
**Employee Turnover and Its Effects on Organizational Productivity
of State Owned Institutions in Niger State:
(An Impediment to Achieving Vision 20:2020 in Niger State)**

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ABSTRACT

Employee turnover as a term is widely used in business circles. Although several studies have been conducted on this topic, most of the researchers focus on the causes of employee turnover but little has been done in examining the sources of employee turnover, effects and advancing various strategies which can be used by managers in various organizations to ensure that there is employee continuity in their organizations to enhance organizational competitiveness, hence withstanding the test of time. This paper examined the labour turnover among state owned institutions in Niger state, Nigeria. Subject for the study were fifty eight (58) drawn from three state owned institutions in Niger state, namely Niger State Polytechnic, Niger State College of Education and Niger State School of Nursing. The stratified random sampling technique was used through convenience approach in the selection of subjects. The questionnaire method was used to collect relevant data for the study. Data collected was analyzed, and the analysis reveals that most employees leave for other institution because of inequity in pay (salary). They also reveal that the attitude and management leadership style towards promotion and advancement constitute a major reason why they leave state owned institutions. Conclusion was drawn; it's however obvious from the literature review and past research findings in the course of this study that employee turnover is a difficult phenomenon to control. Recommendations were given which include the need for Niger state government to put policy in place through given of directive to managers of state owned institutions in areas of implementing the policies relating to staff welfare and conditions of service of employees. This will reduced the exit of experienced employees from state owned institutions.

Keywords: Employee Turnover, Organizational Productivity, State Owned Institutions and Vision 20:2020

Introduction

Over the years, labor turnover has being a critical challenge to the managers of state own tertiary institutions in Nigeria and Niger state in particular. There has being outflow of employees from state own tertiary institutions which affects the productivity of these institutions. This may

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be due to job dissatisfaction, lack of good working environment, pay related issues, the need for advancement and achievement etc. Managerial concern on employee turnover has suddenly become heightened (Prefer and Sutton, 2006, cited in Anders and Bard, 2010). This concern is further escalated as a result of the growing cost of replacing employees, or other general costs typically associated with employees like recruitment and training (Collins and Smith, 2006). Some of the specific concerns of managers and other concerned stakeholders are the negative consequences of high employee turnovers which are often reflected in quality of service. Other consequences of unchecked growing rate of employee turnover could also be an increase in the level of dissatisfaction with services being offered by such organization (Lin and Chang, 2005). Other related costs that emanate from an increase in the rate of employee turnover are described as the costs of voluntary turnover by Morrell *et al.*, (2004). They identifies direct and indirect costs of voluntary turnover as replacement, recruitment and selection, temporary staff, management time, morale, pressure on remaining staffs, costs of learning, service quality, organizational memory, and the loss of social capital (Dess and Shaw, 2001).

As a direct response to the need to subdue the growing impact of employee turnover and also the rates at which it is growing, various management researchers have proposed numerous solutions that have either been proven conceptually or empirically. For example Anders and Bard (2010) proposed the development of processes that will intrinsically motivate employees as a potential solution to the unusual high turnover rates recorded globally, while Ryan and Todd (2009) relate job performance with employee turnover rate. They are particularly of the opinion that employees who leave their jobs might have done so in either an environment so poor to induce a high level of job performance, or they might have quit their job when there is a consistent poor level of job performance over a period of time. Within this context, Steer and Mowday 1981 cited in (Ryan and Todd, 2009) are strongly of the opinion that an assessment of employee turnover that precludes a study of job performance might be referred as a huge oversight on the part of the management of such organization.

The high rate at which polytechnic lecturers quit their job in Nigeria is one of the problems facing polytechnic management in Nigeria. Available evidence indicates that lecturers quit their job usually as a result of unsatisfactory situations such as low motivation and poor conditions of service. Oladapo (1987).

The Objective of Vision 20:2020

One of the objectives of vision 20:2020 is to make efficient use of human and natural resources to achieve rapid economic growth of Nigeria as a country. By 2020, Nigeria will have a large, strong, diversified, sustainable and competitive economy that effectively harnesses the talents and energies of its people and responsibly exploits its natural endowments to guarantee a living and quality of life to its citizens.

