

## **Mismanagement of Human Capital: Adopting a Frame Work, Operationalization and selecting a Research Design**

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**Abstract:** Researchers strongly believe that most business firms encounter problems due to mismanagement of its Human Capital. Employee turnover is considered one of the most severe issue face by business firms. In the current context global business world has lots of problems which are mainly associated with Employee turnover. This paper is presented as a conceptual paper and tried to contribute significantly towards the attainment of higher level of job satisfaction which will lead to employee retention. Identification of a conceptual framework describes association between the independent and dependent variables. Furthermore it is screening a logically developed network of associations between variables of interest to the research. Development of knowledge and the nature of the knowledge tie the research philosophy. It contains all the vital assumptions according to the researcher's point of view. It will support to the research approach and to the technique adopted the two major methods to consider in the research philosophy are ontology and epistemology. Ontology refers to the assumption of nature of reality; and possess three different features namely; objectivism, subjectivism and constructionism. On the other hand, epistemology relates to the knowledge. The knowledge is created in a particular field of research; it involves positivism, interpretivism and realism viewpoint. This Research is ontology in nature as it deals with human behavior. Based on the existing literature, variables for the study and hypothesis are developed and impact of every variable will be tested. Further, data for the study is collected distributing questionnaires, telephone conversation and interviews. And it is a plan of quantitative deductive in nature. Previously developed scales were used to construct a questionnaire to investigate the factors affecting the turnover decision. To conduct the study it was selected the Travel agency and operators in the Hotel Industry in Sri Lanka. Travel & Tourism is an important economic sector in most countries around the world as the industry not only generates foreign exchange income to the host country, but also creates employment opportunities in several segments, encourages the development of services and economic growth and development. Further researcher has investigated that there has no study been conducted in the Sri Lankan context regarding the factors that affected sales employee turnover with especial reference to Travel Agency and Operators in the Hotel Industry.

**Keywords:** Mismanagement, Human Capital, Employee Turnover, Conceptual Framework, Hypothesis, Research Design

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### **I. INTRODUCTION**

Success of every business is entirely dependent on the effectiveness of its workforce. But without a highly effective human resource, success in the long run of a business organization cannot be achieved. Consequently when human capital leaves the organization, it is necessary to identify the reasons of turnover because importance of retaining better talents due to the incomparable contribution of human capital.

In this dynamic environment, employees are an important asset to every company, to a business and to an organization. In fact, the success of every company or business is entirely dependent on the effectiveness of its workforce (Samuel and Chipunza, 2009). In scholars point of view a business may invest a lots of resources into its core operations and activities, but without a highly effective human resource, success in the long run cannot be achieved (Ton and Huckman, 2008).

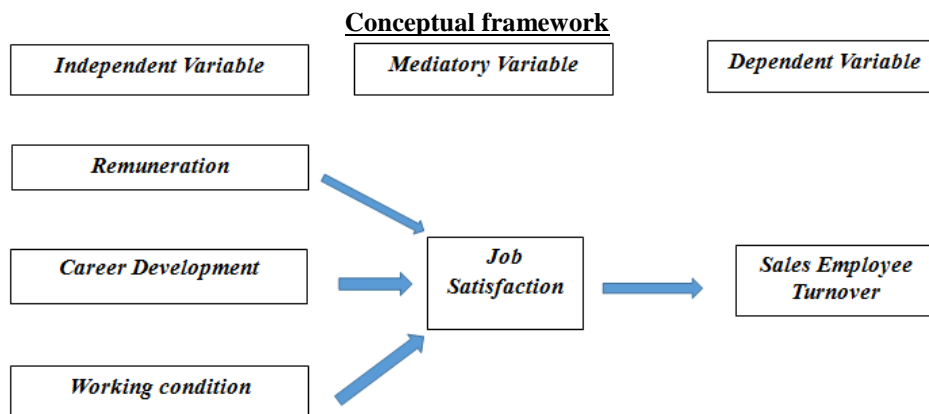
Turnover intentions refer to one's behavioral attitude to leave an organization, while turnover describes the actual act in detaching oneself from an organization (Aydogdu and Asikgil, 2011). Moreover, turnover can also be understood as the inflow and outflow of employees of a business entity and is considered one of the most important organizational phenomena, as it requires the management to understand, analyze, evaluate and handle its cost. **Therefore the objectives of this study are:**

- Adopting suitable framework for develop relationship between employee turnover and other selected independent variables
- Operationalization of the variables and suggesting the suitable methodology

**Conceptual framework**

A conceptual framework is a logically developed network of associations between variables of interest to the research. With reference to the variables, a good conceptual framework will define the key variables that are relevant to the problem. In fact, the conceptual model of research consists of concepts and hypothesis that have close relation with each other and altogether, constitute a coherent analytical framework. It will also identify the association between the independent and dependent variable (Sekaran and Bougie, 2010).

