo et al. 2006). Hambrick and Mason (1984, 193) defined organizational achievements as manifestation of the unfairness from the key player in the organization in terms of values and cognition for both strategies and efficiency. Executives in the organization hold main position through prescribed authority and when these executives changed or replaced, it must affected organizational performances. The top level argument stated that the replaced executives or managers might possibly introduce better ideas and technological advancement in the organization that resulted constructive change lead towards improve performances.

In general opinion managerial turnover is not that much bad for the organization, in fact the balance in turnover is very attractive for the organization. Over a period of decades, management turnover proved it a critical organizational phenomenon and increases its importance in the eyes of scholars as well as managers and employers (Hom & Griffeth, 1995). Managerial turnover may give power to their assistants (Price 1977, 1989). Plausibly, new bosses think uncertain about their rights because they are new with the position. Therefore at

first ask subordinates for background information and opinion. Supporting this point, Price (1977) identified several experimental researches involve that managerial exits and succession distribute power.

As compare to the conventional managerial turnover concept Hannan and Freeman (1984) advocated that staff turnover whether it is employees or managers is troublesome for the organization. The newcomers are liable to undermine the routine work of the tasks as well as uncomfortable with the relationships. This will reduce the efficiency as well as effectiveness of the work and at last disturb the organization performances. The upcoming managers are hard to cope the ongoing activities of the organization, result in increasing divergence and vagueness.

CAUSATIVE FACTORS OF TURNOVER

Compensation

To hold their employees, the organization must offer handsome compensation package, and it is important for every organization that they tender attractive reward in order to grab up their employees. Many researchers found in their studies irritation and frustration in employees was the source cause of employee departure (Gomez-Meija and Balkin 1992a; Milkovich and Newman 1993).

Career Motives

Every employee has right that he or she must approach for career growth and we can find a large of opinion that for an employee the alternative employment occasions stimulate workers to look into new jobs (Forrest, Cummings, and Johnson, 1977; Gerhart, 1990; Mobley, 1977; Mobley et al. 1979; Price and Mueller, 1986).

Met Expectations

Porter and Steers (1973), Wanous (1980) and Wanous et al. (1992) found met expectation another important factor that grounds for worker's turnover. Met Expectation encourages workers for employment if their expectations fulfilled while it discourages employees when their expectations were not met.

Workspace Characteristics

Employees are satisfied with the good organizational environment. They like hygiene and vigorous atmosphere. There is a relationship between the workers and their working environment which comprehend dependability with the organization.

Lack of team work cooperation

Good working relationship is necessary for any project success; turnover may occur due to poor working environment or lack of team work cooperation. According to Price and Mueller (1981), integration among the workers and assimilation of team works dampen the possibility of worker's turnover. The hefty team work association might helpful for the employee retention and job contentment (ibid, 1986).

Management relationship

The working behavior among employees or with their supervisors or managers may also cause of turnover. In most of the case, turnover occurred due to non accepting attitude of managers or supervisors with their sub-ordinates. Dansereau, Graen, and Haga (1975), Graen and Scandura (1986) found that management and workers relationship are interconnected. This relationship helps in manipulating managerial decisions that eventually healthy support for the workers.

METHODOLOGY

For study purpose, a descriptive research design was adopted. Data was collected through personal visits and email from different project managers working in different private organization in Karachi. The questionnaire used to collect the data was categorized into 4 sections:

1. General and Demographic Information
2. Causative factors of Managerial Turnover
3. Reducing factor of Managerial Turnover
4. Expected consequences of Managerial Turnover

Random sampling design has been used for collecting data. This study would be limited to the human resource department and project managers of government and private organization in Karachi – Pakistan. The 60 respondents were evaluated through this questionnaire. Close ended questionnaire was formulated to get responses, the questionnaire comprises of 12 demographic questions, 10 causative and 10 reducing factors and 10 numbers of expected consequences of managerial turnover.

Two types of statistics were used to analyze the data. First inferential statistics then descriptive statistics. Inferential statistics is a conclusion made on the basis of data which is subject to random variations of some kind while descriptive statistics are us to describe the main features of a collection of data in quantitative terms.

ANALYSIS & RESULTS

Most of the project managers belonged to the age group from 25-35; the percentage is about 48.03% while 33.3 % were from the age group of 36-45 years. 13.33 % were from above 45 years, and remaining 5% are below 25 years of age. 91.66 % of project managers were male while remaining 8.33 were female employees. Similarly 58.33% are married managers and 41.66% are not married. 66.66% hold master degree or above whereas 33.30 % were holding only bachelor's degree. This shows the importance of project managers in any organization to be professionally qualified and technically sound.

The tenure in the organization is very important aspect in identifying the factors that involve in the turnover; we found 36.66 % respondents have work tenure as project manager more than 7 years or above while 28.33% project managers having experiences of 1-3 years. Whereas 20 % managers have 4-6 years of experience and remaining 15% were in between 4-6 years of experiences. The results shows almost equal ratios of experiences in the managers that relate the importance of position hold by the project managers in the organization.

