

EXPLORING THE RELATIONSHIP BETWEEN JOB SATISFACTION AND TURNOVER INTENSIONS AMONG NIGERIAN BANKS' EMPLOYEES. A STUDY OF SELECTED BANKS IN OSOGBO METROPOLIS, SOUTH WESTERN NIGERIA

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Abstract

This research paper exploits relationship between job satisfaction dimensions and turnover intentions among Nigerian banks' employees in Osogbo metropolis, south western Nigeria. Simple random sampling technique was adopted to collect data from one hundred and five (105) respondents from different fifteen banks through structured questionnaire. Both Pearson Product Moment Correlation Coefficient and Multiple Regressions Analysis were used to analysis the data with the aid of statistical package for social sciences (SPSS). The result showed that job satisfaction dimensions have negative relationship with turnover intentions. It was also found that job satisfaction dimensions jointly predict employee turnover intentions, which accounted for 7.5% variance of turnover intentions. The study concluded that management of Nigerian banks should use these job satisfaction dimensions as policy instruments for retention and as strategies which have the tendency to reduce employee turnover and enhance job satisfaction in the organization.

Key words: Turnover intension, Job satisfaction, pay, Nature of work, Recognition and Bank

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1. INTRODUCTION

Management of organizations, especially Nigerian banks, need not just only to retain talented workers, but fully engaging them, capturing their minds and hearts at each stage of their work lives in order to survive the pressure from global financial competitive environment. Every organization wishes to achieve its stated objectives, have high productivity and fewer turnovers. In Nigerian banking industry, it is very important to manage turnover, though salary and benefits are high but security of job is less. Nash (1985) discovered that the nature of job satisfaction in the industrial world is attributed not only to one but many factors and varies in its impact on individuals satisfaction with life because work varies in importance from individual to individual. He stated in his findings that factors that influence job satisfaction differ from men to women in terms of importance of ranks. Generally, men rank security first, followed by advancement, type of work, company, pay, co-worker, supervision, benefits, and duration of work and then working condition. Whereas women rank type of work first, followed by company, security, co-workers, advancement, supervision, pay, working condition, duration of work and then benefits. He pointed out that people who take their job as prime interest experience high level of job satisfaction.

Jobsatisfaction has direct significant impact on level of absenteeism, commitment, performance and productivity. Furthermore, job satisfaction improves the retention level of employees and reduces the cost of hiring new employees (Murray, 1999). Alternatively, the outcome of job dissatisfaction is increase in the cost of recruitment, selection and training, discouragement of current employees and reduction in the growth of organization. This research paper intends to investigate the relationship between job satisfaction dimensions and employee turnover intensions with special reference to Nigerian Banks in Osogbo metropolis, south western Nigeria.

2. Literature Review

2.1 Job satisfaction

Job satisfaction is a psychological concept and, therefore, giving it a precise and single scientific definition might be nearly impossible, since the nature and concept are somehow abstract.

However, job satisfaction could be defined as a pleasurable emotional state resulting from the appraisal of one's job, an effective reaction or an attitude towards one's job. In other words, job

satisfaction implies the extent to which people like their job and dislike it (Oredein and Alao, 2011). Locke (1976) defined job satisfaction as “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience.” That is, it is the discrepancy between what an employee values and what the situation provides.

Job satisfaction is a worker’s sense of achievement and success on the job. It is generally perceived to be directly linked to productivity as well as to personal well-being. Job satisfaction implies doing a job one enjoys, doing it well and being rewarded for one’s efforts. Job satisfaction further implies enthusiasm and happiness with one’s work. Job satisfaction is the key ingredient that leads to recognition, income, promotion, and the achievement of other goals that lead to a feeling of fulfillment (Kaliski, 2007). Smith et al. (1969) suggested that job satisfaction is feelings or affective responses to facets of the situation.” Job satisfaction can be defined also as the extent to which a worker is content with the rewards he or she gets out of his or her job particularly in terms of intrinsic motivation (Statt, 2004).

2.2 Turnover intentions

The experience of turnover intentions, the range factors that lead to turnover intentions, lack of commitment in the organization; lack of job security, inadequate pay and job dissatisfaction make employees to quit (Firth et al., 2004). Labour turnover is the voluntary or involuntary termination of an individual’s employment with a given organization. Labour turnover is the rotation of workers around the labour market, between firms, jobs and occupations, and between the states of employment and unemployment (Abassi and Hollman, 2000). Each time a position is voluntarily or involuntarily created, a new employee might be replaced, and this replacement cycle is known as turnover (Woods, 1995).

Abassi and Hollman, (2000) point out that a high labour turnover may mean poor personnel policies, poor recruitment policies, poor supervisory practices, poor grievance procedures, or lack of motivation. Griffith et al. (2000) in their view noted that pay and pay-related variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person’s performance and turnover. They concluded that when high performers are insufficiently rewarded, they quit. If jobs provide adequate financial incentives the more likely employees remain with organization and vice versa. While Abassi et al. (2000) pointed out other factors which make employees to quit from organizations

and these are poor hiring practices, managerial style, lack of recognition, lack of competitive compensation system in the organization and toxic workplace environment.

