
“EMPLOYEES TURNOVER RATE IN OIL REFINERIES- A CASE STUDY OF PAK ARAB REFINERY LTD (PARCO)”

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ABSTRACT: *Employee’s turnover is the challenging issue for the organizations and has always negative impact on the organizations. When employees leave their company, it does not only reduce the performance of the organizations but also lessen the productivity and profitability of the organizations as well. It also increases the management difficulties and hiring cost for the new people to fill the vacant positions and train them. Major factors involve in employees turn over include: performance appraisal system, organizational policies and their implementations, working environment, job growth, bosses behaviors, benefits, compensation, economic condition of the company and performance of the company, etc. We use primary data to measure the impact of employees turn over company performance. Data collected through structured questionnaire. This paper investigate the factors that cause for employees turn over in an oil refinery Pak Arab Refinery Ltd (PARCO). The empirical evidence shows that the major factors that are causing employees turn over in PARCO are: no employee’s retention policy, unfair performance appraisal system, improper policy implementation, low promotion prospective and low compensation. This study also examines the impact of employees turn over on the PARCO’s performance. The evidence shows that the performance of the organization affects when experienced employees leave the company. The authors recommend is that PARCO needs to review its policies to retain their valuable employees and stop to drain the talent.*

KEYWORDS: Employees turn over, PARCO

INTRODUCTION

Turnover is the ratio of the number of workers that had to be replaced in a given time period to the average number of workers (Agnes, 1999). In simpler terms, turnover is the series of actions that it takes from the employee leaving to his or her being replaced. It is a behavior which describes this process (Curriuan, 1999). Employee turnover is harmful to an organization in large quantities, so it should be kept to a minimum. A variety of research projects conducted and articles written on the topic were studied to create a collection of efforts to indicate the causes and effects of employees’ turnover and preventive measures management and leadership of a company may execute. As a performance indicator, turnover should be understood by management and leadership of the company. This study discussed what may be the reasons for turnover, what consequences turnover has on a company, and what management and leadership in the company can do to avert high turnover and reduce the effects.

Employees' turnover rate has increased in oil refineries in last one decade. Organizations invest a lot on their employees in terms of induction, training, developing, maintaining and retaining them in their organization. Therefore, managers at all costs must minimize employee's turnover. Although, there is no standard framework for understanding the employees turnover process as whole, a wide range of factors have been found useful in interpreting employee turnover. Therefore, there is need to develop a fuller understanding of the employee turnover, more especially, the sources- what determines employee turnover, effects and strategies that managers can put in place minimize turnover.

The employee's turnover has always negative effects and impact on company's output, production, profit and the overall state of employee's enthusiasm. The rules, regulations and policies are made to run an organization in a befitting manner. Sometimes these have negative impact on employee's motivational level and job-satisfaction. Thus, leading to turnover, this is a clear indication that these rules and regulations should be re-visited. Employee's turnover has always shown a downward trend in the output of a company which create more problems and less comfort for the management. Retention of employees by giving those incentives, bonuses, extra allowances and facilities ensure better productivity and survival in the market.

There are factors which force the employee to consider the switching over to new job opportunities. But turnover at an organizational level is employees exit from the organization. Compulsory retirements, release on compassionate grounds and dismissal from service are some of the factors due to which the workforce leave an organization. Companies definitely face the problem of employee's turnover but never bother to investigate or inquire into the circumstances under which such a phenomenon occurs or have occurred. It is therefore, necessary for the companies to find out the reasons and undertake remedial measures for the sake of their survival and output. Details mentioned below highlight the factors due to which workers often leave companies. Compensation, Personal problems, Economic problems, Relation among peers, Termination at employers end.

LITERATURE REVIEW

“Employee turnover” as a term is widely used in business circles Henry Ongori (May, 2007). Although several studies have been conducted on this topic, most of the researchers focus on the causes of employee turnover but little has been done on the examining the sources of employee turnover, effects and advising various strategies which can be used by managers in various organizations to ensure that there is employee continuity in their organizations to enhance organizational competitiveness. This paper examines the sources of employee turnover, effects and forwards some strategies on how to minimize employee turnover in organizations.

