ANALYSIS OF EMPLOYEE TURNOVER IN CHINA’S STATE-OWNED ENTERPRISES

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ABSTRACT

As one of the most important economic entities, state-owned enterprises have their particularity during the period of China’s economic transformation. However, due to the backward rewards and benefits system, insufficient attention to employee learning and development, unbalanced work and life, poor organizational culture management, age factors have affected the turnover of state-owned enterprise employees. The current situation of employee turnover has become an increasingly anxious problem. The high proportion of employees turnover not only takes away business opportunities, technical secrets and customers, but also makes enterprises suffer direct economic losses, and increases the replacement cost of enterprise manpower. If it is not controlled, it will ultimately affect the potential and competitiveness of the sustainable development of enterprises. In response to this problem, this article analyzes the reasons and countermeasures for employee turnover in state-owned enterprises in Heilongjiang, Jilin and Liaoning provinces, China. In order to increase the attention of academics and state-owned enterprise managers to employee turnover. For state-owned enterprise managers to control and reduce employees turnover to provide help.

Index Terms—Age, employee turnover, learning and development, organization culture, rewards and benefits, work-life balance.

1. CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

State-owned enterprises refer to enterprises invested or controlled by the government. Usually not only refer to a country's central government or federal government investment or participation in enterprise control, but also involves local government investment in enterprise control.

In China, state-owned enterprises have ownership or control over their capital, and the government's will and interests determine the behavior of state-owned enterprises. State-owned enterprises are socialist enterprises owned by the whole people in China, and the state possesses and controls all or most of its assets (NemSingh & Chen, 2018). Employee turnover is one of the hot research issues in the field of human resource management in the world. A large number of studies have proved that the high turnover rate has a lot of adverse effects on the national economy, the future development of enterprises, talent reserve and so on. The article studies the composition of various factors that affect employee turnover in Chinese state-owned enterprises, and proposes corresponding countermeasures on this basis.

1.2 Problem Statement

Over the 40 years of reform and opening up, with the improvement of the market economy system and the increasingly fierce competition at domestic and foreign, China's state-owned enterprises management problems are increasingly prominent, and employee turnover has become one of the main problems that plagued enterprises. The internal and external environment facing enterprises is even more severe. How to get out of the predicament and seek better development in the new situation has become an urgent problem for state-owned enterprises. This article investigates and analyzes the causes of employee turnover in state-owned enterprises. First of all, the enterprise employees combined with the low rewards and benefits, and wages are generally lower than those in private enterprises. Secondly, employees have few learning opportunities and individuals' development space is limited. Third, employees in state-owned enterprises cannot balance life and work.
work well. Finally, the impact of the single and diverse organizational culture and the age is also to find the truth about employees turnover in state-owned enterprises.

This article puts forward relevant solutions, and to elaborate several problems existing in China's state-owned enterprises from multiple aspects, and put forward corresponding countermeasures have finally been found to fundamentally solve the problem of employee turnover. Chinese state-owned enterprises must deepen the reform of state-owned enterprises, implement the scientific development concept, improve the modern enterprise system, and improve management methods to promote the improvement of state-owned enterprise management and the overall development of enterprises to achieve international standards.

1.3 Research Questions

Do rewards and benefits, learning and development, work-life balance, and organizational culture influence employee turnover in state-owned enterprises in Heilongjiang, Jilin and Liaoning provinces, China? Does age moderate the relationships between rewards and benefits, learning and development, work-life balance, and organizational culture influence employee turnover in state-owned enterprises in Heilongjiang, Jilin and Liaoning provinces, China?

1.4 Research Scope and Objectives

This research investigates the influence of rewards and benefits, learning and development, work-life balance, and organizational culture on employees turnover in state-owned enterprises in Heilongjiang, Jilin and Liaoning provinces, China. The moderator variable of this study is age, which will be determined by intergenerational relationships.

The employees of state-owned enterprises decide that the healthy and steady development of state-owned enterprises is related to the market share and competition of state-owned enterprises at home and abroad, and the future survival and destruction of state-owned enterprise. The thesis studies the main causes of employee turnover in state-owned enterprise, thereby helping enterprises to improve systems and management, reduce employee turnover, and help enterprises develop healthily.