2.3 Relationship between Job satisfaction dimensions and Turnover intention

Studies show a consistently modest correlation between job satisfaction and turnover intentions (e.g., Griffeth, Hom, & Gaertner, 2000; Aondoaver and Ike 2012; and Samuel and Ikemefuna, 2012). They found that there is negative correlation between job satisfaction and labour turnover. Locke (1976) provided an extensive review of the literature in the psychology field, concluding that a negative correlation coefficient between job satisfaction and employee turnover was almost always obtained.

Porter and Steers (1973), and Price (1977) as cited in Samuel and Ikemefuna, (2012) reported pay to be consistently and negatively related to turnover. Griffeth, Hom, Gaertner (2000) also discovered that pay and pay-related variables have a modest effect on turnover. Samuel and Ikemefuna, (2012) in their findings also agreed that well pay package has negative effect on labour turnover. This implies that if talented and hardworking staffers are inadequately rewarded, they quit. It is the belief of employees that jobs which provide adequate financial incentive are more likely to make employees to stay with the organization and these findings are contrary to the two-factor theory of Herzberg (1960) which says that pay and supervision are extrinsic elements that do not enhance job satisfaction unlike the intrinsic factors such as achievement, recognition, advancement, autonomy, personal growth.

Ologunde, (2005) and Robbins et al. (2003) discovered that satisfaction with the nature of work is negatively related to turnover intention. They concluded that dissatisfaction with the nature of work will increase turnover intentions. Samuel and Ikemefuna, (2012) also agreed that satisfaction with the nature of work was negatively associated with turnover intentions. Koh and Goh (1995) also found that satisfaction with the nature of work was negatively associated with turnover intentions in their sample of clerical employees in the banking industry in Singapore. In another study, Nash (1985) found that high job security is negatively associated with turnover intentions. He stressed that job insecurity drives talented and productive staff away from the organization.

2.4 Conceptual Frame Work

After the careful study of literature review, the following conceptual model is formulated to illustrate the relationship between job satisfaction dimensions and turnover intentions

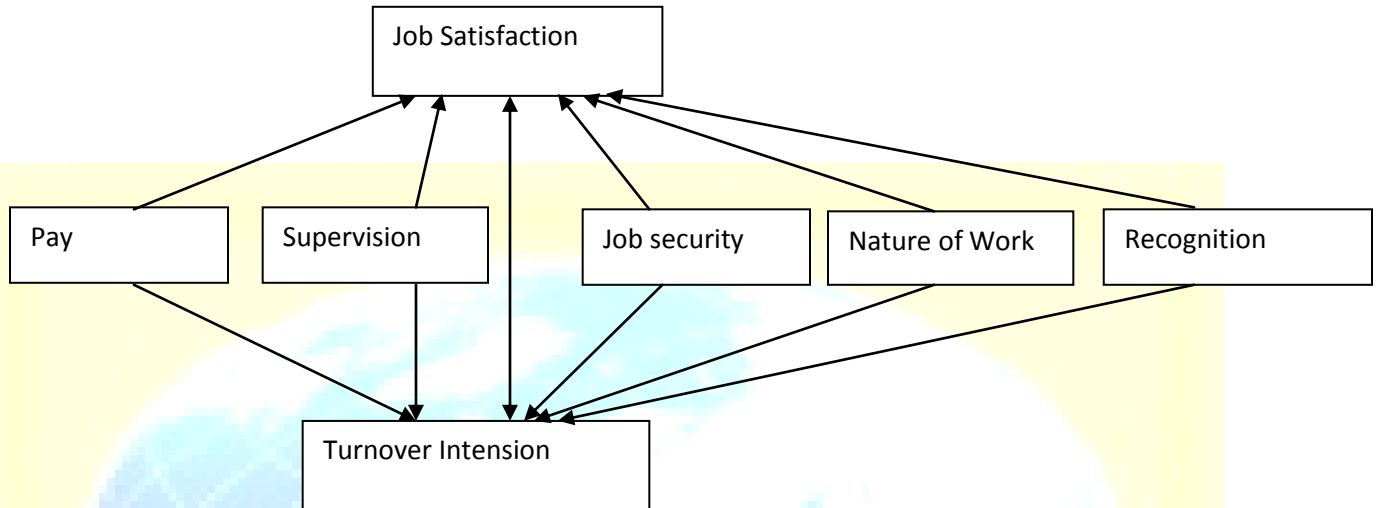


Figure 1. Job satisfaction dimensions and turnover intentions model

2.5 Research hypothesis

H₀: Job satisfaction dimensions have no significant relationship with turnover intention

3. Methodology

The study is a descriptive field study conducted through personally administrative questionnaire. The survey is conducted personally in a no contrived setting. The population of the study covered all fifteen (15) banks in Osogbo metropolis. The sample size for this study was one hundred and five(105) respondents while seven (7) staffers were selected from each bank. While the instrument used in this study is a close-ended questionnaire that was designed by the researchers. In order to establish the reliability of this instrument, a pilot study was carried out on a sample of one hundred and five(105) respondents, using a test – retest method. The result of the reliability test was 0.85 showing that the instrument is reliable. In confirming the validities of the instrument, face and content validities were ensured the instrument was given to professionals for scrutiny and evaluation.