Gordon Bowden (1952) introduces what he calls a simple solution to the turnover problem, that being to pay employees more than the competition. If it was solely about money that would be a great solution, but unfortunately employees turnover has a number of sole and combined causes depending on a variety of issues dealing with work-related and non-work-related matters dealing. Employees blame work and thus become dissatisfied with their jobs as part of the inter role conflict caused by the combined responsibilities of work, family, community, and personal (Hom & Kinicki, 2001).

Employers must accept the fact that there are inevitable circumstances for turnover such as age, gender, and health. A minor employed by a company does not have much input the decision the adult caretaker makes in his or her life such as moving to a new location, changing schools, transportation, etc. The minor has certain house rules to obey which may or may not enhance work capability, availability, and flexibility. A certain number of women will leave their jobs temporarily or permanently in order to full-fill certain family responsibility. In today's society, men may be the ones leaving work to fill the shoes of the family caretaker. Another inevitable turnover is due to illness, retirement, or death (Bowden, 1952). Retirement is something that most employees look forward to. This type of turnover can at least be expected unlike illness or death. There are certain occasions during which turnover is inevitable, therefore it impossible to control it one hundred percent (Bowden, 1952).

Lynn Coleman (1989) offers ideas on how to correct and prevent employee turnover. Some of his recommendations include the institution of exit interviews and other methods of finding the reasons for people leaving the company. Surveys and interviews are excellent method by which to find information about people. Even though exit interviews sound as the best idea to get honest information from an employee because the thinking is what the employee has to loose, they have already quit, the employee certainly does not want to burn bridges, so even in that situation information may not be the outmost truthful and straight forward. Possibly anonymous surveys would be the best, and for those paranoid employees maybe a typed survey turned in with gloves on.

Another method of acquiring information in the effort of preventing or minimizing turnover is to have an open door policy that allows the managers to hear of issues prior to escalating to the employee leaving. This could be a very excellent method of prevention as well as conducting self-audits to identify certain aspects as job satisfaction and exhaustion (Coleman, 1989). Findings about job satisfaction and exhaustion early may be crucial, since job dissatisfaction eventually leads in a progressive manner to the employee leaving the company (Hom & Kinicki, 2001). These findings have evolved to companies spending a large amount of time and money developing their employment procedures and hiring efforts. These efforts of finding the right candidate have created certain standards the company is looking for (Bowden, 1952). This is more than requirements, in addition to attaining the most qualified available employees, establishing standards for recruiting assists in being consistent and maintaining an above par hiring procedure. It also allows for a better match of company and the employee (Coleman, 1989).

Employee turnover costs the company money. Companies may increase their stock price by reducing turnover (Employee turnover, 2000). There are tangible and intangible effects of turnover. Concrete costs can be seen in the time spent in recruiting, selecting, and training new employees. These values can be accounted for and calculated as can the fees spent on advertising and the manpower used to conduct interviews, review candidates, and conduct training. Managers instead of managing are spending time searching, interviewing, and hiring new employees; not to mention the paper work involved (White, 1995). Another effect that turnover has on a company includes the loss of intellectual capital; this is losing people that have been trained and know things about the job which may not be quickly replaced. It reduces the morale while increasing the stress of those that stay because the remaining workers must fill in the slot left open while a replacement is found (Kramer, 1999). This might include working longer shifts and/or more days. All these intangible costs of increases workloads create

turbulence within companies with high turnover. Negative publicity may also result from turnover being extremely at high levels (White, 1995).

Stephen Laser (1980) offers various scenarios that may cause employee turnover. It is perceived by most, even though it is still questionable, that the main cause of turnover deals with salary issues. Shifting values may also have something to do with turnover and the change in today's work ethics. However, turnover can be attributed to three major causes: improper selection of personnel, the lack of an adequate orientation and training program, and organizational personnel management problems. Noah and Yong-Pin (2002) agrees that properly selecting employees is in fact a huge aspect of employee turnover. During the selection of personnel phase of the hiring process a mismatch can occur between company or position and employee. The person job seeking is generally looking for more than one opportunity since they have or are willing to leave their present work. Careful consideration should be made when the job is finally offered to assure the prospect employee suits the position within the company and vice-versa.

