

## The Effects of Heart Count on Employee's Perception on Separation

Chue Kar Wen, Rajendran Muthuveloo and Teoh Ai Ping  
Universiti Sains Malaysia, George Town, Penang, Malaysia

**Abstract:** This study aims to study the effects of heart count on employee's perception on separation. Employee separation is one of the key dimensions of human capital development process which comprises of recruitment, retention and separation. Most of the past researches indicated the negative perception of employees on separation has negative impacts on organizational performance, noting from the viewpoint of return on investment, productivity and customer satisfaction. "Heart Count" is a newly developed concept, as opposed to "Head Count". Head count is a direct cost reduction and reactive while heart count is proactive and gears towards mitigation of employee loss. Heart count nurtures the feeling of being appreciated among the employees and enhances organizational performance. Heart count is generally the care to the employees from the employer, in which heart count considers the leaves or stay back of the employees in all measures. Heart count nurtures the sense of loyalty into employees, elaborates supports and cares from the organization to its employees where the employees feel that they are still valuable, not redundant and have the motivation to continue being productive, nurtures the employee's sense of belonging to the organization even it is in the final phase of the employment cycle and encourages the leaving employees to re-join back into the organization as they feel that employer's cares to them even during organization's crisis. A correlational type quantitative research will be conducted to address the hypotheses developed. The statistical data obtained from general employees of organizations will measure the influence of heart count on employee's perception on separation. This research expects heart count to advocate positive o employee's perception on separation that is crucial for employee performance. It will enhance the understanding on human capital development and assists practitioners to formulate strategies to nurture positive perception of employees towards separation.

**Key words:** Heart count, head count, employee perception, employee separation, organizational performance, human

---

### INTRODUCTION

Employees are regarded as one of the most important element in an organization. Many regarded employees as their most important asset because they play an important in helping the organisation achieve competitive advantages that is crucial for business sustainability (Gabcanova, 2011). Performing employees create competitive edge through productivity, quality, innovations and good decision making (Muthuveloo and Ping, 2013). According to Becker, competitive advantages would ensure the existence of the organization in the competitive business environment. As employees are important to an organization, human capital development processes are being continuously discussed and improved from time to time to have a better management and development in order to cope with the ever changing demographic profiles of the employees.

Ritter indicted that basically there are three phases in employment cycle which an employee will go through. The employment cycle consists of recruitment, retention

and separation. According to him, the purposes of the recruitment phase is to plan, recruit and employee selection; retention phase is to train, performance measure and retain employees; separation phase is to manage separation issues of employees, in which separations describes an event that separates an employee and an employer. It occurs when an employee ceases to be a member of an organization. Employment cessation leads to employee turnover (Njagi and Munyiri, 2014).

Past researchers Nguyen (2016) have shown that separation has been always excluded in the human capital development process. Conley (2001) opined that separation should be integrated into staffing process, including a few suggestions integrated into daily activities in the transition period during the separation process, namely intimacy with peers, serious talks, small adjustments, supportive relationships and human resource planning. On the other hand, past researchers (Heavey *et al.*, 2013) also showed that from the viewpoint of return on investment, productivity, customer and satisfaction, separation related matters had negative impacts on organizational performance.

## MATERIALS AND METHODS

**Research design:** The study will employ correlational type quantitative research as there are about 13.5 mln. employees. As the targeted population is >1 mln., hence the required sample should be at least 384 individual respondents (Krejcie and Morgan, 1970). The statistical data collected will be analysed through Statistical Package for the Social Sciences (SPSS) in which the demographics and degree of influence of heart count onto employee's perception on separation will be measured.

## RESULTS AND DISCUSSION

**Employee's perception on separation:** Employee separation could be categorised into voluntary and involuntary separation. Voluntary separation is initiated by employees while involuntary separation is initiated by employers. Separation does not only impact on organization, (i.e., costs, productivity), it also impacts the remaining employees. There are three categories of the impacts resulted from negative perception on separation, namely poor motivation, low task significance and feeling of not being appreciated.

Stea *et al.* (2015) revealed that separation cues have a strong connection to separation awareness and perception and finally affect the motivations of employees. Separation in the workplace influence how employees cognitively frame their organizational context, sense of identity and motivation and finally shaped their behavioural responses (Davis, 1984). Although, there are benefits in separation, many studies suggest that separation and turnover could bring down the morale of the remaining employees (Njagi and Munyiri, 2014), as the inconstant organizational culture would disrupt the motivations in the remaining employees. Retention is found to be correlated with the level of motivation among the employees, in which lower motivation leads to weaker retention (Kassa, 2015).

