**EFFECT OF LABOUR TURNOVER ON ORGANIZATIONAL PERFORMANCE**

**Abstract**

This work examined the relationship between labour turnover and organizational performance in Kaduna State water board. It adopted survey research design. Related literature review was based on conceptual, theoretical and empirical frameworks. The study was anchored on equity theory. Data were collected from primary sources. Primary data were collected with item structured questionnaire based on five point Likert scale. The population of the study was one thousand two hundred and eighty five (1285) employees of the company under study. A sample size of three hundred and five (305) was determined with Taro Yamane (1964) formula The instrument was subjected to face and content validity and its reliability was determined through test-retest Method. Data generated were presented with tables, percentages and frequencies. Data were analyzed with chi-square statistical tool. Major findings indicated that there were significant positive relationships between dependent and independent variables. The study revealed that pay (salary) dissatisfaction, employee training and development, employee absenteeism and employee motivation significantly affect organizational performance. The study concluded that there is significant positive relationship between labour turnover and Organizational performance. Based on the findings, the study recommended an upward salary review, improved training and development programmes, constant check on employees and appropriate disciplinary measures and employee motivation to reduce the incidence of employee turnover.

**CHAPTER ONE**

**INTRODUCTION**

**1.1 Background of the Study**

In all economic activities human effort is the key. It is the human knowledge transferred into activity that give utilizes or value to all commodities. And that means who cultivates and whether he uses a hoe or tractor. It is the same who saws, weeds, processes, store and sells. It is also man who extracts iron ore, processes it into steel.

It postulates that who invents, designs, makes and operates machines is man who creates, transmits and seeks knowledge etc. thus, every human endeavour here one earth has man’s finger print. Thus without human effort which is considered vital for production so many managerial effort would been proved abortive. This effort also is usually called labour.

Labour is the most important resources in organization. This is why labour is define as human effort both mental and physical assertion legitimately applied in production of goods and services so as to satisfy human needs for a reward known as wages and salaries.

In this sense, labour include all labour, semi skilled labour and unskilled which all gear towards the production of goods and services to earn a living through their wages and salaries.

In the present work, organizational performance is the dependent variable (y) while labour turnover is the independent variable (x). Organizations have an important role in our daily lives and therefore, successful organizations represent a key ingredient for developing nations. Consequently, economists and business managers consider organizations and institutions similar to an engine in determining the economic, social and political progress (Gavrea, lilies and Stegereari, 2011). The performance of an organization determines its sustainability in the competitive business world. Continuous performance is the focus of any organization because it is only through performance that organizations are able to grow and progress. Therefore organizational performance is one of the most important variables in the management indicator or organizational effectiveness and productivity. Although the concept of organizational performance is very common in the academic literature, its definition is difficult because of its many meanings. According to Hendry (2012), organizational performance is a multi-dimensional concept whose complexity makes it difficult to be defined from simple perspective. However, Upadhaya, Munir and Blount (2014) asserted that organizational performance encompasses three specific areas of firm outcomes: financial performance (profits), return on assets, return on investment; product market performance (scales, market shares); and shareholder return (total shareholder return, economic value added). Organizational performance has developed to be the most important issue that every organizational management is concerned about, as it determines the ability of an organization to continue with its operation.

Labour turnover is a common phenomenon in business organizations, particularly now that Nigerian economy is in recession. In view of the economic realities in the country, there is the tendency for business organizations to lose their employees often. According to Benedict, Josiah, Ogungbenle and Akpeti (2012), labour turnover is the rate at which an employer gains and loses employee and that turnover is measured for individual companies and for their industries as a whole. Moreover, Mabindisa (2013) noted that staff turnover includes employees who retire and employee who are discharged. Employee leaves the department over a set period and usually expressed as a percentage of total workforce numbers (Molefakgotla, Ntebogang and Kattego, 2014). Employees tend to leave an organization as a result of certain factors including salary (pay) dissatisfaction, absenteeism, lack of training and development, lack of motivation, work environment and so on. Labour turnover has many implications for the organization, employee and the society at large. Organizations with high labour turnover are bound to incur high cost of recruitment and training of new staff and reduced productivity. Employees who leave their present job without hope of a new one are bound to remain unemployed and without pay until new jobs arc found. This leads to untold hardship and frustration on the individuals who may result to social vices such as armed robbery, kidnapping, substance abuse, prostitution and child trafficking.

**1.2. Statement of the Problem**

The problem of labour turnover attract a reasonable percentage of attention in an organization because labour represent the life wire of any organization. The rate at which employee have organization is alarming, the types and number of works who are terminated or resigning their various jobs show how effective and efficient is the management in its operation which also determined the level of stability, growth and development of the organization. Although, in some organizations, there, is extent to which mobility of workers is considered acceptable. Molefakgotla et al (2014) used 3 variables, Akinruwa, Ajayi, and Akeke, (2014) used 8 variables, Mabindisa, (2013) used 5 variables. These studies reported conflicting findings on the causes of labour turnover. Mabindisa concluded that salary was the major cause of turnover while Benedict, Josiah, Ogungbenle and Akpeti, 2012 concluded that reduced production had the foremost effect on labour turnover as it significantly affects output and profit. These controversies from the findings of most studies on employee turnover and organizational performance make it imperative for further studies. These studies were carried out in different sectors banking, electricity, telecommunication, and education or research institute.

**1.3. Objectives of the Study**

Purposively, this project is to be educate whoever is concerned in its significance of the study on the following objectives:

1. To examine the effects of labour turnover on the performance of Kaduna State Water Board.
2. To enumerate the problems of labour turnover and how it can be minimized in Kaduna State Water Board.
3. To examine the major causes of labour turnover in an organization using Kaduna State Water Board as a case study.

**1.4. Significance of the Study**

The study would be of significance to the Kaduna State Water Board in identifying the problems and causes of labour turnover. This study is expected to provide solution the research work is of benefit to the body of knowledge students and other researchers. Other organizations that have similar problems can also benefit from the research work.

**1.5. Research Questions**

1. What are the effects of labour turnover on the performance of Kaduna State Water Board?
2. What are the problems of labour turnover and how can it be minimized in Kaduna State Water Board?
3. What are the major causes of labour turnover in Kaduna State Water Board?

**1.6. Scope/** **Limitation of the Study**

The extent of this research covers all concept, the causes, problems, effects and the measures to be taken to tackle the problem of labour turnover that deserves to be minimized. This study will be restricted to the effects of labour turnover on organizational performance in Nigeria.

**Limitation of the Study**

This research is not lastly due to some proposition for any organization. He classified cost of turnover into direct and indirect cost.

**Direct Cost**

This is the cost that associated with the costs of replacing the employees and training the newly hired such as costs of communicating the vacant position cost of administering the recruitment function, cost of screening the applicant interviewing the candidates, administering selection tools tests, meeting hr candidate, concluding background investigation, cost of preparing new employee training materials, conducting training session, giving on the job training and the costs of separating former employee from the firm such as administering paper work/meeting, conducting exit interview paying several pay/packaged, vacation time etc.

**Indirect Cost**

Turnover also brings with indirect cost especially when the employees who are leaving were liked by the organizations client, customer loyally may be affected. Again, as the new employees learn their jobs, the quality of the product and service may suffer.

Michael Armstrong, human resources practice page 381 enumerated the following as cost of labour turnover, leaving cost, direct cost of replacement opportunity cost of time spent, direct cost of introducing replacement, loss of input.