The decline in the standard of education has seriously affected the competitiveness of Nigerian high standard graduates in the national and global labour markets, making it difficult for them to get jobs globally, especially in the ICT sub-sector. The Vision plans to make the curriculum in schools more relevant to the needs of the labour-market. To this end, emphasis will be on ICT diffusion and targeted skills development of employee for productivity. With movement of workers from state owned institutions of Niger state, it means there will be loss of talented workers which will affect the state productivity. There is need for state owned institutions to retain and maintain its workers to achieve productivity and development by the year 2020. Abridged Version (2010).

Literature Review

Employees' turnover is a much studied phenomenon Shaw *et al.*, (1998). Employee turnover is the rotation of workers around the labor market; between firms, jobs and occupations; and between the states of employment and unemployment Abassi *et al.*, (2000). The term "turnover" is defined by Price (1977) as: the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period. Labor turnover is also the flow of manpower into and out of an organization (Fapohunda, 1980). The inflow of manpower is referred to as accession and the outflow as separation (leaving). Separation may be in the form of quits, discharges, lay-offs, retirement, leaves of absence and even death. Accession on the other hand has to do with replacements and new hires. Labor turnover is one of the unorganized forms of industrial conflict. It is a retreat by employees usually from unsatisfactory situations. Satisfaction is however only a part of the answer to the problem of labor turnover.

The rate of turnover varies from institutions to institutions. Sometimes employee turnover benefits organizations positively. This might happen when a poor performer is replaced by a more skilled employee and when a retired employee is replaced by a younger one. Employee turnover may be also costly as it requires different cost to take account; such as administrative costs of recruitment, cost of covering during the period in which there is a vacancy, training cost for the new employee etc. Turnover occurs for many different reasons. Sometimes new job attracts

employees and pull them to leave the old one. In contrary, employee also pushed to leave their job due to the dissatisfaction in their present workplace or domestic circumstances when someone relocates with their spouse or partner. A poor relationship with the management can be an important reason for the employees to leave their jobs. It is relatively rare for people to leave jobs in which they are happy even when offered higher salary elsewhere. A lack of proper training and development is also major cause for voluntary turnover. Employees have a preference for security of their jobs. Turnover could be minimized through considering different preventive measures by the management. These may include providing training to the employee for an effective supervision before appointing or upgrading them, providing security of jobs with good working environment etc. Employee turnover can be extremely devastating for any organization. It makes it difficult for the employers to maintain a steady and successful operation. Management should have their rating on employee turnover and measuring how this affects organizations performance. Many academic scholars pointed out turnover as the correlation between job dissatisfaction and decreased organizational commitment. The stronger the feeling of discontent in one's job, the more likely one is to begin a search for an alternative job. This perspective on turnover highlights the role of emotions and attitudes as antecedents of behavior. When an employee leaves an organization, it can have a variety of effects that not only impact on the organization, but also the individual employee and the society. Turnover is an index of organizational effectiveness and as such it calls for attention and some understanding of itself. However, information on turnover can help the planning, prediction and control of resources.

Causes of Labour Turnover

Turnover basically arises from unhappiness from job place for individual employee. But being unhappy in a job is not the only reason why people leave one organization for another. If the skills that they possess are in demand, they may be lured away by higher pay, better benefits or better job growth potential. That's why it is important to know and recognize the difference between employees who leave the job because they are unhappy and those who leave for other reasons, Shamsuzzoha and Hasan (2007). There are a number of factors that contribute to employee turnover. Prominent among them include;

- i. **The Economy:** Most employees leave one job for another due to the availability of higher paying jobs. Obviously, in a better economy the availability of alternative jobs plays a role in turnover. Most employees may tend to leave their present job to better paid job.