More and more companies are relying on Human Resources programs designed to reduce turnover which in turn can result in a remarkable positive change to the bottom line (Glebbeck & Bax, 2004). Definite progress has been made in the development of excellent human resources programs in order to reduce turnover, yet significant margins of error still exist even in the best testing and interviewing forms of hiring practices (Bowden, 1952). Time must be spent reviewing education strategies. An adequate orientation and training program is necessary in order to well-equip personnel with the proper knowledge and skills necessary to do accomplish the job efficiently and effectively (Coleman, 1989).

Home and Kinicki (2001) discuss the cause of turnover to be job dissatisfaction. They discuss this issue under the topics of inter role conflict and job avoidance. Inter role conflicts, referring to the multiple role employees play at work and the stresses that accompany them, decreases job satisfaction and thus increasing the likelihood of the employee leaving the company. Avoiding doing the work necessary for the job is an alternative to exiting the job that occurs when an employee is dissatisfied with his or her work. Job satisfaction minimizes the likelihood of job avoidance occurring.

Sheehan (1995) discusses two other causes in addition to job dissatisfaction. People often leave their jobs for a better job or for reasons unrelated to the job. Employees in fact may be looking for a better opportunity and not suffer from job dissatisfaction (Noah & Yong-Pin, 2002). Other reasons play into the decision making process of leaving a job such as health, family, financial needs, etc. These reasons are unrelated to the job directly, but they have an effect on the decision rationale utilized by the employee (Bowden, 1952).

Introduction of PARCO

PARCO incorporated in Pakistan in May 1974, as a Public Limited Company, Pak Arab Refinery Limited (PARCO) is a 60:40 % joint venture between the Governments of Pakistan (GOP) and Abu Dhabi, having paid – up capital of Rs.12 billion and total equity of Rs.36 billion. Since the commencement of commercial operations 24 years ago, the company has expanded a phenomenal 53 times, achieving an asset base approaching Rs.100 billion. PARCO, as an energy company, is a key player in the country's strategic oil supply and its logistics. With the synergy of a comprehensive and expanding oil pipeline network, integrated with a

significant and modern refining capability. The company has emerged as the strategic fuel supplier to the country. PARCO's competitive advantages through the integration of pipeline operation, strategic storage, leading edge refining and a significant role in the refining of petroleum products, have enabled it to achieve a unique position in the energy supply chain. PARCO's major business activities are: Refining, Transportation, Storage, Marketing. PARCO is an integrated energy company, and is a key player in the country's strategic oil supply and logistics.

With a refining capacity of 100,000 BPD, combined storage capacity of over one million tons, a marketing joint venture with TOTAL (France), a technical support venture with OMV (Austria), and a distribution agreement with SHV (Holland); PARCO has emerged as the strategic fuel supplier to the country with a broad portfolio of operational ventures. The organization encompasses Pakistan's largest refinery and 2000 kms of cross country pipeline network, including its subsidiary PAPCO.

Commissioned in the year 2000, PARCO's 100,000 barrels per day, state-of-the-art Mid-Country Refinery (MCR) at Mehmood Kot near Multan-Pakistan, represents about 35% of Pakistan's refining capacity. It helps substitute import of refined, value-added oil products to the tune of US\$ 100 million per year. PARCO's Mid-Country Refinery is the country's latest, largest and most complex refinery and employs critical processes involved in refining. The primary control centre is the Main Control Room with a microprocessor-based Distributed Control System (DCS). In addition, three subsidiary control rooms collectively manage eleven On-site Process Units and Off-site/utilities and other permanent facilities with 46 tanks to store Crude Oil, intermediate feeds stocks and finished products besides other specific areas of the refinery. The MCR mainly processes Crude Oil of Upper Zakum from Abu Dhabi and Light Arabian Crude from Saudi Arabia.