**CHAPTER TWO**

**REVIEW OF RELATED LITERATURE**

**2.1 CONCEPTUAL FRAMEWORK**

**ORGANIZATIONAL PERFORMANCE**

Organizations have an important role in our daily lives and therefore, successful organizations represent a key ingredient for developing nations. Consequently, economists and business managers consider organizations and institutions similar to an engine in determining the economic, social and political progress (Gavrea et al., 2011). Continuous performance is the focus of any organization because through performance, organizations are able to grow and progress. Therefore, organizational performance is one of the most important variables in the management research and arguably the most important indicator of organizational growth. Organizational performance is one of the most important concepts in management research. Although the concept of organizational performance is very common in the academic literature, its definition is difficult because of its many meanings (Hameed, 2011). However, Lebans and Euske (2010) provided a set of definitions to illustrate the concept of organizational performance thus:(a) performance is a set of financial and non-financial indicators which offer information on the degree of achievement of objectives and results; (b)performance is dynamic requiring judgment and interpretation;^) performance may be illustrated by using casual model that describes how current actions may affect future results; (d) performance may be understood differently depending on the person involved in the assessing of the organizational performance ;(e) to define the concept of performance is necessary to know its elements characteristic to each area of responsibility ;and (f) to report an organization's level, it is necessary to be able to quantity the results .Kirby(2011) noted that organizational performance can be considered as an actual outcome of an organization measured against the output targets or goals. Hendry (2012) opined that performance in organizations is a multi-dimensional concept whose complexity makes it difficult to be defined from a single perspective due to the fact that performance is a multi-faceted organizational concept which cannot be measured using a single measurement tool. Upadhaya, Munir and Blunt (2014) noted that organizational performance encompasses three specific areas of firm outcomes: (a) financial performance (return on assets, return on investment); (b) product market performance (sales, market share); and (c) shareholder return (total shareholder return economic value added). Dozier (2016) considered organizational performance as an actual outcome of an organization measured against the outcome targets or goals .With regard to performance measurement in organizations, Muhammad et a/.(2014) indicated that measuring performance in organizations is necessary as it seeks to assess the value that employees bring into the organizations.

**2.2 CONCEPT OF LABOUR TURNOVER**

The concept of employee turnover is one of the most explored concepts in the field of organizational behaviour. The escalation of employee in the rate of employee turnover is a major concern for businesses and is clearly impacting on organizational performance (Gavrea et al., 2011). Labour turnover however refers to how many employees in an organization leave their position in a designated time period usually over the period of a year. Hendry (2012) considers staff turnover as the rate at which workers leave and be replaced by others within an organization. Similarly, CIPD (2014) refers to staff turnover as the proportion of employees who leave organization over a set period (usually 1-year basis), expressed as percentage of the total workforce numbers. Talent Management Alliance (2013) asserted that staff turnover can either be voluntary or involuntary whereby in voluntary employees leave the organization at will while in involuntary, the employer terminates the employment contract of the employee at attaining retirement .In most cases, labour turnover is costly as it reduces the output and disruptive, as it requires that schedules and programmes should be modified (Mabindisa, 2013).

**2.3 Causes of Labour Turnover**

Organizations can employ the following variables to find out the causes of labour turnover. Hom and Griffeth (1995) reviewed these variables as follows:

i. Demographic and personal characteristics

ii. Organization and work environment

iii. Job content and intrinsic motivation

iv. External environmental factors

v. Variables of withdrawal behaviours

The study concords with the opinion that an understanding of the variables mentioned above is necessary in comprehending he problem of labour turnover in the University system.

 **2.3.1 Demographic and personal characteristics**

Demographic factors that have been found to be consistent with a number of researches in the past include age, tenure and level of income. Several studies for instance found a negative relationship between turnover and age, tenure and income level. Price and Mueller, (1986) educational qualification found to be positively associated with turnover because more educated and qualified employees quit more often. Wai and Robinson, (1998) shared the same view.

Findings of the studies on the relationship between gender and turnover are mixed. While, cotton and Tuttle (1986) found that females are more likely to leave than males, Wai and Robinson (1998) found no relationship between gender and turnover.

 **2.3.2 Organization and work environment**

This has to do with employees’ remunerations, corporate leadership style, tax and promotions

a) Compensation: Contrary to the view that satisfaction with salary and pay are strong correlates of turnover (Gomez-Meija and Balkin, 1992a), Milkotich and Newman (1993) found very little in common with view. This finding may have been caused by their omission to include other forms of compensation such as fringe benefits and incentive pay (Heinemann, 1995). More so, turnover studies have considered pay practices in a single organization or occupations and such constrains may therefore underestimate the compensation impact on labour turnover (Steel and Griffeth, 1989).

b) Leadership and Supervision: Undemocratic forms of leadership and poor

supervisory relationship with junior employees are found to correlate with labour turnover.

c) Group Relations: Price and Mueller (1986) found that poor group relations among peer groups and non-integration correlate with labour turnover. The underlying mechanisms of value conflicts and miscommunication among heterogeneous members have demonstrated that heterogeneity within work group induces decision in staff members to quit (Jackson et al. 1991).

d) Role Stress: In their studies, Katz and Kahn (1978) found that role overload and role conflict cause labour turnover in organization. According to them, role overload is a situation where an individual employee is carrying out many roles or tasks as his/her job designation. Role conflict represents having conflicting roles or responsibility such as reporting to two supervisors at one and the same time.

(e) Promotion: Satisfaction about promotion and perceived opportunities for promotion reduces the incidence of labour turnover. However Carson et al. (1993) stated that, actual promotions by contrast strongly predicted turnover. This study disagrees with this view because as employees are being promoted they tend to be more dedicated and committed in the discharge of their responsibilities.

**2.3.3 Job content and intrinsic motivation**

(a) Job scope: Loner et al. (1985) are of the opinion that labour turnover and the challenges of the work duties completely correlate with job incumbency. That is to say, employees whose job scopes are less complex and unchallenging associate with are likely to be affected by labour turnover. This association is however moderated

by the strength of growth need (GNS). More so, the strength of growth needs variable reflects an individual’s need for the fulfillment of higher order needs, for instance autonomy or personal growth. This implies that, the motivating effect of job characteristics will occur only for individuals with high strength of growth need.

(b) Routinization: This has to do with the degree to which a repetitive job has been found to correlate with turnover. Employees performing routine jobs are more likely to quit from the organization (Price and Mueller, 1986).

(c) Intrinsic motivation: Presence of intrinsic motivation reduces the incidence of withdrawal from an organization. This means therefore that poor intrinsic motivation or absence of self-esteem commonly leads to labour turnover.

(d) Job Involvement: In this respect, employees who feel fully involved in their jobs are not likely to quit their organizations. This factor is considered to augur well for job retention.

**2.3.4 External environment**

The availability of alternative chances of employment is perceived to have a direct and positive relationship to the issue of labour turnover in several organizations (Steel and Griffeth, 1989;

Hom et al. 1992), and the data showed that the correlation is moderate. According to the Labour Economists such as Mobley (1982a) there are strong relations between plentiful employment opportunities elsewhere and the rate at which staff quit from an organization.

 **2.3.5 Variables of withdrawal behaviours**

(a) Intent to leave: This is generally considered as a direct antecedent to actual withdrawal. This is so because intention to leave has been a viable predictor of actual leaving behavior. This summation is buttressed by a host of empirical research (Bluedom, 1982, Steel and Ovalle, 1984).

(b) Expected utility of withdrawal: Studies have indicated that many employees do not impulsively quit over poor working condition without considering the possible results. In other words, employees leave after a conscious calculation of perceived cost and benefit. This determination of expected utility informs whether or not dissatisfied employees would ultimately quit (Bbagozzi and Warshaw, 1990). This research agrees with this view on the ground, that satisfied employees can be induced by future and better prospects by other organizations.

(c) Lateness and absence: This is another variable that cause or lead to labour turnover and is consistent with Mitra et al. (1992) Meta – analysis. They found out that employees who exhibit these negative attitudes are more likely to quit their employment than those who do not.

In essence, the above sub-section tried to identify the causes and reasons for labour turnover. The variables reviewed have been found to correlate with turnover, although, the strength of the relationship between variable and labour turnover seems to vary as a result of some other moderators.

**2.4 Classifications of Labour Turnover**

Labour turnover is basically classified into voluntary and involuntary, avoidable and unavoidable, functional and dysfunctional as well as intra-occupational and inter-occupational

(price, 1977; show et al. 1998; Hom and Griffeth, 1995; Abelson, 1987; Heinemann, 1985; and Boella, 1992). In this section, we will review the classifications under each heading as provided by these authors.

**2.4.1 Voluntary and involuntary turnovers**

According to Abelson (1987) people leave organizations for either voluntary or involuntary reasons. Voluntary turnover or the act of quitting reflects an employer’s decision to leave an organization. Involuntary turnover or a discharge, reflects an employee’s decision to terminate the employment relationship with his/her employers (Shaw et al. (1998) and (Heinemann, 1985).

This implies that voluntary turnover is the case of termination initiated by an employee (e.g. leaving one’s current employer for a higher-paying job) while involuntary turnover is initiated by the employer (e.g. layoffs and dismissals), The causes of voluntary as opposed to involuntary turnover are likely to differ. Boella, (1992) opines that while voluntary turnover are often thought to be influenced by personnel policies and practices that influence employee satisfaction.