- ii. **The Characteristics of the Job:** Some jobs are intrinsically more attractive than others. A job's attractiveness will be affected by many characteristics, including its repetitiveness, challenges, danger, perceived importance and capacity to elicit a sense of accomplishment.
- iii. **Demographics:** Empirical studies have demonstrated that turnover is associated in particular situations with demographic and biographical characteristics of workers.
- iv. **The Person:** In addition to the factors listed above, there are also factors specific to the individual that can influence turnover rates. These include both personal and trait-based factors. Personal factors include things such as changes in family situation, a desire to learn a new skill or trade or an unsolicited job offer. In addition to these personal factors, there are also trait-based or personality features that are associated with turnover.
- v. **A Bad Match Between the Employee's Skills and the Job:** Employees who are placed in jobs that are too difficult for them or whose skills are underutilized may become discouraged and quit the job.
- vi. **Substandard Equipment, Tools or Facilities:** If working conditions are substandard or the workplace lacks important facilities such as proper lighting, furniture, restrooms and other health and safety provisions, employees will not be willing to put up with the inconvenience for long time.
- vii. **Lack of Opportunity for Advancement or Growth:** If the job is basically a dead-end proposition, this should be explained before hiring so as not to mislead the employee.
- viii. The job should be described precisely, without raising false hopes for growth and advancement in the position.
- ix. **Feelings of Not Being Appreciated:** Since employees generally want to do a good job, it follows that they also want to be appreciated and recognized for their works. Even the most seasoned employee needs to be told what he or she is doing right once in a while.
- x. **Inadequate Supervision and Training:** Employees need guidance and direction. New employees may need extra help in learning an unfamiliar job. Similarly, the absence of a training

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program may cause workers to fall behind in their level of performance and feel that their abilities are lacking.

- xi. **Unequal or Substandard Wage Structures:** Inequity in pay structures or low pay is great causes of dissatisfaction and can drive some employees to quit. Again, a new worker may wonder why the person next to him is receiving a higher wage for what is perceived to be the same work.

Objectives of Study

The general objective of this study is to examine the employee labour turnover in Niger state owned institutions, and its effects on productivity. However, the following are the specific objective of this research.

1. The study intends to examine the work environment and labour turnover in state owned institutions in Niger state.
2. To find out about the need for advancement and employee turnover in state owned institutions in Niger state.
3. The study is also intended to examine the opinions of employees in state owned institutions as regard salary and labour turnover.
4. This study also intends to find out if management style of state owned institutions constitute reasons for employee turnover.

Methodology

As an empirical study, the researcher adopts a stratified sampling method and random sampling approach to select from the stratified population. These include twenty one (21) employees of Niger State Polytechnic, twenty three (23) employees of Niger State College of Education, Minna and fourteen (14) employees of Niger State School of Nursing, Bida respectively. The methodology used in data collection for the purpose of this research was through structured questionnaire. A total of fifty eight (58) questionnaires were administered but forty four (44) was returned, the analysis of data will be based on returned questionnaire. In other words Chi-square will be adopted as the statistical instrument for test of Hypotheses. The analyses of returned questionnaire according to institutions are as follows:

S/N	Institution	Administered Questionnaires	Returned Questionnaires
1	Niger State Polytechnic	21	15
2	Niger State College of Education	23	18
3	Niger State School of Nursing, Bida	14	11
	Total	58	44

Data Analyses

Based on total of fifty eight (58) questionnaires that were administered, forty four (44) was dully filled and returned. The analyses of data based on returned questionnaire are as follows;

Table 1: Gender Distribution of Respondents

Gender	Frequency	Percentage
Male	12	27.3
Female	32	72.7
Total	44	100

Table 2: Cadre of Respondents

Cadre	Frequency	Percentage
Academic staff	30	68.2
Non- Academic staff	14	31.8
Total	44	100

Table 3: Qualification of Respondents

Qualification	Frequency	Percentage
B.Sc.	13	29.5
HND	10	22.8
MBA/M.sc	18	40.9
PhD	03	6.8
Total	44	100

Table 4: Employee Awareness on Cases of Turnover

Response	Frequency	Percentage
Strongly Agree	31	70.5
Disagree	11	25
Undecided	02	4.5
Total	44	100

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Table 5: Respondents View on Effects of Turnover on Productivity

Response	Frequency	Percentage
Strongly Agree	27	61.4
Disagree	11	25
Undecided	06	13.6
Total	44	100

Table 6: Reason for Employees Leaving State Institutions

Response	Frequency	Percentage
Management leadership style	26	59.1
Lack of Recognition	06	13.6
Poor work Environment	12	27.3
Total	44	100

Table 7: Salary or Pay as a Reason for Employees Leaving State Institutions

Response	Frequency	Percentage
Strongly Agree	31	70.5
Disagree	06	13.6
Undecided	09	20.5
Total	44	100