PARCO has the almost 2000 kilometer pipe line network throughout the country to transport the different petroleum products from one place to another in a safe and efficient way. With continued support of the Emirate of Abu Dhabi, PARCO has been able to realize a number of energy projects that have contributed significantly in enhancing the country's economic growth, saving foreign exchange, transferring technology and providing employment. PARCO's International Affiliations have long grown to a strategy of keeping good relations with its international partners. The oil marketing company, TOTAL PARCO PAKISTAN LTD (TPPL), is a joint venture between PARCO and TOTAL of France. TPPL is marketing consumer petroleum products through its national network of retail outlets. At present TPPL has more than 200 retail outlets around the country.

True to its reputation of always being a dynamic organization ready to adapt to the ever-changing environment, PARCO has been successfully marketing Petroleum products for the last twelve years through pipe line operation and Gantry Operation (Truck Loading). Having developed and extended its cross-country pipeline system and storage facilities and having made a huge investment of US \$ 886 million in the MCR, it was all but logical for PARCO to increase its earnings by marketing its own Petroleum products. The Refinery has placed PARCO in an ideal position to market these products. Therefore, PARCO is delivering accurate quantities of high quality products into the customer's premises in a timely manner and at the lowest cost through the shortest and safest routes.

PARCO is engaged in its marketing activities through the brand name "PEARL". The Word "PEARL" is associated with the Symbol of Purity and Preciousness, which translates to a message of Quality and Value for petroleum products. Marketing of Fuel & Lubricants is also being done under the Brand Image of "PEARL LUBES". The company has been marketing OMV Lubricants imported from Austria which are already available in the local markets.

PARCO is also locally producing automotive engine oils under the names of "PEARL i.e. Truck Plus", "PEARL Energy", "PEARL Zabardast", "PEARL Speed" and Gear Oil named as "Gearup" etc.

The performance of the company can be judged by the fact that it has retained its AAA and A1+ long and short term credit rating by PACRA for thirteen consecutive years. The company set another first when it obtained three simultaneous international certifications: ISO 9001:2008 (Quality Management System), ISO 14001:2004 (Environmental Management System) and OHSAS 18001:2007 (Occupational Health and Safety Management System). PARCO produces following products: Motor Gasoline 90- RON, High Speed Diesel (HSD), Kerosene Oil, High Octane Blending Component (HOBC), Jet Fuel (JP-8) Jet Fuel (JET A-1), Furnace Oil, Light Diesel Oil (LDO), Liquefied Petroleum Gas (LPG), and Solid Sulphur. The company was established with seed money of Rs. 540 million and in the last 25 years has expanded a phenomenal 34 times and achieved an equity base of over Rs.18 billion and an asset base exceeding Rs.90 billion or just over US\$ 1.5 billion in current dollar terms. With the continued support of Abu Dhabi, PARCO has been able to implement a number of energy related infrastructure Projects which have contributed immensely towards complementing the oil logistics with the overall national development Plans.

The following account gives a true insight into PARCO's story of success, its trail of roots and its up-coming aspirations.

- 1981: Commissioning of Karachi-Mehmood Kot crude-cum-product pipeline system.
- 1990: Additional 50,000 tons of Storage facility at Korangi and direct discharge of ships into PARCO network to ease pressure on Keamari Oil Piers (DKF).
- 1992: Introduction of flow improving technology to increase pipeline installed capacity of 2.9 to 4.0 million tons/annum.
- 1994: Completion of Bubak and Fazilpur Pumping stations, further raising the pumping capacity by 50%.
- 1995: System UP-gradation / Modernization: Telecom & SCADA, Revamping, Intelligent Pigging & Pipeline Rehabilitation.
- 1997: Completion & Commissioning of 364 kilometres Pipeline Expansion Project from Mehmood Kot to Shekhupura near Lahore via Faisalabad.
- March 1998 to September 2000: Started construction of Mid Country Refinery (MCR) and its completion.
- 2000-2001: Completion and Commissioning of PARCO Mid Country Refinery (MCR)
- In 2000 Launch of Marketing Operations.
- In 2002 Commissioning of Gantry at Faisalabad
- 2002-2003: Launching of Marketing Operations of PEARL in partnership with SHV & OMV and incorporation of a Joint Venture Co. with TOTAL for development of retail outlets.