Alternatively, involuntary turnover often depends on the quality of the initial selection decisions (i.e. when employees must be dismissed) and permanent disability (i.e. when employees must be laid off). The distinction between voluntary and involuntary turnover may however be artificial. In many cases, the decision is a function of both the organization and the individual. A typical example is where a marginally performing employee agrees to quit before being laid off. Price (1977) argues in this light that when an employee leave a job at a spouse’s insistence such is involuntary turnover.

Haniseh and Hulin (1991) suggest that early retirement is a form of voluntary quitting. Ideally, research should accurately measure the various kinds of turnover ranging from the completely voluntary type when for example the employee takes a better job or through mutual agreement when the employee agree to quit because of disagreements with management or to the completely involuntary kind when for example the organization layoffs the employee in order to reduce the work forces. The foregoing scenario does not completely provide answers in terms of the number and scope of turnover. Some other reasons have been advanced in labour turnover surveys and in personnel files to determine the reasons for and the nature of the departure by an employee (Mobley et al. 1979). Campion (1991), states that former employees and their supervisors may report multiple reasons for quitting. For example, an employee may formally classify a dismissal as a voluntary departure to protect his/her reputation or classify a voluntary departure as a layoff to enable a leaver to qualify for unemployment compensation. Campion (1991) found that agreement on all reasons between these two sources and personnel files were as low as 25 per cent. Lack of agreement along with the possibility of self serving and retrospective biases affecting responses, calls into question whether reasons for leaving an organization can be reliably measured at all. Moreso, where surveying those who have previously quitted organization is impossible, management’s perspective on who initiates the quitting of an employee may be the only information available to researchers (Maertz and campion, 1998).

**2.4.2 Avoidable and unavoidable turnover**

Abelson (1987) and Campion (1990) are of the opinion that those quitting for avoidable reasons are considerably different from both unavoidable “leavers” and “stayers” and they propose that the failure to recognize this distinction may help to explain weak prediction of voluntary turnover. However, avoidable voluntary turnover is considered more serious by managements than the unavoidable one (Dalton, et al. 1982). Availability of an instance of turnover is a matter of perspective; the existing conceptualizations and measures define at least three distinct themes.

According to Abelson (1987) and Campion (1991), the common themes involved are: (i) whether the employee’s stated reasons for leaving are organizational or non-work factors (ii) whether the employee believes the organization would offer an inducement that would make her stay, and

(iii) whether or not the organization actually could induce the employee to study. Abelson (1987) opines that organization-based reasons have been thought to indicate avoidable turnover, while non-organizational reasons indicate unavoidable turnover. Based on subjective judgements, they (Abelson, 1987 and Campion, 1991) found that those who gave reasons for quitting, judged to be avoidable, had lower satisfaction and commitment than unavoidable leavers and stayers. It could be observed that negative attitudes are more associated with organizational reasons than non-work reasons. However, non-work reasons may be more difficult for a management to understand and address than organizational reasons. This conceptualization according to Abelson (1987) needs to be properly understood because nonwork reasons for quitting (e.g., family responsibilities or desire to relocate) cannot be offset by any potential organizational inducement.

Contrary to the above view, a reason classified as unavoidable for one individual and situation may seem very avoidable for another. Perceived availability reflects whether the employee or supervisor believes the organization would have been able to do something to make the employee stay. Campion (1991) found that perceived availability was negatively associated with measures of voluntariness and satisfaction of the employee. Maertz and campion (1998) identify the interactive perspective called Actual availability.

Actual availability, assumes that nearly all cases of quitting are potentially avoidable with enough inducements, except for the rare individual whose resolve to quit is unshakeable at any price. It basically reflects whether the organization currently possesses and is willing to offer necessary inducement to the employee, determined through some type of interaction. In short, this perspective changes the meaning of unavoidable turnover, from reasons originating outside the organization to situations of quitting that the organization chooses not to stop or cannot stop by way of negotiation and inducements.

In essence, the distinction between avoidable and unavoidable turnover was designed to show the organizations potential for controlling turnover (Abelson 1987). According to him avoidable leavers are less committed and less satisfied than either unavoidable leavers or stayers. And from organizational view point, an intervention strategy for reducing avoidable voluntary turnover is of the most interest.

**2.4.3 Functional and dysfunctional turnovers**

The proponents of this sub-classification are Abelson and Baysinger (1984). The concept aims at retiming turnover criterion. Functional turnover is when poor performing employees leaves an organization. The dysfunctional type is when good performing employees leave. It should be noted that only functionality is defined here in terms of the organization evaluation of the individual. Only dysfunctional turnover is considered bad for the organization. Dalton et al. (1982) found that about half of the cases of dysfunctional turnover were therefore seen as unavoidable. Organizational turnover were unavoidable. Organizational and environmental determinants of functional and dysfunctional turnover were investigated by Park et al. (1994). On the one hand they submit that functional turnover is negatively associated with levels of pay and unemployment and positively associated with the availability of individual incentive programmes. On the other hand, dysfunctional turnover is positively associated with the presence of group incentive programmes and negatively associated with the presence of unions.

A distinction should be made between those who leave their organizations for others and those who leave their occupations or the workforce completely (Jackofsky and Peters; 1983). Wright and Bonett (1992) stated that intra occupational turnover is job movement within a particular occupational grouping while inter occupational turnover involve movement to any job external to the targeted occupational grouping. In a study on the effect of turnover on work satisfaction and mental health, Wright and Bonnet (1992) found that employees who changed Jobs and occupations showed greater increases in both work satisfaction and mental health than employees who only changed jobs or employees who remained in their initial positions.

**2.5 Census Analysis**

Instead of following identical groups through time (when often no sufficiently homogenous groups exist) this method involves taking a census or ‘snapshot’ of the total situation. Census analysis method involves detailed monitoring of the wastage experienced, over a relatively short period of all members of the identical group to give survival rates. The group can be a ‘skilled group’ or an ‘Age group’ within a given department/section or unit. Which ever is the case, three sets of data are required:

i. employees number at the beginning of the census

ii. employees number at the end of the census

iii. the number of those who leave during the census.

However, the duration of length of service ought to be known in each of the above cases.

It is also very crucial to stipulate time period which could be one year or less. The

benefit of this method is that, data is more readily available for whole groups in employment at the same time rather than for groups recruited at a given time. Recent data are adopted and this makes it more accurate as the environment changes less over shorter periods. The calculation of probability of recruits leaving and those retained enables the forecast of future manning levels and subsequently determines future recruitment programmes.

**2.6 The Effects of Labour Turnover**

It is an established fact that labour turnover affects organizations and their employees in a number of ways. However, the consequences of labour turnover could be negative or positive on both organization and the employees leaving the organization.

**2.6.1 The negative impact on organization**

(a) Staffing and training cost: since labour turnover is associated with personnel loss, its economic consequence can not be over-emphasized. The negative consequences of labour turnover to the organization have been observed by researchers and practitioners alike (Cascio, 1991). According to Cascio (1991) exit expenses could be divided into three main components:

i. Separation costs which quitting produces directly (e.g. cost of exit interviews).

ii. Replacement costs comprise expenses incurred to replace leavers (e.g.

advertising, expenses for job vacancies).

iii. Training costs which comprise a company’s expenditures to orient and train replacements and opportunity costs caused by inefficient production.

(b) Impact on productivity: Price (1989) contends that voluntary quitting affect organizational productivity negatively. This is so because leavers (often) miss work and hence their productivity deteriorates before their departure. On the other hand, the new replacements may not necessarily be as productive as the leavers in terms of quantity and quality because of differences in experience. According to Sheridan (1992) Public accounting firms in England lose $47,000 whenever a new accountant replaces a third year veteran who leaves. In summary therefore turnover may reduce productivity because of the leavers declining productivity, the inexperience of the replacements as well as the workflow disruptions.

(c) Poor service delivery: Labour turnover among service personnel industries impairs customer service because understaffed offices or stores delay or are unable to deliver service. And unlike experienced leavers, new employees may also provide less competent or less personalized service because they do not know the units. According to Bowen and Schneider (1988), Labour turnover interrupts the transmission of service values and norms, which are essentially of high quality service to the successive generations of employees.