Conceptual framework for this study was developed by utilizing the literature and evidences acquired with respect to the research problem. This section of the research shows the reasoning and rationale behind the determination of the elements that involve the final type of the conceptual framework that was graphically portrayed. After reflecting on the sources and texts that have been read, the major factors affecting sales employee turnover decision were identified and extracted to develop the conceptual framework. Turnover rate is primarily affected by employee job satisfaction level. Apart from that there are many other factors including monetary benefits such as salary and allowances, non-monetary factors such as career development and growth opportunity, flexible working conditions, job rotation, supervisor support, job description and work load affecting employee motivation. However, three independent variables will be chosen for this study as remuneration, working environment and career development. Mediatory variable will be considered as job satisfaction. And sales employee turnover will be chosen as the dependent variable.



Source – Developed by author

**Rationalization of Conceptual Framework**

The conceptual framework for this study was developed by the researcher by examining the literature and evidence conformed to respect of the research problem. Study will be planned to determine the factors that affect sales employee turnover, Travel agents and operators in Hotel Industry in Sri Lanka. Conceptual framework developed by the author comprises three independent variables, one mediatory variable and one dependent variable which is derived from reviewed literature as major drivers of “Sales Employee turnover decision” as stated above.

As literature evidence the conceptual framework for this study was adapted from previous study done by Abraham, I. & T. Foley, (1984). Ash, R. A., Dreher, G. F., & Bretz, R. D., Jr. (1987), Roodt, G. (2004). Though certain other variables such as work stress, Work load, relationship with the supervisor and other subordinates, job rotation and so on are found to be affecting Employee turnover decision besides will focus only on three factors that the literature review highlights as high influencing factors along with the mediatory variable of Job Satisfaction.

**Development of Hypotheses**

Hypothesis are a statement which will be tested and confirmed by using a sample which represent a population and the result may be true and accepted or false and rejected. There are two types of hypothesis as null hypothesis & alternative hypothesis. Following hypothesis are constructed as a result of the relevant literature and to connect with the conceptual frame work.

### **Hypothesis 1**

#### **Null Hypothesis**

**H1a** There is no relationship between Remuneration and the sales employee turnover decision  
Vs

#### **Alternative Hypothesis**

**H1b** There is a relationship between Remuneration and the sales employee turnover decision

### **Hypothesis 2**

#### **Null Hypothesis**

**H2a** There is no relationship between career development and the sales employee turnover decision  
Vs

#### **Alternative Hypothesis**

**H2b** There is a relationship between career development and the sale employee turnover decision

### **Hypothesis 3**

#### **Null Hypothesis**

**H3a** There is no relationship between working environment and the sale employee turnover decision  
Vs

#### **Alternative Hypothesis**

**H3b** There is a relationship between working environment and the sale employee turnover decision

### **Hypothesis 4**

#### **Null Hypothesis**

**H4a** There is no relationship between Job Satisfaction and the sales employee turnover decision  
Vs

#### **Alternative Hypothesis**

**H4b** There is a relationship between Job Satisfaction and the sales employee turnover decision.

### **Research Design**

The selection of a research design based on the nature of the research problem being addressed (John, 2011). Further research design which is referred to as the plan or proposal to conduct research encompasses the intersection of philosophy, strategies of inquiry, and specific method. A framework that is used to explain the interaction of these three components can be realized as philosophical worldviews. Worldview is explaining the meaning "a basic set of belief that guide action" (Guba, 1990, p. 17). Other scholars call it as paradigms (Lincoln & Guba, 2000; Mertens, 1998) epistemologies and ontologies (Crotty, 1998), or broadly conceived research methodologies (Neuman, 2000, John, 2011). Researchers discussed four different research methodologies as post positivism, constructivism, advocacy/participatory, and pragmatism.

### **Post positivist world view**

Through this study researcher plans to address the post positivists worldview. This is hold a deterministic philosophy in which causes probably determine effects or outcomes. Therefore it is plan to reduce the ideas into small, discrete set of ideas to test the variables that comprise hypotheses and research questions. Hence developing numeric measures of observations and studying the behavior of individuals becomes supreme for a post positivist.

And also it is premeditated to apply quantitative strategy with survey research. It includes cross-sectional study using questionnaire. Quantitative research is a means for exploring an understanding the meaning individuals or group ascribe to a social or human problem (Jhon, 2011). The data will typically collected in the participant's settings.

### **Quantitative Approach and Instrumentation**

Qualitative data are non- numerical data which can originate in any form like opinions, beliefs, perspective, stories, and images and so on; or it can be described as the expression of human experiences and opinions (Quinlan, 2011). This approach requires the researcher to avoid imposing their own perception of the meaning of social phenomena upon the respondent whereas, quantitative data are numeric data or the data gathered is calculated numerically. It holds a number of accepted statistical standards for the validity of the approach, such as the number of respondents that are required to establish a statistically significant result.

In fact, this will adapted a quantitative strategy via gathering the data from employees of Travel agents and operators. Quantitative analysis is a widely used research method and it is expected to give positive results of the survey/ Questionnaire. And the study will be used the main method instrumentation of quantitative

approach that is questionnaire. Questionnaire is used for descriptive and explanatory research and also to collect the large number of responses from the participants to analyses the data. Researcher has chosen self-administered questionnaire to be completed by respondents.