1.5 Motivation of the Study

State-owned enterprises around the world are increasingly concentrated in a few important strategic industries in the state-owned economy. Whether in theory or from the history of the economic development of various countries, state-owned enterprises will play different roles at different stages of economic development, and their status in the national economy and social life are different. State-owned enterprises are important to countries economic pillar.

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II. CHAPTER TWO: LITERATURE REVIEW

2.1 Definition of Variables

Variables include employee turnover, rewards and benefits, learning and development, work-life balance, organizational culture and age.

2.1.1 Employee turnover

Generally speaking, employee turnover is an act of an employee actively proposing or passively accepting termination of the employment relationship with the enterprise. For enterprises, any effective management measures will reduce the management costs caused by turnover. The issue of employee turnover has attracted researchers for more than 100 years (Hom et al., 2017). Employee turnover is an employee's right, but because it is harmful to the enterprise, the enterprise must try to control and retain talents, and try to avoid this phenomenon. Frequent employee turnover will become a major hidden danger in today's society.
The direct body of the employee's comprehensive work is determined by the work environment, organizational culture, superior’s leadership, working pressure and so on, which leads to the relationship between the job-related identity difference and turnover intention of employees. There are also factors that affect employee satisfaction, such as employee harmony, conflict of roles, unclear responsibilities, stress intensity, and division of labor, which are based on whether the job can help achieve individual values, meet individual needs and interests (Inegbedion et al., 2020).

2.1.2 Rewards and benefits

Rewards and benefits are incentives other than salaries that enterprises give to employees. Salary is the time and ability for the enterprise to buy employees, while rewards and benefits are used to buy the employees' efforts and talents (Yang & Chen, 2019). Rewards are material, spiritual or monetary incentives that enterprises give to employees who exceed the minimum performance standards or complete the attendance management. Benefit is the health protection provided by the enterprise to employees and their families and Increase economic security. Rewards are for a small number of people, and are given to outstanding people. Rewards are not for everyone, but for those with great contributions and high value. It is created by excellent employees. Benefits are for everyone, and the enterprise does it for its employees. Benefits vary according to people's level and length of service. Benefits are cost and expenditure of enterprises (Hong et al., 1995).

Employees are always dissatisfied with the existing rewards and benefits, and the enterprise will not increase rewards and benefits for most employees. On the contrary, enterprises believe that employees who have no intention to leave are the best talents (Dunderdale, 2018). Rewards and benefits focus on the impact on individual behavior, are the economic consequences from the individual to the enterprise level. It is improving connections with employees to retain the best talent for the enterprise (Deng, Liu, & Ji, 2020). Therefore, enterprises should make full use of rewards and benefits, enable employees to create good performance for the enterprise, and realize the healthy development of the enterprise (Dunderdale, 2018).

2.1.3 Learning and development

Learning and development are often referred to as training and development. They are part of an organization's talent management strategy, aiming to align the goals and performance of teams and individuals with the overall vision and goals of the organization.

In personal learning and development, many employees will feel that their abilities are much higher than their current positions. However, in fact they are not suitable for their profession and will not get better development. These negative employees never find reasons on their own, thinking that they have no sense of accomplishment because the existing platform is not suitable for them, and then feel that their career development is affected by other factors and there is no way out(Little,2014). In response to this situation, enterprises should regularly organize training for employees, and formulate personal career development plans for employees, so that they can recognize their responsibilities, love their work more, and prevent employee turnover.

2.1.4 Work-life balance

Work-life balance refers to the organization that helps employees reconcile the relationship between family and work, and ultimately achieve the best balance state.In real life, many employees work-life balance is not good. In terms of time allocation, there are conflicts between employees’ work and other private activities, and the conflicts between work and life will have an impact on the organization (Mas-Machuca, Berbegal-Mirabet, & Alegre, 2016). The impact of work on the family will not lead to the work of the employee, but the impact of the employee’s family on the work will directly affect the work of the employee (Soomro,Brettenecker,& Shah, 2018).Heavy work leads to conflicts between family and work, and the balance between work and family is related to the lives of employees (Greenhaus, Collins, & Shaw, 2003).