(d) Loss of business chances: The losts of experts that are key contributors to the organization can negatively affect business opportunities (Mobley, 1982a). For instance, the lost of professionals and highly skilled personnel, such as scientists and engineers can lead to procrastination over or deter the introduction of new product or service and consequently threaten future profitability in new markets.

(e) Demoralization of employees: According to O’Reilly et al. (1989) labour turnover would not only erode the morale but also the stability of the retained employees. Voluntary quitting from an organization is not only an indication of job dissatisfaction, but also a signal for Greener pastures or more lucrative appointments. This can create a bad feeling in the minds of the remaining employees and eventually could lead them to also initiate withdrawal processes from the organization. Mueller and Price (1989) perceived that, rising quit rates in hospital units foreshadowed an inability to keep staff, although quit rates did not affect the unit’s morale or integration.

**2.6.2 Positive impact of labour turnover on an organization**

(a) Introduction of new knowledge and Technology: Labour turnover could impact on an organization positively, particularly when the entrants are highly skilled with sophisticated ideas. Katz (1980) contends that, long serving employees become ineffective as a result of relying on customary work patterns and the tendency to insulate themselves from outside information or inventions that might threaten their comfortable but predictable work habits.

(b) Labour costs saving: Balkin (1992) stated that voluntary turnover could help organizations control or lower labour costs by reducing the workforce as they face stiffer global competition. Hence, this could be a less costly way of downsizing than that of layoffs.

(c) Promotion prospects for stayers: Scholars such as, Staw, (1980) Mobley (1982a) have argued that one of the benefits of labour turnover to stayers is that, it brightens their prospects for advancement and promotion. It would not only reduce competition for such promotion but generally empowers subordinates.

(d) Prevents stagnation and enhances innovation: As part of the potential positive consequences on an organization, labour turnover is perceived to prevent stagnation and complacency. It facilitates change and innovation and also displaces poor performers in an organization (Dalton et al, 1982) and (Staw, 1980). This situation is the functional turnover type when poor performers leave good performers stay in an organization. As mentioned earlier, dysfunctional turnover occurs when good performers leave or poor performers stay in an organization. However, dysfunctional turnover represents a loss to the organization because replacements for those who have left are likely to be of lower caliber. However the departure of poor performers is considered as beneficial to an organization because it is likely to be followed by the employment of better performers.

**2.6.3 The negative consequences for the leavers**

Lay off employees are likely to experience the following challenges:

(a) Stress in new appointment: Hom and Griffeth (1995) consider stress as

“transition stress in new employment”. The leavers’ new employment may not only (likely) disappoint them but fail to live up to their expectations, therefore eliciting dissatisfaction and subsequent turnover (Wanous, 1992).

(b) Relocation cost: Leavers may also bear the relocation costs particularly when moving to new geographical regions especially if reimbursement from new employers is not given. Living costs may also increase prior to relocation to a new job. Other associated intangible costs could include cost of family separation, due to a spouse’s employment, children’s education or lack of suitable accommodation. Sometimes additional costs occur because when leavers relocate their families remain behind.

**2.6.4 Positive consequences for the leavers**

Generally, Leavers may assume better opportunities in terms of office status, higher salary, safer environment or community and more attractive climate. That is, leavers are likely to occupy sensitive and lucrative position as against their former status, especially coming from places where promotion is stagnant (e.g. Ahmadu Bello University, Zaria from 1970 to the early millennium). Better remuneration with conducive working climate or environment are positive consequences for leavers. These will enhance leavers’ standard of living in the society.

**2.7 Ways of Controlling Labour Turnover**

Deterrent measures against labour turnover are of paramount importance, to human resource managers. Thus, steps should be taken to address the problem, even before it becomes critical. One of the ways of curtailing labour turnover is Brown’s (1967) suggestion that institutions should “make adjustments” either by planning less ambitiously or accepting less qualified staff or offering attractive conditions of service. He states that, these adjustments should be in the form of offering higher salaries and ranks than those proffered by competitive employers. Also, welfare facilities and other better working conditions should be made available.

**2.7.1 Turnover of new employees**

According to a report by Advisory, Conciliation and Arbitration Service (ACAS) (2003), organizations that wish to curtail turnover of its new workers should pay attention particularly to recruitment and selection, induction and job training issues.

(a) Recruitment and Selection exercises should include selection in order to determine the appropriateness and suitability of candidates for the job, especially where practical skills are required. Chartered Institute of Personnel and development (2002) contends that advertisements of vacancies should give an accurate picture of the jobs, terms, conditions, starting pay and future prospects. In situations where organizations feel forced to hire less than the ideal due to high labour turnover, ACAS (2003) advises that every effort should be made by organizations to maintain standards for the new recruits. This will enhance quality output and rescue extra cost of training and supervision. It also suggests that organizations should desist from setting unrealistic standards that are not necessary because qualified candidates may quickly become bored with the jobs than they had imagined.

(b) Induction courses are very crucial to the new employees before they properly settle down and feel part of the organization (ACAS, 2003). The essence is to provide such new employees with a good deal of information that is quite apart from that which will come from training for the specific job.

(c) Job training of a new employee naturally varies in length and complexity from one organization to another, even when the job is similar. Training may be on or off the job. Quite a number of organizations may make use off-the-job facilities, especially where the job is complex or cannot be taught satisfactorily on the job. According to ACAS (2003), a training scheme should ensure that the new starter is gradually introduced to each stage of the job and can do each task satisfactorily before moving onto the next.

**2.7.2 Turnover of Long-Term Employees**

Careful analysis is required where significant numbers of trained and experience workers are quitting from an organization. Special attention needs to be given issues such as those of organizational structure or management style before remedial action is taken (chartered Institute of Personnel and Development (CIPD), 2002). As a first step according to CIPD (2002), it is necessary for an organization in this situation to examine rates of pay and earnings levels to ensure that they have not become out of line with those paid for comparable jobs in the industry. It is very crucial to maintain possible opportunities for career progression and steady improvements in earnings and skills of employees. It is view that Umar’s (2006) where there is a declared policy of promotion within the organization, workers would see less need to seek career development or pay improvements elsewhere, provided the policy is seen to operate in an open and fair way.

According to ACAS (2000) an organization’s management should be prepared to examine its practices especially when there are serious changes. This will help to identify the contributory factors in the loss of long-serving employees. ACAS (2003) put forward the following areas for consideration:

(i) Pay: Are the Pay systems and methods fully understood and thought to be fair?

(ii) Job Evaluation: Has the job evaluation system succeeded in removing the

inconsistencies involved in the pay system? Is there any policy in the organization to prevent discrimination of age, ethnic, religion, among others?

(iii) Communication: Do the employees feel they are kept in the picture about new orders, product developments, new equipment and management changes?

(iv) Management Skills: Are managers and supervisors fully named? Are they competent to deal with the human and technical aspects of their jobs?

(v) Discipline: Is there a proper disciplinary procedure made available to every employee? Is there adequate training given to managers and supervisors as regards to its usage? Is there support from senior managers for the application of disciplinary procedures?

(vi) Appraisal: Is there opportunity given to employees to discuss work appraisal or its progress with supervisors and managers?

(vii) Planning: Are workers kept waiting or move from job to job?

(viii) Maintenance: Is there a planned programme of maintenance or do frequent breakdown affect efficiency earnings and tempers?

(ix) Procedures: Are workers’ grievances and suggestions being properly addressed?

(x) Working conditions: Are conditions of work generally acceptable? How tidy and clean is the working area?

(xi) Working Hours: does there exist any recognize able patterns of working time? Does the organization offer flexible working hours, part time, temporary or job sharing schedules, especially to satisfy the needs of the working mothers?

**THEORETICAL FRAMEWORK**

Over the years, a significant amount of research has been done to investigate the causes and effects of employee turnover on organizational performance. Two theories are related to the present study and they are Equity Theory (Adams, 1965) and Expectancy Theory (Vroom, 1964). However, the study is anchored on Equity Theory. One thing that is common for humans is to compare themselves with others. In this case, one theory that conies forth in evaluating one's self and each other is the Equity theory. The Equity theory developed by Adams (1965) is based on the idea that employees basically expect a fair balance between their inputs and outputs. This implies that the employees are likely to be de-motivated in relation to their employer and the job if they happen to believe that their inputs (efforts, loyalty, hard work, commitment, ability, adaptability, tolerance, flexibility, skills) are greater than their outputs (salary benefits, recognition, reputation responsibility, sense of achievement, sense of advancement/growth, job satisfaction).