Table 8: Management Leadership Style towards Employee Promotion

Response	Frequency	Percentage
Satisfactory	17	38.6
Fairly Satisfactory	22	50
Undecided	05	11.4
Total	44	100

Table 9: The Need for Spouse Working in Same Work Environment as a Reason

Response	Frequency	Percentage
Strongly Agree	28	63.6
Disagree	11	25
Undecided	05	11.4
Total	44	100

Table 10: Factors Affecting State Owned Institutions as a Result of Turnover

Response	Frequency	Percentage
Loss of experienced staff	20	45.5
Low performance	16	36,3
Low commitment	08	18.2
Total	44	100

Source: Administered Research Questionnaire (2012)

Discussion and Findings

Base on analyses of data collected from employees of Niger State Polytechnic, Niger State College of Education Minna, and Niger State School of Nursing Bida respectively. The respondent's demographic distribution shows that majority of respondents are male and are mostly academic staff. This finding was reflected in table 1 and 2 of the analysis. It was reveal that majority of respondent's holds Master Degree, these findings reflects in the analyses. Respondents view on awareness of labour turnover reveals that most respondents strongly agreed and majority also strongly believed that labour turnover has effect on productivity as reflected in table four (4) and five (5). To also examine the reason for exit of employees in state owned institutions, majority are of the view that management leadership style of state owned institutions is a major reason why most employees leave the institution. This finding is reflected in table six (6) of the analyses. Respondents view unequal pay or salary as good reason for why most respondents leave the state owned institution, this was the view of majority as reflected in table seven (7) of the analyses. The attitude of the management towards staff promotion in state owned institutions is fairly satisfactory; this view was reflected in the analyses based on data collected. Analyses of some spouse wanting to work in same organization reveals that respondent strongly agreed with this view. Majority of respondents considered lack of experience as a major factor that affects state owned institutions as a result of employee exit. This finding reflected in the analyses in table ten (10).

Conclusion

Turnover is a burning issue for state owned institutions in Niger state. For the steady productivity of state owned institutions, it is essential to maintain its skilled workforce. But most of the times it is very difficult to control the turnover rate within this organizations. Obviously satisfactory salary structure helps to reduce turnover though job security is also an important issue too as reveal by respondents in their comments. A person does not stay in an organization only for salary but he/she may stay for many other reasons such as good stream relation, better working environment, preferable job location, good style of management etc. Since productivity of an organization depends on the expertise of its workforce. An experienced worker may be an asset for any organization.

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If a skilled person, experienced and qualified worker leaves an organization the effects will be very high, this was evident in this research paper.

Recommendations for Implementation

Based on our findings and in view to strive for realization of vision 2020 in Niger state, the followings are major recommendations for implementation.

1. For the fact that respondents reveals that losing experienced staff could be a great effects as a result of employee turnover, it is recommended that the state government through the managers of these institutions should put adequate measure in place in areas of constant promotion, better work conditions in terms of office accommodation. This can be achieved through policy directives to the managers of such institutions.
2. Improved conditions of service will immensely motivate staff towards better performance. Salaries and fringe benefits should be enhanced and made relevant to prevailing economic circumstances by reviewing them periodically.
3. Efforts should be made at improving the overall welfare of staff, including through provision of good accommodation, staff schools, and good medical and other facilities on campus.
4. Academic staff developments should be accorded priority since possible growth and advancement on the job is a vital motivational factor. Well-designed training programs should be emphasized not just to meet the professional needs of university teachers but also to enhance the quality of teaching and ensure the retention of competent and dedicated staff. The evidence is clear that well trained and competent staff provided with relevant conditions tend to be less incline to leave.
5. Prominence should be given to the provision of research grants. Attendants and participation in seminars and conferences should be encouraged to help enrich the knowledge and skills of staff.
6. A fair and equitable pay-system will help prevent high turnover. Inadequate rewards leads to voluntary turnover.
7. All forms of god-fatherism should be seriously discouraged, academic brilliance, innovation, and hard-work should be rewarded while indolence and mediocrity are punished.
8. The issue of deteriorating working environments and dearth of facilities should be addressed urgently.

9. Managers of state owned institutions should endeavor to exhibit better management leadership style to give employees sense of belonging. This will motivate them to keep putting in their effort for the organizations

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