- 2002-2005: 781 KM White Oil Pipeline at a cost of US \$ 480 million commissioned in November 04, with Commercial operations commencing in March, 2005.
- 2005, IMS Certification of Mid-Country Refinery
- In Korangi-Port Qasim Link Pipeline (KPLP)
- In 2006 Export of Motor Gasoline
- In 2006 IMS Certification of Pipeline Division
- In 2007 IMS Certification of Corporate Headquarters
- In 2008 Zamzama condensate injection from Pumping Station-2 Bubak
- In 2009 Implementation of SAP
- In 2009 HR Transformation
- In March, 2009: PARCO started a project DHDS (De-hydro de-Sulphurization Unit) that provides the sulphur free Diesel product. This project completed 2010 in MCR.
- In 2012 Completion and Commissioning of Asphalt Air Blowing Unit at Mid Country Refinery.
- In 2012 Acquisition of SHV Energy Pakistan (Pvt.) Limited.

National Refinery Limited (NRL), Pakistan Refinery Limited (PRL), Attock Oil Refinery Limited (ARL), Dhodak Refinery of OGDCL and Byco Refinery are the competitors of the PARCO. All these refineries are providing the petroleum products to the nation.

The Crude oil design processing capacities of different refineries is as follows.

S.No	Name of Refinery	Crude Processing Capacity/Annum Metric Tons	Percentage %
1	PARCO	4,500,000	35.6
2	NRL	2,710,500	21.4
3	PRL	2,133,705	16.9
4	ARL	1,711,200	13.5
5	Byco Refinery	1,485,550	11.8
6	Dhodak	101,182	0.8
Total		12,642,137	100

METHODOLOGY

This research conducted on Pak Arab Refinery Ltd (PARCO) Muzaffargarh city, Pakistan. Quantitative method employed to understand as to why employee turnover occurs within the organization. Primary data collected through structured questionnaire from PARCO's employees. Rating scale method adopted to collect the data. Rating was as: strongly disagree, disagree, neutral, agree and strongly agree. A simple random sampling technique used to collect sample. The nature of the research is quantitative and as such the author used quantitative tools to study the employees turn over rate. Rating scale method (Likert scale) was used to analyze data and draw results. Each question had five options; each of them was assigned a value from one to five. Rating "one" was strongly disagree and "five" was the strongly agree.

Objectives of Study:

A general objective of this research study is to measure the overall cause of employees turn over, its impact tin oil refineries and preventive action to reduce the effects of turn over. Research study answers the following specific questions.

1. What are the factors that cause of employees turn over in oil refineries?
2. What is the impact of employees turn over on employer?
3. What preventive actions management can take place to reduce the effects of turnover?

Scope of study:

PARCO is facing high employee's turnover since one decade. Experienced engineers and associate engineers are leaving the organization rapidly. Talent is continuous draining. Organization is spending a lot of money on new hiring and on employees training. The scope of this research study is to find out the causes of employees turn over in Pak Arab Refinery Ltd (PARCO). Turn over impact on PARCO and which actions should be taken by the management to reduce the employee's turnover rate. It also includes getting feedback from PARCO employees. This study will help to forecast the future needs of changes to be made in the organizational policies in accordance to employee turnover.

FINDINGS

On the basis of the questionnaire it was concluded that the majority employees were agree that the company clearly communicates its goals and strategies to its employees. The employees included in this category were those who control the lower level management. So, company clearly communicates its goals and strategies to its majority employees and this is not the factor of employee's turnover. Majority employees said that PARCO has no employee's retention policy. PARCO never tried to retain their experienced manpower. According to PARCO management "we don't stop any employee, or try to stop them. Everyone is independent and can go anywhere according to their desires". It clearly shows that the company has no proper employee's retention policy. Because the companies take measures to retain their valuable employees. According to author's knowledge PARCO is the only company which do not want to stop their employees and don't take remedies to reduce the employees turn over. Practically, company spends a lot of money on recruitment and training as well as human resource management. A huge cost is involved in the recruitment process. It is a major factor that is causing for employees turn over. Mostly employees were agreeing about the facilities provided by the company to them. They said that the company is providing the facilities including medical, transport, school, residence & mess according to market competitors. They are satisfied with the facilities provided by the company. It means that facilities are not the causes for employees turn over in PARCO.