With respect to the income level, 43.33% have earnings more than 75,000 PKR while 21.66%, 18.33% and 16.66% are 25,000 to 50,000, 50,000 to 70,000 and less than 25,000 respectively.

Causative factors of turnover

The table 1.7 evaluated 10 different factors that help out managers to depart or involve in managerial turnover. According to the responses, the maximum average mean (4.433) relates to the weak compensation or remuneration from the employer, this shows that the majority of the respondents are assuming managerial turnover occurs due to feeble wages. In the society like Pakistan, due to bad economy and poor law and order situation, the inflation rate has been increasing extraordinary with the passage of time, so everyone needs to improve their lifestyle with good compensation structure and improve salary will be priority for everybody.

The results further showed that the career growth (mean=4.400) is another important factor that provoke manager to move. The profession of project management itself necessitates expansion according to the challenges that hastily transforming day by day. Project managers require current knowledge and acquaintance in their field and that is why the main concern is to improve their career. Managers at all time gazing for career motives with development, growth and advancement opportunities being very important. Further workspace characteristics (mean: 3.783) and met expectation (mean: 3.767) are the other aspects that contribute in managerial turnover.

Workspace politics remains in central position with mean= 3.483 while the least contributing factor which influence the less is engagement with work schedule (mean= 2.317). The other less contributing factors of managerial turnover are job redundancy (mean= 2.433), lack of teamwork cooperation (mean= 2.533), lack of advancement and development (mean= 2.983) and management relationship (mean= 3.067).

Reducing factors of turnover

The table 1.8 calculated 11 different factors that help in controlling managerial turnover. Approximate 95% of the respondents agreed with the fact that good compensation practices (mean=4.483) would help out managers to stay in the organization while job security (mean=4.433) assist managers to continue with the job for a longer time period. The other factors that help out in reducing managerial turnover are succession planning (mean=4.167), workspace characteristics (mean=4.117), work life balance (mean=4.017), effective management (mean=3.867), career counseling and development (mean=3.300), cooperative team (mean=3.033), recognition (mean=2.767) and task oriented work (mean=2.717).

The factors that trim down turnover the most are compensation practices, job security and manager's succession planning in the organization. In the environment such Managers are assured about continuity of gainful employment for his or her work life in his/her organization. The least reducing factors are task oriented work, recognition and cooperative team.

Expected Consequences of Managerial Turnover

91 % of the respondents claimed that difficulty in achieving performance goal (mean=4.417) are the main expected consequence due to manager departure as shown in the table 1.9. In the project management activities, the manager is the key player in executing the project, so when he/she departs the entire project endure and achievement of the tasks are questioned. Similarly Chaos / Disorganization (mean=4317) occurred with the departure of key player. During the project, everyone has assigned particular task that interrelate with the overall project execution, as a result of manager's departure, the workload for other increased (mean=4.067) and ultimately put up some extra load with the assigned work on associate members of the manager.

Project management are interlaced with the effective communication, this communication breakdown (mean=3.850) due to any departure and when it occurs with the manager, it failures the ongoing activities of the project. Loss of focus and direction (mean=3.483) are also disturbed with this departure. The other anticipated outcomes due to managerial turnover are motivational problem with project team (mean=2.817), increase in

unresolved problem (mean=2.617), loss of teamwork and cooperation (mean=2.583), additional turnover among staff (mean=2.383) and loss of core competencies (mean=2.267).

It was also examined through comments and remarks that a number of project managers believed that turnover have a negative impact on project as well as project team's performance. Some observations focused that it was not completely negative as turnover would most likely result in increased performance due to poor performer managers. Some other respondents felt that managerial turnover occurred mostly at the end of the project caused by minimizing project cost and closeout project timeline.

CONCLUSIONS

This result has incorporated the responses obtained from the survey questionnaire from different project managers working in different private organization; explaining the contributing factors of managerial turnover, factors that help out in controlling turnover and expected outcomes of managerial turnover on project or organization's performances, and. According to the results obtained following outcomes have devised:

- The success of any project is associated with the project managers and their role is momentous on the project performance.
- The achievement of project's goal is very hard to acquire with the managerial departure.
- Compensation, carrier growth and job security are played a very important role in boosting or controlling managerial departure.
- The expected outcomes due to project manager's departure are difficulty in achieving performance goal, disorganization and increase work load on other employees.
- Most of project managers are getting handsome salary so compensation / wages are very important in the circumstances of project management.
- Project manager is the key post in the overall project so mostly they are well experiences and highly qualified.
- Project management turnover unswervingly have an effect on associate members of the team, pessimistically disturbing the firm performance and ultimately reduce the effectiveness of the firm.

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