The Equity theory of employee motivation describes the relationship between how fairly an employee perceives how he is treated and how hard he is motivated. Equity theory focuses on determining whether the distribution of resources is fair to both relational partners. Equity is measured by comparing the ratio of contribution, (or cost) and benefits (or rewards) for each person (Guervero, Peter and Walid, 2014). Adams (1964) through this theory asserted that employees seek to maintain equity between inputs that they bring to a job and the outcomes that they receive from it against the perceived inputs and out puts. The belief is that people value fair treatment that causes them to be motivated to keep fairness maintained within relationships of their co-workers and the organization (Gill and Stone, 2010). The structure of equity in the work place is based on the ratio of inputs to outcomes. Inputs are the contributions made by the employee for the organization. The basic idea behind the Equity theory is that employees in an attempt to balance what they put into their jobs and what they get from them will unconsciously assign values to each of the various contributions. In addition to their time, employees contribute their experience, their gratifications, and their capability plus their personal strengths such as acumen and ambition. An employee reflects on how much effort he has expended and compares this to what he has got from it as pay. After this individual evaluation of this input-output ratio, the employee will compare his ratio to the input- output ratios of others especially peers. If the employee considers his input-output ratio to be equal to ratios of other relevant employees, a state of equity exists (Muogho, 2013) and the employee becomes satisfied with his job. When the employee is satisfied with his pay for instance, absenteeism is reduced and his tendency to withdraw from the job is minimized. When the employee is satisfied, he will have a feeling that he is treated fairly. In this situation of equity, the employee is seemingly content and will not act to in-balance the conditions (Spector, 2011). Naturally, when an employee perceives unequal ratios between him and his counterparts, there will be a state of inequity and dissatisfaction. The equity theory is concluded for the study because it is interesting to see how employees compare themselves to each other. These comparisons can lead to labour turnover when some employees perceive not to be treated fairly. When this happens, the employee may take some turnover actions which may impact on the organizational performance. Important thing about equity theory is that it shows that believes, perceptions and attitudes influence the employee's motivation and job satisfaction. When the comparison is fair the employee will reach satisfaction, and if not, he will be dissatisfied (Muogbo, 2013). As a consequence, the employee may exhibit some turnover attitudes such as absenteeism, tardiness and eventual withdrawal from the organization.

**EMPIRICAL FRAMEWORK**

Gavera, Iilies & Stregeren (2011) studied determinants of organizational performance; the case of Romania with descriptive survey design. The variables were internal environment such as strategy, leadership, employee, structure, quality, performance measurement individual and development, information technology and corporate governance, while external environment includes client, suppliers, competitors, business uncertainty, data were analysed with product moment correlation. Financial and non-financial performance comprised 10 variables. Result showed that only structure variable had insignificant relationship with the overall score of performance Molefakgotla, Ntebogang and Kattego, (2014) investigated the impact of staff turnover on performance: a case of North West provincial department of South Africa using descriptive survey design. Data were presented with descriptive statistics and analyzed with chi-square. These variables of style turnover such as lack of competitive salary package, lack of opportunity to earn performance bonus like overtime, no good training and developing opportunity, lack of recognition and reward for good performance, lack of promotion for good performance, lack of opportunity to work independently, lack of up to date technology to perform jobs. Findings indicated that majority of employees were dissatisfied due to many reasons thereby causing lots of voluntary resignations among employees. Low productivity resulted from ignorance of managers about the causes of dissatisfaction. 3 variables were used; intent to leave the departments, employees’ intension to resign and causes of staff turnover.

Benedict, Josiah, Ogungbenle and Akpeti, (2012) studied the effect of labour turnover in Brewery Industry in Nigeria. Design was cross sectional survey using percentages. Findings showed that the effect of labour turnover were reduced production, increased cost of recruitment increased work disruption, increased scrap and overtime, and additional labour turnover/ it concluded that reduced production had the foremost effect on labour turnover as it affects output and profit.

Akinruwa, Ajayi and Akeke (2014) investigated the effect of labour turnover in the Nigerian banking industry using survey design. Data were presented with SPSS and analysis was done with multiple regressions. The variables included retrenchment, leadership style, training, job insecurity, work load, and unrealistic target. Findings indicated that excessive work load had negative relationship with performance while others had positive relationship.

Akafor and Boateng, (2015) studied impact of reward and recognition on job satisfaction and motivation in Ghana using descriptive survey design. Data were analyzed with ANOVA. 3 variables reward and motivation, academic/ administrative staff perception about reward and motivation, and the challenges of reward implementation in private tertiary institutions. Findings indicated that reward had a positive impact on work motivation but no significant relation between reward and job satisfaction. Both academic and administrative staff perceived reward as fair.

Osabiya (2015) in Nigeria investigated the effect of employee motivation on organizational performances using descriptive survey design. Findings revealed that there is obvious difference between properly motivated employees than those who are not because they are more committed to productivity.

Ampommah and Cudijor (2015) studied the effect of employee turnover on organizations a case study of Electricity Company of Cape Coast Ghana with survey design. 3 variables included job insecurity, demographic and personal characteristics of employees, job dissatisfaction, organizational work environment, promotion, alternative employment. 3 variables included: causes of employee turnover in organizations, measures to reduce turnover: develop people, recognize good performance, build trust, effect of turnover on employee performance Positive effects are open up promotion channels for employees, introduce new ideas and skills in organizations, replacement of poor performance. Negative effects: additional costs of recruitment and replacement, poor quality of work deficiently in attracting new staff, loss of skill manpower. Mabindisa,. (2013) studied the impact of staff turnover on organizational effectiveness and employee performance with survey design. SSPS V. 15 and regression were used. Findings suggested that salary is the primary cause of staff turnover. It highlighted that high staff turnover increases workload of employees, it discovered that it causes reduction in effective service delivery to the customers it reduces that unhealthy customer relations causes staff turnover. Variables used included organizational effectiveness and employee performance. Amed, Sabia Amhad and Billar (2016) investigated the impact of employee turnover on organizational effectiveness in television sector in Pakistan using survey design. Correlation and regression were used for data analysis. With survey design Variables included (1) firm stability (2) pay level (3) industry (4) work situation (5) training/supervision. Findings indicated that there is significant relationship between employee turnover and organizational effectiveness.

Tiwari (2014).studied the impact of absenteeism and labour turnover on organizational performance at the ITA, nani, Allahabad in India with survey design. Variables included factors responsible for absenteeism/labour turnover, attitude of management towards workers problems, attitude of employees towards their jobs, opinion of employers and labour regarding absenteeism/labour turnover Findings indicated that 3 items 3 variables were very goods.

Nyanga (2015) studied the assessment of employee turnover o organizational efficiency a case study of international livestock research institute Nairobi Kenya using survey design Variables included actual reasons for turnover, impact of turnover, and possible mitigation of turnover. Data analysis was done with SPSS. Findings showed that the institute experienced high cases of employee turnover arising from lack retention, strategies. High rate of turnover impacted negatively on the institute. Lack of training reduced employees’ skill development. Management was not concerned with workers training and skill development which reduced employee exposure.

Gap in literature Research has shown many causes of employee turnover and those which are foremost in determining employee satisfaction and performance. Conflicting findings from each study establish the gap which this study attempts to fill by combining them to determine the degree of effect derived from each variable. This study identifies reward dimensions, career development dimensions, structure dimensions, and organizational commitment dimensions as foremost variables for it analyses and contribution to knowledge since no previous study had jointly used them.

Okpapi (1984) undertook a study on labour turnover in Ahmadu Bello University, Zaria. He observed that labour turnover was disruptive to any educational institution particularly in the university system. His study was to identify the nature, degree and causes of the labour turnover particularly among the senior staff of Ahmadu Bello University and at the same time suggest remedial measures that could enhance worker’s satisfaction, commitment and retention. In conducting the research, documentary sources, personal observation, as well as interview methods were used. The study revealed that labour turnover in Ahmadu Bello University was caused by three interacting factors. These are the socio-economic environment, the individual characteristics and the internal structural factors as they all relate to the conditions of service. The research further revealed that most of the labour turnover was employee motivated and that, the academic institutions of higher learning constituted the greatest competitors for such depasting staff. The researcher however, recommended reduction in the rate of the establishment of new universities and other institutions of higher learning and the expansion of the existing universities as ways of curtailing the syndrome.