On the other hand, studies suggest that separation reduces informal communication, collaboration and group and task identity (Pile, 1978). More specifically, reduction of informal communication and collaborations ultimately reduces the perceived task significance (Veitch *et al.*, 2007) in which task significance is significant correlated to job performance (Grant, 2008). Employees are increasingly concerned on the benefits and contributions of their tasks to others and the perceived social impact (the degree to which employees feel that their actions are beneficial to others) affects employee's job performance (Grant, 2008).

People perceive and react negatively on separation related issues. Harvard Business Review (April 2016) explained that exit interview as an important practice in employee separation is not commonly being practiced

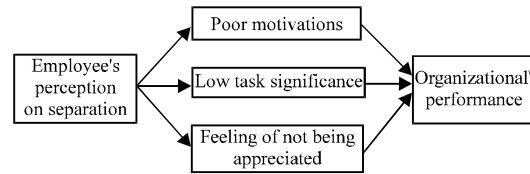


Fig. 1: Impacts of employee's perception on separation

(or not thoroughly practiced) by employers. The data quality of the exit interview is much dependent on the willingness of expressing the true feelings by the employees, in which the true feelings might affect the existing relationships with the supervisors. This supports the reasons of less researches on separation and turnover related studies (2 out of 72 from 1988-2008) (Cunningham and Rowley, 2010) where the turnover consequences relationships are not universally supported and are sensitive to contextual factors that qualify whether and when effects will be found (Hausknecht and Holwerda, 2013).

In addition, strategies and execution of exit interview programs vary widely. The findings and recommendations from empirical studies are often vague or conflicting. As a result of this, many organizations use exit interview programs as an excuse not to have meaningful retention conversations with current employees (Spain and Groysberg, 2016). The less meaningful retention conversation leads to the feeling of not being appreciated. The negative cognitions in the first hand had led less effective retention actions to the departing employees, in which poor retention lowers organizational performance (Erickson, 2015).

Through past researchers, Fig. 1 summarises that separation in an organization is perceived negatively by employees due to poor motivations, low task significance and feeling of not being appreciated. These directly and indirectly lead to negative impacts on organization performance.

**Heart count:** Heart count is a new term developed in human resources. It is first pioneered by Muthuveloo (2013) in his column "Heart Count-Futuristic Separation Mode". Heart count is generally the care to the employees from the employer where it taken into consideration of both the leaving and staying back employees in all measures which head count does not. The key differences between head count and heart count are as shown in Table 1.

Head count is a direct cost reduction by reducing physical manpower (reacting to past rather than anticipating the future); heart count is proactive as it

**Table 1: The differences between head count and heart count**

Characteristics	Head count	Heart count
Nature of execution	Reactive	Proactive
Implementation period	Short and quick	Long and slow
Purpose	Immediate cost reduction	Impact mitigation for job loss
Feeling of employee	Unsecured	Secured
General definition	Physical amount of workers	Care of the workers receive

prepares ahead of crises. As heart count prepares ahead of any confrontations, the implementation is long and slow as compared to head count as head count is a direct reaction to situations. Heart count considers the departing and remaining employees, it emphasizes the care of the workers received, in which the care that departing employees receive are mitigations of impacts to them; the remaining employees feel being secured resulted from the care received. Heart count has been mentioned informally in columns and speeches recently but has not been formally researched academically. Heart count could be utilised to nurture positive employee perception on separation through four ways.

Firstly, heart count nurtures the sense of loyalty into employees. Employees treated with care and respect would be more likely to be loyal to the superiors and more committed to the work (Arenti and Forman, 2004; Mahdiah, 2015). Extended employee care (psychological safety, psychological meaningfulness and psychological availability) could enhance employee engagement with organizations which in turn will hence enhance employee loyalty (Muthuveloo *et al.*, 2013) and organizational performance (Taris and Schreurs, 2009). Stewart (2012) suggest further that employee care could also lead to employee fulfilment. While the employees feel meaningful of the actions, employees would be attached to the organization in longer term as well as their productivity.

Secondly, heart count elaborates supports and cares from the organization to its employees where the employees feel that they are still valuable and not redundant will continuously motivate the employees to be productive. Lee mentioned about “heart count” in her blog, in which she linked heart count as one of the important elements in conscious leadership. She suggested that a conscious leader will be actively looking to align people’s hearts and minds with the organisation’s vision and values. One of the important practices of conscious leadership is to care for the employees and the care is beyond their work deliverables and career. It could result better team performance, bringing the best of the employees and the team. It is not just a number, but it is about bringing a more humanistic and holistic approach to the forefront in the way which manager’s researcher with their team to achieve a common goal.