Unbalanced work and life ultimately affects employees turnover(Marks & MacDermid, 1996).Enterprises should give employees an appropriate workload, care for the lives of employees, and reduce the conflict between employees’ work and non-work needs (Törnquist Agosti,Bringsén,& Andersson,2017).

2.1.5 Organization culture

Organizational culture refers to the shared values, beliefs, rituals, symbols, and ways of doing things formed during the construction and development of an enterprise. It is the cultural image of the enterprise. It is an organizational philosophical commitment to people and culture, and transforms into meaningful long-term
action. The idea of organizational culture is people-oriented, that is, people, pride and progress (Gannon & Sterling, 2004). It can solve the psychological distress of employees (Marchand, Haines, & Dextras-Gauthier, 2013). Find out the important connection between organizational culture and job satisfaction, aiming to study the influence of organizational culture on employee job satisfaction and turnover (Hao, Hao, & Wang, 2016).

2.1.6 Age

Age refers to the year and date at which an employee was born. Based on Erickson (2009) stated about generations in China, generation X was born between 1965 to 1979, and generation Y was born between 1980 and 1995.

Generation X was born from 1965 to 1979. Compared with the previous two generations, people born in this generation in China have more personal rights and freedoms.

The X generation was not naturally good at Western knowledge, and not naturally Western-savvy, but they have gradually synchronized with the international as China continues to develop. The X generations who work in state-owned enterprises have developed a highly pragmatic and fact-based thinking model. Now, most of them are in the leadership position of the enterprise.

Generation Y was born between 1980 and 1995. Generation Y, nicknamed "Little Emperors," plays a special role in China's emerging society. Like many Y generations in the world, this generation has received higher education, mastered advanced technical skills, and is eager to establish connections on a global scale.

Generation Y is confident and competitive in the workplace, and most of them work as ordinary employees in the enterprise. For the Y generation, rewards and benefits, and work-life balance are their favorite concerns in their daily work.

2.2 Theory application

2.2.1 Pricemodel

The earliest version of the price series model was established in 1977, which was based on Price's in-depth analysis based on the results of many subject areas on employee turnover. Since then, the model has been continuously developed and enriched six times, and has evolved into the most representative Price-Mueller model, which shows the hypothetical relationship between the variables (Price, 2001). The Price-Mueller model summarizes the influencing factors of employee turnover and can be clearly and easily linked to practical analysis.

2.2.2 Mobley model

Mobley believes that the behavior and cognitive processes that occur between employee job satisfaction and actual turnover should be studied, and this kind of research should be used to replace the simple copy of the relationship between job satisfaction and outflow. His model has also absorbed the advantages of the Price model, and he believes that employee turnover is gradual.

The Mobley model points out that the dissatisfaction of the employee with the job will lead to the idea of turnover; afterwards, seek to evaluate such ideas and actions; then measure other possible options; produce the intention to turnover; and finally decide to turnover.

The main theoretical hypothesis of this model is that the variable that the employee turnover intention is the factor that may immediately lead to employees turnover, not just dissatisfaction with the job.

2.3 Research contribution

Research on employee rewards and benefits, learning and development, work-life balance, organizational culture, and age can better explain why some employees turn intentions into behaviors, while others do not. One significant theoretical contribution by Mitchell et al. (2001) is the emphasis on nonaffective factors that may prevent people from leaving their position of employment and ultimately help keep them on the job. Through the analysis of rewards and benefits, learning and development, work-life balance, organizational culture and age, enterprises can clearly understand the importance and negative effects of human resource management practices in the workplace (Paul & Kee, 2020).
III. CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research design
The purpose of this article is to determine the key factors in the intention of leaving a state-owned enterprise. The research methodology is based on surveys. Select quantitative survey as the main method of data collection. The collected data will be analyzed using IBM SPSS 22 version, and moment structure analysis using AMOS 22 version of the software. Descriptive and inferential statistics will be applied in this research study.