The above empirical study is similar to the one currently under investigation since it involved a focus on labour turnover on the same University. However major gap in Okpapi’s work is that the selection of the sample size of the population was not scientific because the number of questionnaires distributed to respondents were not based on the contribution of their respective faculties/units. Similarly, Shettima (1991) conducted a study on labour turnover in Nigerian universities using as case study Abubakar Tafawa Balewa University for a period of five years (1980-1985). His research was necessitated by the rampant quitting of large number of personnel from universities to other private and public enterprises. It was found out that, there was mass exodus of personnel from the university to other private and public enterprises as a result of better prospects, outside the university. Unattractive conditions of work and general insecurity arising from religious disturbances and the activities of secret cults on campus also contribute to this trend. The study also revealed that the separation rate was higher among the junior and intermediate staff cadre than the senior staff.

One major difference between the above research and the present study is the inclusion of the junior and intermediate staff in the population studied. However, the interview method has gone a long way in facilitating the process of communication which could have served as a serious barrier in achieving the desired objectives. Gadzama (1979) in the same vein undertook a study on labour turnover in Ahmadu Bello University from 1970 to78. Poor condition of service was his main observation, concerning the incidence of labour turnover. It was found that, on the average, the labour turnover in the Ahmadu Bello University has been consistently bad when compared to new arrivals to the University.

In the study discussed above the questionnaire was supposed to have been administered to both present and former staff of the university. One major weakness of that study is the fact that the population of the subjects for the study was not indicated. The researcher equally admitted in his work that, he was only able to administer a limited number of questionnaires to the former staff around Zaria as a result of time constraint. The above study differs with the current research not only in terms of scope but also in terms of the population sampled.

**CHAPTER THREE**

**RESEARCH METHODOLOGY**

**3.1 Introduction**

In this chapter, we would describe how the study was carried out.

**3.2 Research design**

Research design specifies the methods and procedures for the collection, measurement and analysis of data relating to a given problem (Emory, 1970). In essence, it provides a procedural framework for the conduct of any given investigation. In other words, research design is the plan for a research project which may vary on the basis of the nature of the problem under investigation. Nwana (1981) perceived design to be a term used to describe a number of decisions which need to be taken regarding the collection of data before ever-the data are collected.

Survey research, under the general umbrella of descriptive method of research, was adopted for this study. One of the reasons behind selecting this method was due to its appropriateness enabling the researcher to find out the conditions or relationships that exist by collecting and analyzing data from only a few people or items considered to be representative of the entire group (Akuezuiolo, 1993).

**3.3 Sources of Data**

The data for this study were generated from two main sources; Primary sources and secondary sources. The primary sources include questionnaire, interviews and observation. The secondary sources include journals, bulletins, textbooks and the internet.

3.**4** Population of the study

A study population is a group of elements or individuals as the case may be, who share similar characteristics. These similar features can include location, gender, age, sex or specific interest. The emphasis on study population is that it constitute of individuals or elements that are homogeneous in description (Prince Udoyen: 2019). In this study the study population constitute of 1285 obtained from the Nominal rolls of Kaduna water board.

**3.5 Sample size determination**

A study sample is simply a systematic selected part of a population that infers its result on the population. In essence, it is that part of a whole that represents the whole and its members share characteristics in like similitude (Prince Udoyen: 2019). In this study, the researcher used the [TARO YAMANE FORMULA] to determine the sample size.

**3.6 Sample size technique**

Yamane (1967:886) provides a simplified formula to calculate sample sizes.

ASSUMPTION:

 95% confidence level

 P = .5



n= 1285/1+1285(0.05)2

n= 1285/ 1+(1285) (0.0025)

n= 1285/ 4.2125

**n=305**

**3.7 Instrumentation**

This is a tool or method used in getting data from respondents. In this study, questionnaires and interview are research instruments used. Questionnaire is the main research instrument used for the study to gather necessary data from the sample respondents. The questionnaire is structured type and provides answers to the research questions and hypotheses therein.

This instrument is divided and limited into two sections; Section A and B. Section A deals with the personal data of the respondents while Section B contains research statement postulated in line with the research question and hypothesis in chapter one. Options or alternatives are provided for each respondent to pick or tick one of the options.

**3.8 Reliability**

The researcher initially used peers to check for consistence of results. The researcher also approached senior researchers in the field. The research supervisor played a pivotal role in ensuring that consistency of the results was enhanced. The instrument was also pilot tested.

**3.9 Validity**

Validity here refers to the degree of measurement to which an adopted research instrument or method represents in a reasonable and logical manner the reality of the study (Prince Udoyen: 2019). Questionnaire items were developed from the reviewed literature. The researcher designed a questionnaire with items that were clear and used the language that was understood by all the participants. The questionnaires were given to the supervisor to check for errors and vagueness.

**3.10 Method of Data Collection**

The data for this study was obtained through the use of questionnaires administered to the study participants. Observation was another method through which data was also collected as well as interview. Oral questioning and clarification was made.

**3.11 Method of Data Analysis**

The study employed the simple percentage model in analyzing and interpreting the responses from the study participants while the hypothesis was tested using chi-square method using the formula:

 X2 =  2

  *Ei*

Where X2  = Chi-square

 0i = Sum of observed frequency

 Ei = Expected frequency

**3.12 Ethical consideration**

The study was approved by the Project Committee of the Department. Informed consent was obtained from all study participants before they were enrolled in the study. Permission was sought from the relevant authorities to carry out the study. Date to visit the place of study for questionnaire distribution was put in place in advance.

**CHAPTER FOUR**

**PRESENTATION OF DATA AND ANALYSIS**

**Section A: Analysis of Demographic Factors**

This section analyses the demographical details of the respondents using appropriate baseline computations. Please see appendix for all tables

Table 2: Age responses for each category

|  |  |
| --- | --- |
| **Age** | **Percentage**  |
| below 25 | 5.2% |
| 26 - 30 years | 41.04% |
| 31 -35 years | 32.07% |
| 36 - 40 years | 16.5% |
| 40 and above | 5.2% |

As indicated in Table 2 above total of 5.2% of the respondents who participated in this study were below 25 years old, while 41.04% of respondents were between 26 - 30 years old. A total of 32.07% respondents were between 31 -35 years old. However, 16.5% of respondent were between the ages of 36 - 40 years old and the remaining 5.2% of respondents were between ages of 40 and above.

**Table 3 Gender (sex) of Respondents**

|  |  |
| --- | --- |
| Sex  | percentage |
| Male  | 64.6% |
| Female  | 35.4% |

Table 3 above illustrates the gender (sex) of respondents. A total of 64.6% of respondents who participated in this study were male employees and 35.4% of respondents were female employees.

**Table 4: Marital Status of Respondents**

|  |  |
| --- | --- |
| **Marital status**  |  **Percentage**  |
| Married  | 38.8% |
| Divorced  | 1.9% |
| Single  | 55.7% |
| widows | 3.8% |

From Table 4 above, a total of 38.8% of respondents were married while 1.9% of the respondents were divorced. A total of 55.7% of respondents who participated in this survey were single whereas 3.8% of the respondents were widowed.

**Table 5 Academic Qualifications of Respondents**

|  |  |
| --- | --- |
| **Academic Qualifications** | Percentage  |
| FSLC | 9.4% |
| WAEC/NECO/NABTEB | 47.6% |
| ONE/NCE | 31.1% |
| HND/B.Sc | 10.4% |
| M.Sc/MA | 1.4% |

Table 5 above indicates that a total of 9.4% of the respondents had only FSLC, 47.6% of the respondents were holders of WAEC/NECO/NABTEB and 31.1% of the respondents were holders of ONE/NCE. A total of 10.4% of respondents were holders of HND/B.Sc while 1.4% of them were holders of M.Sc/MA. However, a total of none of the respondents were holders of Ph.D degree.

**Table 6: Length of Service of Respondents**

|  |  |
| --- | --- |
| **Length of Service** | Percentage  |
| 0 - 5 years | 42.9% |
| 6 - 1 0 years | 35.8% |
| 11-15 years | 11.8% |
| 16 years and above | 9.4% |

Table 6 above illustrates the length of service of the respondents in their various organizations. A total of 42.9% of respondents had been in service between 0 - 5 years, while 35.8% of the respondents had been in service between 6 - 1 0 years. A total of 11.8% of respondents had served between 11-15 years in their respective organizations whereas a total of 9.4% of respondents had been in service for up to 16 years and above.