The results of the study are shown in the following table.

Key: 1. SD = Strongly Disagree. 2. D = Disagree, 3. N = Neutral. 4. A = Agree. 5. SA = Strongly Agree

		1	2	3	4	5
S#	Statements	SD%	D%	N%	A%	SA%
1	The company clearly communicates its goals and strategies to its employees.	9.5	25	18	37	10.5

		1	2	3	4	5
S#	Statements	SD%	D%	N%	A%	SA%
2	Organization has the employee's retention policy.	39.5	36	8.5	13.5	2.5
3	Facilities including medical, transport, school, residence & mess etc are according to market competitors.	11.5	24	28.5	29	7
4	Employees are satisfied with organizational policies.	11.5	47	29	11.5	1
5	Supervisors/Bosses are well aware about subordinate's problems.	13.5	26	16.5	38	6
6	Bosses use coercive measures to harass their subordinate.	8.5	29	26.5	26	10
7	There is proper policy implementation in the organization.	18	34	21.5	23	3.5
8	Employees are motivated and encouraged to take interest and commitment to a job or role.	5.5	30	25	34	5.5
9	Performance of the organization is affected when experienced employees leave.	1	4.5	10.5	27	57
10	Our company is concerned with the long term welfare of the employees.	12	20	28.5	35	4.5
11	Geographically, organization is situated in remote area and cause employees turn over.	7	26	19.5	36	11.5
12	Performance appraisal system is fair in organization.	53	31	10	5.5	0.5
13	There is equal chance for job growth for every employee in the organization.	36.5	42	13.5	7	1
14	I feel I can give my opinion without fear.	11.5	29.5	21.5	30.5	7
15	My immediate supervisor is technically competent.	5	12	28.5	42.5	12
16	Our company maintains salary levels that compare well to other companies in this area.	20	34	21	21.5	3.5
17	I feel there is adequate opportunity for me to move to a better job within the company.	15	39.5	19.5	21.5	4.5
18	My supervisors are cautious for providing quality products and services.	4	9.5	25	48	13.5
19	I have enough freedom in my position to take independent action when needed.	11	29	28.5	26	5.5
20	My compensation matches with my workload.	14	37.5	23	21.5	4

		1	2	3	4	5
S#	Statements	SD%	D%	N%	A%	SA%
21	My department uses employee feedback to improve working environment.	12.5	33	28	23.5	3
22	I have enough involvement in decisions that affect my work.	7	31.5	36.5	21.5	3.5
23	My immediate supervisor gives me feedback that helps me to improve my performance.	5	19	27	46	3
24	Job Stress leads to dissatisfaction and quitting.	4	17	17	43.5	18.5
25	Overall I am satisfied with my position at this company.	5.5	25	29.5	35.5	4.5

As the result shown in the Table, majority employees disagreed with the organizational policies. According to them, company polices are against the employees benefits as well as for the business growth. Many projects were postponed due to management polices including Khalifa Coastal Refinery (KCR) and Power generating projects. Policies for the welfare of the employees are also changing rapidly. Due to this employees were not happy with the organization polices and termed it as one of main cause of employees turnover.

Bosses awareness regarding subordinate's problem, majority employees were agree with the statement. Supervisors are well are about the subordinate problems. So it's not cause for employee's turnover. Majority employees disagreed that bosses use coercive measures to harass their subordinate. Employees further said that there is no such kind of policy adopted by the bosses, implemented or tried to force the employees. So, according to our study evidence, coercive strategy is also not a major factor that cause employees turn over.

Majority employees contended that there are discrimination in the implementation of policy in the PARCO. Employees told that the policies vary from man to man in the company. They also said that there are good policies in the organization but are not implementing properly. All rules and policies are for lower level employees and policies are implemented forcefully on lower level employees. It seems as if there are no rules or regulations for higher level management. They also told that policy implementation is improper in the company. There is difference in all level of employees. Though all are management cadres' employees but there is injustice at every level of employees and policies are not properly implemented. Improper policy implementation in the PARCO is a major cause for employees turn over.