3.2 Population and Sample
Sekaran & Bougie (2016) classified that the population as the total group of people, event, or things that the researcher wishes to investigate. In this research, it will focus on employees working in Chinese state-owned enterprises. The sample was narrowed to employees of state-owned enterprises in China's Heilongjiang, Jilin and Liaoning provinces.

3.3 Questionnaire Design
The question items in the questionnaire were designed with reference to the relevant questionnaires in the study of the causes of employee turnover, and were analyzed and discussed with experienced managers. Based on the analysis of the preliminary test questionnaire, further deletion and modification, and itemized inspection, finally formed 40 question items. Subjects were asked to choose a 7 point Likert Scale based on their actual situation, ranging from “1 strongly disagree” to “7 strongly agree”.

The first part is a questionnaire about demographic profile. The scale includes 8 questions, originally derived from the Distributive Justice Index, which good structural validity. The scale is derived from Curry et al. 1986. Demographic profile including gender, age, working years, education level, position, self-requirements, self-development, working environment. The second part is the dependent variable and independent variable questionnaire. The scale is derived from Price (2001). The scale includes 25 questions. The third part is the questionnaire of moderating variables. The scale includes 7 questions, and has good structural validity.

3.4 Data Analysis and strategy
In this research study, IBM SPSS version 22 and AMOS version 22 will be used to do the data analysis. The data analysis involved respondents’ demographic profile, normality test, validity test, reliability test, confirmatory factor analysis (CFA) model for each selected variable, measurement model, structural model, and multi-group analysis.

3.4.1 Confirmatory Factor Analysis (CFA) Model
CFA model with each selected variable will be performed before the measurement model. This is the first stage in SEM-AMOS. It is to verify the underlying variable being selected in this research study. Model fit from each CFA model will be based on criteria recommended by Hair et al. (2010).

3.4.2 Measurement Model
In the second stage of SEM-AMOS, all the selected variable from each CFA models will be transferred simultaneously and incorporated into a path diagram. In the measurement model, this research study will examine the normality, outliers, and discriminant validity. Model fit also will be determined based on criteria recommended by Schumacker and Lomax (2004) before move into last stage of SEM-AMOS.

3.4.3 Structural Model
In the last stage of SEM-AMOS, structural model will be used to answer the research hypotheses.

3.4.4 Multi-Group Analysis
Multi-group analysis will be applied in investigating the moderating effects of age on the relationships between rewards and benefits, learning and development, work-life balance, organizational culture, and employee turnover in state-owned enterprise in Heilongjiang, Jilin, and Liaoning provinces, China. Age will be based on the generational cohort in China, known as, generation X and generation Y.

3.5 Chapter Summary
This article theoretically clarifies the various variables that affect employee turnover, and also provides certain evidence support for the employee turnover contingency theory.
Across the entire study, it is clear that rewards and benefits, learning and development, work-life balance, organizational culture and employee turnover have a direct causal relationship, and age has a moderating effect in the process of determining employee turnover intentions.

In terms of research contributions, this research has enlightening significance for state-owned enterprises to reduce employee turnover, adjust enterprise and employee conflicts, and maintain employee interests. It is a reference for business management and research scholars.

Through the investigation of employee organizational identification, improve employee mobility forecast and the quality of human resource supply and demand planning, improve the level of employee organizational identification, increase employee job satisfaction, reduce turnover tendency, and ultimately reduce the number of turnovers.

REFERENCES


AUTHORS PROFILE

Biography: My name is Guo Zhen and I am currently studying for a Doctor of Business Administration at Graduate School of Business, SEGI University. I am from Heilongjiang Province, China.

In April 2021, I wrote it as the second author of the “Exploration and Research on the Teaching Reform of Probability Theory and Mathematical Statistics: A Case Study of Guilin University of Technology AT Nanning”. After review by the expert committee, it has been reviewed by the “The FarmersConsultant” magazine accepted and will be published in October 2021.