**Section B: Individual and Job Factors on Organizational**

This section deals with the presentation and analysis of data gathered with questionnaires from respondents of the Kaduna water board with respect to the four specific objectives of the present study viz; employee pay (salary) dissatisfaction, training and development, motivation and absenteeism.

**Table 7 Salary Satisfaction**

**Note: Figures in parenthesis are percentages.**

|  |  |
| --- | --- |
| **Responses**  | **Percentage**  |
| Strongly agreed | 33.25% |
| Agreed | 22.43% |
| Undecided | 3.38% |
| Strongly disagreed | 14.14% |
| Disagreed | 26.89% |

Table 7 shows that 33.25% of respondents on average strongly agreed with the items, 22.43% merely agreed, 3.38% were undecided (neutral), 26.89% disagreed and 14.14% strongly disagreed. This shows that 55.68% agreed with all the items while 40.94% of the respondents disagreed with all the items.

**Table 8: Employee Training and Development**

**Note: Figures in parenthesis are percentages.**

|  |  |
| --- | --- |
| **Responses**  | **Percentage**  |
| Strongly agreed | 33.98% |
| Agreed | 41.18% |
| Undecided | 2.58% |
| Strongly disagreed | 4.13% |
| Disagreed | 18.15% |

Table 8 indicates that 33.98% of respondents on average strongly agreed 41.18% agree, 2.58% had no opinion, 18.15% disagreed and 4.13% strongly analysis shows that 75.16% of respondents agreed with all items and 22.28% strong.

**Table .9 Employee Motivations**

**Note: Figures in parenthesis are percentages.**

|  |  |
| --- | --- |
| **Responses**  | **Percentage**  |
| Strongly agreed | 22.4% |
| Agreed | 26.93% |
| Undecided | 3.53% |
| Strongly disagreed | 17.08% |
| Disagreed | 30.08% |

Table .9 shows that 22.4% of the respondents strongly agreed with all the items, 26.93% merely agreed, 3.53% undecided, 30.08% disagreed and 17.08% strongly disagreed. In this context 49.33% of respondents agreed with all the items whereas 47.16 disagreed.

Table 10 Employee Absenteeism

|  |  |
| --- | --- |
| **Responses**  | **Percentage**  |
| Strongly agreed | 26.8% |
| Agreed | 19.35% |
| Undecided | 4.6% |
| Strongly disagreed | 19.45% |
| Disagreed | 29.8% |

Table 10 shows that 26.8% of the respondents strongly agreed with all the items, 19.35% merely agreed, 4.6% undecided, 29.8% disagreed and 19.45% strongly disagreed. In this case

46.15% of respondents agreed with all the items whereas 49.25 disagreed.

# Test of Hypotheses

In this study, three hypotheses were empirically tested. This was aimed at verifying the validity of the proposition and to find out the relationship existing between the variables under study.

Hence chi-square often denoted as X2, was used to test the research hypothesis.

# Hypothesis One

 **Ho1:** Pay (salary) dissatisfaction has no significant relationship with organizational performance.

 **H1:** Pay (salary) dissatisfaction has a significant relationship with organizational performance.

In testing this hypothesis, responses from table 4.7 is used.

Computation of Expected Frequency

Fe *=* RT x CT

GT

Where Fe = Expected Frequency

RT = Row Total

CT = Column Total

GT = Grand Total

# Table 11 Contingency Table for Hypothesis One

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Quest SA  | A  | UD  | D  | SD  | Total  |
| 1 2 3 4  | 87 (88.75)69 (88.75) 102  97(88.75) (88.75)  | 92 (92.25)109 (92.25) 86 (92.25)82 (92.25)  | 9 (7.25)12 (7.25) 4 (7.25)4 (7.25)  | 14 (14.25)12 (14.25) 12 (14.25)19 (14.25)  | 10 (9.5)10 (9.5) 8 (9.5)10 (9.5)  | 212 212 212 212  |
| Total  | 355  | 369  | 29  | 57  | 38  | 848  |

Source: Field Survey, 2017

# Table 12 Computation of Chi-Square Distribution Table

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Cells  | Fo  | Fe  | Fo-Fe  | (Fo - Fe)2  | (Fo-Fe)2/Fe  |
| A1  | 87  | 88.75  | -1.75  | 3.1  | 0.03  |
| A2  | 92  | 92.25  | -0.25  | 0.0625  | 0.00  |
| A3  | 9  | 7.25  | 1.75  | 3.1  | 0.42  |
| A4  | 14  | 14.25  | -0.25  | 0.0625  | 0.00  |
| A5  | 10  | 9.5  | 0.5  | 0.25  | 0.26  |
| B6  | 69  | 88.75  | -19.75  | 390.1  | 4.40  |
| B7  | 109  | 92.25  | 16.75  | 280.6  | 3.04  |
| B8  | 12  | 7.25  | 4.75  | 22.56  | 3.11  |
| B9  | 12  | 14.25  | -2.25  | 5.06  | 0.36  |
| B10  | 10  | 9.5  | 0.5  | 0.25  | 0.03  |
| C11  | 102  | 88.75  | 13.25  | 175.6  | 1.98  |
| C12  | 86  | 92.25  | -6.25  | 39.06  | 0.42  |
| C13  | 4  | 7.25  | -3.25  | 10.56  | 1.46  |
| C14  | 12  | 14.25  | -2.25  | 5.06  | 0.36  |
| C15  | 8  | 9.5  | -1.5  | 2.25  | 0.94  |
| D16  | 97  | 88.75  | 8.25  | 68.06  | 0.77  |
| D17  | 82  | 92.25  | -10.25  | 105.1  | 1.14  |
| D18  | 4  | 7.25  | -3.25  | 10.6  | 1.46  |
| D19  | 19  | 14.25  | 4.75  | 22.56  | 1.58  |
| D20  | 10  | 9.5  | 0.5  | 0.25  | 0.03  |
| **Total**  |  |  |  |  | **21.79**  |

Source: Authors Computation

Therefore, chi-square calculated = 21.79

Determination the Critical

Df=(R-l)(C-l)

Df=(4-l)(5-l)

Df=(3)(4)

Df=12

Level of Significance = 5% = 0.05

Therefore the, Critical value X2 = 21.026

# DECISION

The decision rule state that null hypothesis should be rejected if the chi-square calculated (21.79) is greater than the critical value of chi-square (21.026), otherwise accept. Since the computed chisquare is greater than the critical value of chi-square is greater than critical value, we reject the null hypothesis and accept the alternate hypothesis which states that pay (salary) dissatisfaction has a significant relationship with organizational performance.

# Table 14 Computation of Chi-Square Distribution Table for Hypothesis 2

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Cells** A1  | **Fo** 99  | **Fe**95.25  | **Fo-Fe (Fo - Fe)2 (Fo**  | **-**  |
| 3.75 14.1  | 0.1 **2** |
| A2  | 74  | 87.25  | -13.25 175.6  | 2.0  |  |
| A3  | 8  | 5.5  | 2.5  | 6.25  | 1.1  |  |
| A4  | 21  | 15.25  | 5.75  | 33.1  | 2.2  |  |
| A5  | 10  | 8.75  | 1.25  | 1.6  | 0.2  |  |
| B6  | 101  | 95.25  | 5.75  | 33.1  | 0.3  |  |
| B7  | 87  | 87.25  | -0.25  | 0.06  | 0.0  |  |
| B8  | 6  | 5.5  | 0.5  | 0.25  | 0.05  |  |
| B9  | 8  | 15.25  | -7.25  | 52.6  | 3.4  |  |
| B10  | 10  | 8.75  | 1.25  | 1.7  | 0.2  |  |
| C11  | 92  | 95.25  | -3.25  | 10.6  | 0.1  |  |
| C12  | 89  | 87.25  | 1.75  | 3.1  | 0.0  |  |
| C13  | 4  | 5.5  | -1.5  | 2.25  | 0.4  |  |
| C14  | 20  | 15.25  | 4.75  | 22.6  | 1.5  |
| C15  | 7  | .8.75  | -1.75  | 3.1  | 0.35  |
| D16  | 89  | 95.25  | -6.25  | 39.1  | 0.4  |
| D17  | 99  | 87.25  | 11.75  | 138.1  | 1.6  |
| D18  | 4  | 5,5  | -1.5  | 2.25  | 0.4  |
| D19  | 12  | 15.25  | -3.25  | 10.6  | 0.7  |
| D20  | 8  | 8.75  | -0.75  | 0.6  | 0.1  |
| **Total**  |  |  |  |  | **22.1**  |

Source: Authors Computation

Table 14 Computation of Chi-Square Distribution Table for Hypothesis 3

Chi-square calculated = 22.1

Determination the Critical Value

D f=( R- l) (C -l )

Df= (4 – 1) (5 – 1)

Df-(3)(4)

Df=12

Level of Significance = 5% *~* 0.05

Therefore the, Critical value X2 = 21,026

# DECISION

The decision rule state that null hypothesis should be rejected if the chi-square calculated is greater than the critical value of chi-square, otherwise accept. Since the computed chi-square is greater than the critical value of chi-square i.e. 22.1 is greater than 21.026, we reject the null hypothesis and accept the alternate hypothesis which states that employee training and development has a significant relationship with organizational Performance.