Most of employees were in the favor of motivation and encouragement. The employees said that there is proper policy that motivates and encourages us to take interest in job. They said that if any employee do good job, he/she is motivated or encouraged. Although some employees disagreed with the motivation. But on the basis of the data it is concluded that majority employees were agree with the motivation and encouragement. It is concluded that it is not a major factor that is causing employees turn over.

Performance of the organization is affected when experienced employees leave, majority employees agreed this. According to them the quality of work and quality of product suffers when experienced employees leave the company. The quantity of the work also affects. Some times per unit cost of the product also increased. It also increased the difficulties of the management because when the talented man power leaves the company, it creates many difficulties including the maintenance activities of the equipment and plant tripping or shutdown difficulties. So the employees denied this company policy “there is no effect on the performance by leaving the experienced employees”.

The majority of employees agreed that company is concerned with the long term welfare of the employees. It is providing the benefits to them including pension, provident fund and medical facilities after retirement. Company also provides the scholarships for the employees children for their study. So, it is not cause for employees turn over

Geographically PARCO is situated in remote area and according to our study evidence this is the main cause of employees turn over. According to the data, PARCO was set up in Multan as per original plan but due to political influence it is built 90 kilo meter away from Multan. The employees have faced many problems due to its location including travelling problems, educational problems, difficult to access for airport and railway station. The evidence proved that company location is major factor for employees’ turnover.

Performance appraisal system is major cause of employees turn over in PARCO. Employees were so much frustrated about performance appraisal system. There is biasness in the system. Annual confidential reports are filled on the basis of personal relation and through unfair means. There is no concept for performance based appraisal system. Employees informed that the engineers are given more reward than the associate engineers. Lower level employees are given fixed percentage in the annual confidential reports. This system is forcefully implemented in spite of how much someone is hard working or performs duties honestly. So unfair performance appraisal system is a main cause for employees’ turnover.

Job growth is also another major cause for employees turn over in PARCO. Employees strongly disagreed about the equality of job growth in the company. According to those employees the job growth system in PARCO is not fair. There is biasness in the promotion system. Every employee is not promoted according to merit. Any employee, who has its personal relation or use unfair means goes upward and is considered the high performer. Family background or family influence has also plays an important role in the job growth. Any employee who has the strong family background or can put any pressure or make influence to the management; He / She can be promoted through unfair means. In other words there is lack of merit; there is discouraging situation about performance. Mostly the lower level employees face such kind of problems.

Majority employees disagreed with opinion giving without fear and told that they can feel fear when they give any opinion. The bosses take revenge in the performance appraisal. They react negatively in annual confidential report and said that the bosses note down their names and punish them in giving leaves, shift changes or in annual confidential reports. So due to this there in fear among employees by giving any opinion. Almost equal number of employees agreed with the opinion giving without fear. According to these employees there is no problem

for giving any opinion regarding someone worth or value. What employees think about bosses or company? There is no problem or any restriction. No one take revenge or any type of harm action is taken by the bosses or by the management.

Majority employees agreed that the supervisors are technically competent. They have talent and they are capable to perform their duties. According to these employees the supervisors are very competent and technically very good. They do modification in operation when require. They handle the trouble shooting. They give the feedback to their subordinate in operational activities. They lead from front in any operational day to day activities. They have direct involvement to increase the productivity of the company. It's not a cause for employees turn over in the PARCO.

Majority employees denied that PARCO is maintaining the salary level as compared to other competitors. Employees disagreed with PARCO salary package. According to the employees in the beginning PARCO was in top salaried companies in Pakistan but now many companies have crossed it in salary package. So employees told that the PARCO salary level is not as per competitors at present state and its salary level is not good as compared to other companies. Some employees also told that there are a lot of deductions in their salaries; due to this a huge amount is less from the gross salary. This has a serious impact on the salary package. So salary package is a major cause for employees turn over in PARCO.

