Problems In The Third Sector Human Resource Management Cause Turnover Intentions - Case Finland

Selander, Kiira Kirsikka, University of Jyväskylä

Third sector working environment has changed rapidly over the last decades. It has taken care increasingly on welfare service provision. This has required more efficient and professional operations from third sector organizations. At the same time, however, studies have shown that paid employees turnover intentions have become serious problem in the third sector management (e.g. Kim & Lee 2007). As explanatory factors have been identified for example low wage level and poor working conditions (e.g. Ben-Dror 1994; Cunningham 2001; Kim & Lee 2007). However, most of the previous studies tend to overlook the fact that third sector employees’ passion for their work can decrease turnover intentions. Therefore this paper will examine how passion for the work can keep employees in their workplace in the same time as problems in the working conditions push them away.

Third sector employees have been assumed to enter and stay in the third sector organizations because they are interested of promoting organization’s values and goals (e.g. Kim & Lee 2007; Mann 2006). Thus employees could be highly committed to their work and therefore their turnover intentions might be in lower level than their counterparts in the public or private sector. On the other hand, previous studies from Finland suggest that there are several problems in the human resource management and working conditions (Koskinen 2000; Ruuskanen et al. 2013a; 2013b). For example personnel policies are often outdated or they do not exist at all (Cunningham 2001; Koskinen 2000). Employees’ pay and advancement opportunities are limited and there are more problems in the working atmosphere than in the public or private sector (Ruuskanen et al. 2013b). These problems can decrease employees’ commitment to their organization and thus increase turnover intentions.

These contradictions makes interesting to compare turnover intentions between third, public and private sector. This is accomplished by two datasets. First of them includes third sector employees (N=1438). It was collected in 2011. The second dataset includes public and private sector employees. It was collected by Statistic Finland in 2008. Both surveys use the same question and response option for employee turnover intentions. After sector comparisons follows multinomial logistic regression analysis, in which third sector employees’ reasons for turnover intentions are examined more detail.

The results show that third sector employees’ turnover intentions are much higher than their counterparts in the public or private sector. Most of third sector employees, however, are willing to change on same occupational field rather than different occupational field. This indicates that they are committed to their work, but not on the organizations. More detailed analysis reveals that third sector organizations ideological goals and values offer good starting point for employees’ commitment to their work. Conflicts between expectations and reality, however, lead to situation in which employees consider leaving from their workplaces. Problems in the working atmosphere, lack of advancement opportunities, conflicts between supervisors and subordinates, intensity of work and fewer opportunities to use skills than employees in the public or private sector, are main reasons why third sector employees consider leaving from the organization. Thus in the future there is need to pay more attention on paid employees human resource management.

Literature