# HYPOTHESIS THREE

 **Hoi:** Employee absenteeism has no significant relationship with organizational performance.

 **Hi:** Employee absenteeism has a significant relationship with organizational performance.

In testing this hypothesis, responses from table 4.10 will be used.

Computation of Expected Frequency

Fe = RT x CT

GT

Where Fe - Expected Frequency'

RT = Row Total

CT = Column Total

GT = Grand Total

The figures in brackets are the expected frequency for each of the options.

|  |  |  |  |
| --- | --- | --- | --- |
| **Table 17 Contin** | **gency Ta** | **ble for Hypothesis four**  |  |
| Questi | SA  | A  | UD  | D  | SD  | Total  |
| 1 2  | 24 (56.75) 69 (56.75)  | 23 (41) 12 (41)  | 9 (9.75) 12  (9.75)  | 77 \_(6125)\_ 109 (63.25)  | 79  (41.25) 10 (41.25)  | 212 212  |
| 3  | 37  (56.75)  | 47 (41)  | 14  (9.75)  | 48  (63.25)  | 66 (41.25)  | 212  |
| 4  | 97  (56.75)  | 82 (41)  | 4 (9,75)  | 19 (63.25)  | 10  (41.25)  | 212  |
| **Total**  | **227**  | **164**  | **39**  | **253**  | **165**  | **848**  |

Source: Field Survey, 2017.

# Table 18 Computation of Chi-Square Distribution Table

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Cells  | Fo  | Fe  | Fo-Fe  | (Fo - Fe)2  | (Fo - Fe)2/Fe  |
| A1  | 24  | 56.75  | -32.75  | 1072.6  | 18.9  |
| A2  | 23  | 41  | -18  | 324  | 7.9  |
| A3  | 9  | 9.75  | -0.75  | 0.56  | 0.06  |
| A4  | 77  | 63.25  | 13.75  | 189.1  | 3.0  |
| A5  | 79  | 41.25  | 37.75  | 1425.1  | 34.5  |
| B6  | 69  | 56.75  | 12.25  | 150.1  | 2.6  |
| B7  | 12  | 41  | -29  | 841  | 20.5  |
| B8  | 12  | 9.75  | 2.25  | 5.1  | 0.52  |
| B9  | 109  | 63.25  | 45.7  | 2093.1  | 33.1  |
| B10  | 10  | 41.25  | -31.25  | 976.6  | 23.7  |
| C11  | 37  | 56.75  | -19.75  | 390.1  | 6.9  |
| C32  | 47  | 41  | 6  | 36  | 0.9  |
| C13  | 14  | 9.75  | 4.25  | 18.1  | 1.9  |
| C14  | 48  | 63.25  | -15.25  | 232.6  | 3.6  |
| C15  | 66  | 41.25  | 24.75  | 612.6  | 14.9  |
| D16  | 97  | 56.75  | 40.3  | 1620.1  | 28.5  |
| D17  | 82  | 41  | 41  | 1681  | 41  |
| D18  | 4  | 9.75  | 5.75  | 33.1  | 3.4  |
| D19  | 19  | 63.25  | 44.25  | 1958.1  | 31  |
| D20  | 10  | 41.25  | 31.25  | 976.6  | 23.7  |
| **Total**  |  |  |  |  | **300.58**  |

Source: Authors Computation

Therefore, chi-square calculated = 300.58

Determination the Critical Value

Df=(R-l)(C-l)

Df=(3)(4)

Df=12

Level of Significance = 5% = 0.05.

Therefore the, Critical value X2 = 21.025

# DECISION

The decision rule state that null hypothesis should be rejected if the chi-square calculated (21.79) is greater than the critical value of chi-square (300.58), otherwise accept. Since the computed chisquare is greater than the critical value of chi-square is greater than critical value, we reject the null hypothesis and accept the alternate hypothesis which states that employee absenteeism has a significant relationship with organizational performance.

 **DISCUSSION OF FINDINGS**

This work examined labour turnover and organizational performance in some selected plastic manufacturing companies in Anambra State; Six (6) plastic manufacturing companies in the 3 senatorial zones of Anambra State were examined. Data were sourced from the employees of these plastic manufacturing companies. The data generated were analyzed using simple percentage analysis and chi-square statistical technique. The study revealed that pay (salary) dissatisfaction significantly influences organizational performance. This implies when employees feel dissatisfied with their salaries, labour turnover increases thereby affecting performance negatively. The finding agrees with that of Parvin and Kabir (2011) that salary and other factors such as efficiency in work, fringe benefit, supervision, and co-worker relation are the most important factors contributing to job satisfaction and invariably enhance organizational performance. It also agrees with the findings of Akafor and Boateng, (2015) which indicated that reward had a positive impact on work motivation. It shows that reward (including pay) and recognition has great impact on motivation of the employees for optimal performance.

The study also found that employee training and development significantly influences organizational Performance. This implies that training and development has significant relationship with organizational performance. This is in line with the findings of Akinruwa, Ajayi and Akeke (2014) that training have a positive relationship with performance.

Finally, the study found that employee motivation significantly affects organizational performance. This finding implies that when employees are motivated, the rate of their turnover will reduce but when they are not motivated, high rate of labour turnover will be experienced. Therefore, in order to improve organizational performance, employees need to be motivated in order to reduce high rate of employee turnover. This agrees with the findings of Osabiya (2015) which revealed that there is obvious difference between properly motivated employees than those who are not because motivated employees are more committed to productivity. It means that there exists relationship between employee motivation and organizational performance and that extrinsic motivation given to worker in an organization has a significant influence on the worker's performance.

**CHAPTER FIVE**

**SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

**SUMMARY OF FINDINGS**

In synopsis, the findings of the study are:

1. Pay (salary) dissatisfaction has significant relationship with organizational performance.

2. Employee training and development has significant relationship with organizational Performance.

3. Employee motivation has significant relationship with organizational performance.

4. Employee absenteeism has significant relationship with organizational performance.

**CONCLUSION**

This work examined the relationship between labour turnover and organisational performance in some selected plastic manufacturing companies in Anambra State. Data were sourced from the employees of these plastic manufacturing companies. The data generated were analyzed using simple percentage analysis and chi-square statistical technique. The study revealed that pay (salary) dissatisfaction significantly influences organizational performance. The study also found that employee training and development significantly influences organizational Performance. Finally, the study found that employee motivation significantly affects organizational performance. This finding implies that when employees are motivated through salary and training/development, the rate of their turnover will reduce but when they are not motivated, high rate of labour turnover will be experienced. Therefore, in order to improve organizational performance, employees need to be motivated in order to reduce high rate of employee turnover. The study therefore concludes that there is a significant relationship between labour turnover and organizational performance in the selected plastic manufacturing companies in Anambra State.

**RECOMMENDATIONS**

Based on the findings, the study recommends that:

1. Employees’ salary should be increased regularly to reflect current economic realities in order to reduce the incidence of labour turnover in organizations.

2. Similarly, training and development should be provided to employees in order to encourage them to stay in the organization.

3. Organizations should look into the factors that contribute to employee absenteeism in order to find out how to effectively reduce it.

4. Organizations should ensure that employees are effectively motivated in order to reduce the incidence of labour turnover.

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