On the other hand, in a speech by a renowned speaker Simon Sinek, similar to Lee, in Sinek’s speech, he linked heart count to leadership. Sinek pointed that when the employers show cares to the employees (but not by laying off them during hard times), team morale could be up, employees are more motivated and the outcome could be better than by laying off via the head counts concept.

Thirdly, heart count nurtures the employee’s sense of belonging to the organization even it is in the final phase of the employment cycle. This concept not just supports the idea suggested by Conley (2001) to integrate separation into Winston and Creamer’s Staffing Model; the same concept could be also integrated into the Join-Stay-Leave Model suggested by Ramdianee. Join-Stay-Leave Model traces the factors affecting the members to join, to stay and to leave an organization. On the other hand this research (on employee separation) could further be integrated into the mentioned Join-Stay-Leave Model, in which the model does not just trace the factors affecting members to leave an organization, it also includes the separation practices for the leaving employees. The heart count practices could attract employees to join the organization and also could nurture a stronger sense to the employees to stay; the separation practices complete the Join-Stay-Leave Model at the end part of it and further nurturing the feeling into the leaving employees that they are still being wanted.

Finally, heart count encourages the leaving employees to re-join back into the organization as they feel that employer’s cares to them even during organization’s crisis. The re-joining employees could be referred as boomerang employees; and the integration of heart count into Join-Stay-Leave Model would make the leaving employees feel that they are still being wanted after they left. The return of boomerang employees could be due to the benefits or care that they had once enjoyed (Kurniawati and MeilianaIntani, 2016). There could be other factors that lead to the departure of the former employees. A study revealed that as high as 20% of the boomerang employees left the organizations were due to the contextual factors (not originated from organizations that they had been working).

Hence, it suggested that organizations should consider employment as long term investment and heart count would help organisation to always keep the door open for boomerang employees. The return of boomerang employees could reduce employment costs (as they are familiar with the working culture as they have the working experience in the organization). In addition, the boomerang employees could bring in new skills to the organization as they could have developed new skills

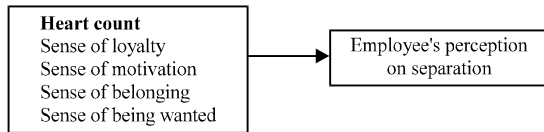


Fig. 2: Heart count on employee's perception on separation

Table 2: Comparisons between employee's perception on separation and heart count

Natures/characteristics	Employee's perception on separation	Heart count
Cognitive	Negative	Positive
Type of cognition	Conventional	Modern
Motivation	De-motivational	Motivational
Nature of execution	Reactive	Proactive
Organizational sustainable	Short and not sustainable	Long and sustainability

when there were attached to other organizations. Boomerang employees could be also more loyal after their return as they are unlikely to leave the organization again.

The idea of heart count originated from I-TOP Model developed by Muthuveloo (2013). based on Resource Based View (RBV). Thus, it will provide academicians more insights on the importance of human capital development. On the other hand, heart count being a proactive process will assist practitioners to formulate strategies to nurture more positive perception of employees towards separation.

In nutshell, the new concept of heart count is as a proxy of head count where it is proactive against the reactive head count.

**Heart count on employee's perception on separation:** An overview of the employee's perception on separation and heart count is comparison shown in Table 2.

Heart count nurtures positive cognition into employee through proactive optimistic type of thinking. The implementation of heart count motivates employees by the care they received from the employers. The values nurtured into employees (Fig. 2) would ensure long term organizational sustainability through higher productivity, lower employment cost and higher retention rate. Based on Table 2, it can be concluded that, being a proactive process, heart count could nurture the employees to have positive perception towards separation which is crucial for their loyalty and productivity. Referring to Fig. 2, the employee care oriented heart count could nurture the employees in four senses they are sense of loyalty, sense of motivation, sense of belonging and sense of being wanted. All these senses are being nurtured in the

employee's psychological state. Although, it is time consuming and need a longer period of time, it is proactive and can lead higher employee productivity.