Majority respondents disagreed that there is not enough opportunity for employees to move to a better job within the company. Furthermore the employees said that the employees are not moved or promoted to the better job. They also argued that when an employee improves his / her qualification, he / she are not promoted or changed their cadres. Currently PARCO has changed its policy about internal hiring. There is so much frustration among the employees.

According to such kind of employees when an employee improves its qualification, he/she cannot be promoted to the grade according to his/her improved qualification. According to data, majority employees of PARCO agreed that supervisors are cautious for providing quality products and services. Supervisors never compromise on the quality of products or services. They know the importance of time management. They provide the quality products in time and don't waste the time or assets of the company. According to the employees the supervisors are loyal with their jobs. They never bypass the sop's by providing the quality products. They don't deliver the petroleum products to the oil marketing companies without issuing the certificate of quality (COQ). Mostly employees disagreed to take independent actions and argued that they have not any freedom to take independent actions. These SOP's make the job unpleasant.

They told that they are accountable for all their actions and decisions. PARCO doesn't provide compensation which match with employees work load. PARCO's employees are frustrated about their compensation. They are disappointed about the management response. Few of them told that if they are overstayed then their reward is very low as compared to competitors. This category is mostly young employees which have so much opportunity to move to better employer. Employee's feedback is also a factor that is causing employee's turnover. Mostly employees disagreed with the question about employee's feedback for improving working environment. According to the employees there is no any system through which feedback is taken from lower level employees. The data shows that PARCO departments do not use employee's feedback to improve working environment. Majority employees were neutral about

the decision making. According to the employees sometimes we make decisions independently in emergency cases and sometimes we are unable to decide. In latter case we discuss with our bosses. The majority respondents agreed that the supervisors take interest and give feedback to subordinate to improve their performance. The supervisors have so much experience. They know the all types of operations. They guide and correct the actions of subordinate if required.

The supervisors also suggest the trainings if any employee lack in that field.

Majority respondents agreed that the job stress cause dissatisfaction and quitting. Job stress always create frustration and make the employees upset. Mentally disturbance creates stress and this cause employee's turnover. The employees disappointed and leave the company.

CONCLUSIONS

We conclude that mostly young employees were dissatisfied with different policies of the company while the employees between the age of 40 and 50 years are satisfied. The aged employees' preferences are: compensation, benefits, job growth and motivation & encouragement, their inability to switch over to other job, their children grown up and their education hurdles in foreign countries, handicapped, medically unfit or those who are near to retirement or geographically their homes are near to PARCO or those who are living contented lives or those who looking higher posts or authorities in the company. On the basis of above mentioned factors the majority of this type of employees were agreed with their positions in the company. On the basis of the above discussion we have concluded that there are many causes of employee's turnover in PARCO. Major of them are followings:

1. PARCO has no proper employees retention policy. The management of PARCO does not want to retain their employees. The company says that if any employee wants to leave company, company will not try to stop him/her. Furthermore, the management thinks that there is no effect on organizational performance when experienced employees leave the company, but the questionnaire results show that the performance of the company is affected by leaving the employees.
2. Policies vary from man to man. Geographically remote area is also a cause for employees turn over, as PARCO is situated in remote area but this is inevitable cause.
3. Another major cause of employee's turnover is performance appraisal system. Employees are so much frustrated about performance appraisal system. Job elevation is also another major factor that is causing employees turn over in PARCO. There is less job promotion in the company and not enough opportunity for employees to move to a better job within the company.
4. There is also less feedback taken from employees to improve working environment.

RECOMMENDATIONS

We summarize our recommendations as under:

1. PARCO should take corrective measures to retain the experienced employees to reduce the employee's turnover rate.
2. There should be no biasness in performance appraisal system. Appraisals should be filled on the basis of performance, not on the basis of personal relations.
3. Organizational policies should be reviewed in favor of the employees.
4. Policy implementation should be proper for every employees of PARCO.
5. Equal chance should be given to every employee for job growth on the basis of merit.

6. Management should improve feedback system from lower level to top level to improve working environment.
7. Pay structure and compensation should be revised to sustain the experienced employees to avoid turn over.

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