

Human Resources Churning

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The term churning is defined by a multifaceted approach and is quite a complex concept that has been gaining relevance in the field of human resources, due to the problematic loss of investment, originating from the voluntary exits of worker-associated costs. This phenomenon is a direct result of the rising competitive job market, causing employees to leave organizations and carry with them all the knowledge and experience acquired in the starting organization, an organization which invested in the development of its workers. Even though churning is aligned with human resource practices, it is considered a multifaceted concept because of the different contexts in which it interferes, such as economic context, per activity sector, clients, the type of organization, geographic location, etc. Although, despite its own complexity, churning is related to turnover; however, there are differences between these two concepts. While turnover is linked to the workers' rotation within an organization, churning is mainly focused on the costs associated with voluntary exits from workers. It is simply linked to investment losses inside an organization, which has the main goal of creating mechanisms that allow the creation of awareness in organizations about the relevancy of action using strategic measurements of holding in order to minimize the churning rate, and in this way, reducing the unexpected costs, creating revenue, increasing proficiency, standing out in business activity, bettering nimbleness and expanding profits. This initial manuscript introduces the churning concept in human resources, the main causes of churning, as well as approaching how organizations take action in order to appease this event using literature, which lacks major advertising and given relevance to its pertinence in human resources. Through the analysis of the existing, this entry was guided with the objective of demystifying the subject of human resource churning.

churning in human resources

causes

retention

costs

As a result of economic globalization and constant technological innovation in today's society, the concept of churning has been gaining relevance within the field of human resources, due to the raising occurrence in the job market, giving employees the opportunity to search for new professional opportunities in other organizations in the hopes of finding better work conditions ^[1].

In this time of global competition, when it comes to the job market and technological change, human resources are seen by organizations as a potential source of sustained competitive advantage ^[2]. Although, the increase in human resource value has aligned with the increase in churning rate because of their own volatile characteristics, contributing to minimizing job stability, leading to the growth of job searching frequency ^[3].

As ref. ^[4] states, the economy does not grow, it evolves, as we can observe in people looking for a better quality of life, naming this process as creative destruction. It is this paradox that Schumpeter defines innovation as a manifestation of self-gain search, generating at the same time the cause for financial hardships.

Organizations that invest in innovation are contributing to the reduction in the rate of churning. An innovative company has the capacity of providing better work conditions, and in this way, meet the expectations and needs of its own employees. However, to keep up and maintain the number of workers, organizations have the need to do market studies and keep their focus on innovation in correlation to their own competitors [5].

In this sense, churning in human resources follows the same principle, it creates investment loss as a result of one worker quitting in search of better work conditions. It is in the same context that ref. [6] voices that “churning is upsetting, a loss of energy and money”. A company that is not strong when it comes to hiring and keeping its best employees, has an unhappy work team, beyond projecting an image of instability that lately leads to a bad reputation to its own associates (both internal and external) and the churning rate is high.

Given the multifaceted concepts assigned by different authors and the enormous complexity when it comes to the operationalization of managing human resources, understanding what churning in human resources is, what are the causes and how organizations deal with the phenomena, is an important point of this initial manuscript.

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