## CONCLUSION

This study highlight the effects of heart count on employee's perception on separation. Although, employee separation is one of the key dimensions of human capital development process which comprises of recruitment, retention and separation, most of the past researches indicated employees have negative perception on separation (either voluntary or involuntary) which in turn has negative impacts on organizational performance. Head count is a direct cost reduction by reducing the number of employee and reactive in nature while heart count is proactive and gears towards mitigation of employee loss. Heart count nurtures the feeling of being appreciated among the employees and enhances organizational performance. Heart count is generally the care to the employees from the employer, in which heart count considers the leaves or stay back of the employees in all measures. Heart count nurtures positive perception of employee separation among employee who leaving and staying in the organisation by instilling sense of belonging and the feel of usefulness. In addition, it also encourages attract boomerang employees to be back to the organisation. In nutshell, heart is a proactive process that instil positive perception employees on separation while enhance their productivity that is crucial for organisational performance and sustainability.

## REFERENCES

- Arenti, P.A. and J. Forman, 2004. The employee carerevolution. *Leader*, 2004: 45-52.
- Conley, V.M., 2001. Separation: An integral aspect of the staffing process. *Coll. Stud. Affairs J.*, 21: 57-63.
- Cunningham, L.X. and C. Rowley, 2010. Small and medium-sized enterprises in China: A literature review, human resource management and suggestions for furtherresearch. *Asia Pac. Bus. Rev.*, 16: 319-337.
- Davis, T.R.V., 1984. The influence of the physical environment in offices. *Acad. Manage. Rev.*, 9: 271-283.
- Erickson, R.A., 2015. *Communication and EmployeeRetention*. John Wiley & Sons, New York, USA.,
- Gabcanova, I., 2011. The employees the most important asset in the organizations. *Hum. Resour. Manage. Ergon.*, 5: 30-33.

- Grant, A.M., 2008. The significance of task significance: Job performance effects, relational mechanisms and boundary conditions. *J. Applied Psychol.*, 93: 108-124.
- Hausknecht, J.P. and J.A. Holwerda, 2013. When does employee turnover matter? Dynamic member configurations, productive capacity and collective performance. *Organ. Sci.*, 24: 210-225.
- Heavey, A.L., J.A. Holwerda and J.P. Hausknecht, 2013. Causes and consequences of collective turnover: A meta-analytic review. *J. Appl. Psychol.*, 93: 412-453.
- Kassa, T., 2015. Employee motivation and its effect on employee retention in ambo mineral water factory. *Comput. Sci.*, 3: 10-21.
- Krejcie, R.V. and D.W. Morgan, 1970. Determining sample size for research activities. *Educ. Psychol. Meas.*, 30: 607-610.
- Kurniawati, E.P. and A. MeilianaIntani, 2016. Effect analysis of the use of accounting information, managerial performance and employee performance towards SMEs. *J. Administrative Bus. Stud.*, 2: 130-142.
- Mahdieh, O., 2015. Interaction between communication and organizational conflict and its relationship with performance. *Int. J. Bus. Administrative Stud.*, 1: 54-60.
- Muthuveloo, 2013. *Swimming in the Business World*. Pearson, Kuala Lumpur.
- Muthuveloo, R. and T.A. Ping, 2013. Achieving business sustainability via I-Top model. *Am. J. Econ. Bus. Administration*, 5: 15-21.
- Muthuveloo, R., O.K. Basbous, T.A. Ping and C.S. Long, 2013. Antecedents of employee engagement in the manufacturing sector. *Am. J. Appl. Sci.*, 10: 1546-1552.
- Nguyen, T.H., 2016. Building human resources management capacity for university research: The case at four leading Vietnamese universities. *Higher Educ.*, 71: 231-251.
- Njagi, S. and I. Munyiri, 2014. A critical analysis of the employees separation management. *Proced. Regard Organizational Stab. Kenya*, 2014: 46-50.
- Pile, J.F., 1978. *Open Office Planning*. Whitney Library of Design, New York, USA.,.
- Spain, E. and B. Groysberg, 2016. Making exit interviews count. *Harv. Bus. Rev.*, 2016: 89-95.
- Stea, D., N.J. Foss and P.H. Christensen, 2015. Physical separation in the workplace: Separation cues, separation awareness and employee motivation. *Eur. Manage. J.*, 33: 462-471.
- Stewart, D.W., 2012. Leaders, managers and employee care. *Health Care Manage.*, 31: 94-101.
- Taris, T.W. and P.J.G. Schreurs, 2009. Well-being and organizational performance: An organizational-level test of the happy-productive worker hypothesis. *Work Stress*, 23: 120-136.
- Veitch, J.A., K.E. Charles, K.M. Farley and G.R. Newsham, 2007. A model of satisfaction with open-plan office conditions: COPE field findings. *J. Environ. Psychol.*, 27: 177-189.