**Questionnaire Development**

A questionnaire is a written instrument used to obtain information from study subjects. Developing a questionnaire is the last step in designing a study after all variables of interest have been identified (Sansoni, 2011). The questionnaire was developed based on the operationalization of variables and the conceptual Framework. For this study, previously developed scales were used to construct a questionnaire to investigate the factors affecting the turnover decision. The medium of instruction will be used is English as most of the sales employee in this industry are well conversant in this language. And the questionnaire was adopted from previously existed and tested measures.

**Variable Operationalization**

Below is the operationalization table which is derived from literature review and conceptual framework.

Concept	Variable	Indicators	Measurement	Measurement Scale and Author
Maslow motivational factors  Motivational factors	Career Development	Availability of career growth opportunities Support in educational extracurricular activities Training opportunities Recognition	5 – point Likert scale	Career Engagement Scale - Andreas Hirschi, (2014)
Hygiene and motivational factors  Expectancy	Remuneration	Level Benefits Raises Structure/Administration	5 – point Likert scale	Pay Satisfaction Questionnaire (PSQ) - Heneman and Schwab (1985)
Hygiene factors	Working Environment	Relationship dimension Personal Growth or Goal Orientation dimensions System Maintenance and System Change dimensions	5 – point Likert scale	Working Environment Scale - Rudolf Moos (1982)
Motivational factors	Job satisfaction	Type of work do The conditions under which is work Job satisfaction Recognition and acknowledgement	5 – point Likert scale	The Satisfaction with Work Scale (SWWS) - Blais, Lachance, Forget, Richer, & Dulude(1991) adapted from Diener et al., 1985
Maslow motivational factors	Employee Turnover	Considering to leaving the job Switching to another job and starting own business Satisfying personal needs and recognition at work Compromising personal values emotionally agitated Benefits and responsibilities of current job Impact on personal well-being	5 – point Likert scale	Turnover Intention Scale (TIS) - Roodt, G. (2004)

**Definition of Variables**

Independent Variables: Independent variable thought to be the cause of some effect (Andy Field,2009).

### **Remuneration**

According to Heneman and Schwab (1985), Ash, R. A., Dreher, G. F., & Bretz, R. D., Jr. (1987) remuneration level refers to the individual's current direct (wage or salary) or compensation. Studies of hotel employees, Lee et al. (2006) stated "service reward and pay has a potential influence on job satisfaction and the commitment employee possess" In the studies by Dwyer et al. (1987) and Jones (1986), better pay leads to higher job satisfaction ultimately resulting reducing employee turnover.

### **Work environment**

Work environment refers to the working conditions in which employees have to perform their duties. These conditions include work schedules, reporting times, nature of supervisors, nature of work, and work flexibility among others (Lee, Back and Chan 2015).

### **Career development**

Career development involves creating opportunity for promotion within an organization by providing opportunity for training and skills development that allows employees to improve their employability in the market" (Meyer and Smith, cited in Das and Baruahm, 2013). As per the adapted Career development scale, it is a measure of the degree to which somebody is proactively developing his or her career as expressed by diverse career behaviors.

### **Mediatory Variable - Job satisfaction**

Job satisfaction is defined by Hoppock (1935) as any environmental and psychological combination which affect an employee to consider his job as a gift. It can also be conceptualized as "the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job value(Locke,1969,).As per some adapted measurement scale focuses on a cognitive appraisal of a person's work situation, or a person's well-being in the work context. These measures will also be a useful indicator of work-related mental health focusing on people's work as opposed to their job. Work satisfaction can be assessed within a particular organizational context, but it can also be used as a measure of one's satisfaction with a particular career.

### **Dependent variable**

**Dependent variable is defined as a variable thought be affected by the changes in an independent variables** (Andy Field, 2009).In this study employee turnover is considered as the dependent variable.

**Employee Turnover** - "Employee turnover refers to the proportion of employees who leave an organization over a set period (often on a year basis), expressed as a percentage of total workforce numbers" (CIPD, 2014). Turnover intention has been defined as the conscious and deliberately of an employee to leave an organization, e.g. whether the employee has intentions to leave his job within a certain timeframe (Tett& Meyer, 1993). Turnover can also be understood as the inflow and outflow of employees of a business entity.

### **Data Presentation and Analysis**

This study is quantitative deductive in nature that is built on hypothesis. The researcher will be used basically the exploratory data analysis techniques and as the advance analysis it will be used factor analyses and regression and correlation to evaluate the data. Meanwhile analyzing the data and it will be tested of normality, validation of measurement properties and hypothesis.

### **Summary**

There has no study been conducted in the Sri Lankan Context regarding the factors that affected Sales Employee turnover with especial reference to Travel agency and operators in the Hotel Industry. This can be considered as an important emerging concept in the developing countries, and will be contributed in largely conceptually and empirically to the existing literature as studies regarding these factors have not so far been conducted in this context. This paper adopted a conceptual framework describing the important concepts with operationalization in relation to employee turnover in the selected area of Hotel and Travel sector of Sri Lanka.

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