Table 1: Pearson Product Moment Correlation: Showing the Relations of Job satisfaction Dimensions and turnover intentions.

	1	2	3	4	5	6
1. Turnover Intentions	1					
2. Pay	-0.008*	1				
3. Supervision	-0.139*	-0.190*	1			
4. Nature of work	-0.094*	-0.128	0.052*	1		
5. Recognition	-0.100*	-0.140	-0.050	0.079	1	
6. Job security	-0.183*	0.110	0.244	0.031	0.123	1

Source: Authors' computation, 2013

The table 1 shows that job satisfaction dimensions have negative relationship with turnover intentions. Specifically, pay, supervision, nature of work, recognition and job security were jointly and independently have negative relationship with turnover intentions with ($r = -0.008, -0.139, -0.094, -0.100$ and -0.183 ; $df=99$; $P<0.05$) respectively. This result implies that the higher the pay package, the lower the turnover intentions; the high the satisfaction with supervision, the lower the turnover intentions; the higher the satisfaction with the work, the lower the turnover intentions; the higher the satisfaction with recognition, the lower the turnover intentions and the higher the satisfaction with job security, the lower the turnover intentions respectively. This finding support the previous studies that found that there is negative correlation between job satisfaction and labour turnover (Griffeth, Hom, & Gaertner, 2000; Mobley, 1982, and Spector, 2008).

Table 2.
Multiple Regression Analysis Table Showing Job Satisfaction Dimensions Prediction of Turnover Intentions among the Respondents.

Variables	B	T	P	R ²	F	P	Durbin-Watson	Adjusted R ²
Pay	-0.124	-1.19	<.05	0.075	1.617	<.05	1.485	0.029
Supervision	-0.097	-1.111	<.05					
Nature of work	-0.155	-0.914	<.05					
Recognition	-0.129	-1.247	<.05					
Job security	-0.167	-1.515	<.05					

Source: Authors' computation, 2013

a. Predictors: (Constant), Job security, Nature of work, Recognition, Pay, Supervision

b. Dependent Variable: Turnover intension

The result shows in table 2 that job satisfaction style dimensions (pay, supervision, nature of work, recognition and job security) were joint predictors of employee turnover intentions (F (6, 99) = 1.617; R² = 0.075; P <.05). The predictor variables jointly explained 7.5% of the variance of employees turnover intentions, while the remaining 92.5% could be due to the effect of extraneous variables. Pay ($\beta = -0.124$; t = -1.199; P<.05); supervision ($\beta = -0.097$; t = -1.111; P<.05); nature of work ($\beta = -0.155$; t = -0.914; P<.05); recognition ($\beta = -0.129$; t = -1.247; P<.05) and job security ($\beta = -0.167$; t = -1.515; P<.05) were significantly independent predictors of employee turnover intension. This implies that all job satisfaction dimensions have negative significant effect on employee turnover intentions. This result is in line with (Samuel and Ikemefuna, 2012; Ologunde, 2005; Aondoaver and Ike, 2012; Robbins *et al*, 2003) who found that job satisfaction dimensions were negatively related to turnover intentions. This suggests that the more one is satisfied with one's job the less one is likely to think of leaving or quitting one's job. Therefore, null hypothesis is rejected while alternative hypothesis is accepted, which says Job satisfaction dimensions have significant relationship with turnover intentions.

4. Discussion of findings

This research paper exploits the relationship between job satisfaction and turnover intentions among Nigerian banks' staff, with special reference to all banks in Osogbo metropolis south western Nigeria. The study found that job satisfaction dimensions jointly predict turnover intentions in Nigerian banks and this means that job satisfaction will result in decrease in turnover intentions. The coefficient of determinant of $R^2 = 0.075$ indicates that 7.5% variation in employee turnover intentions is accounted for by job satisfaction dimensions. From the result, it was discovered that pay satisfaction has significant effect on turnover intentions and this agrees with that of (Samuel and Ikemefuna, 2012; Aondoaver and Ike, 2012; Dole and Schroeder, 2001) who discovered that the higher the satisfaction with pay, the lower the employee turnover intentions.

Also result indicate that supervision, nature of work, recognition and job security do have negative significant relationship with turnover intentions and this is in line with studies carried out by (Shaw, 1999; Herzberg, Mausner and Sayderman, 1959 and Herzberg, 1966) which reported that intrinsic factors are the major determinant of job satisfaction which implies that the higher the satisfaction of intrinsic factors (recognition, job security, nature of work and supervision), the lower the level of employee turnover intentions.

5. Conclusion and Recommendation

This study has investigated the effect of job satisfaction on turnover intentions in Nigerian banks. The results of this study revealed that there is strong negative relationship between job satisfaction dimensions and turnover intentions. On the basis of the findings of this study, it can be concluded that job satisfaction dimensions have significant influence on turnover intentions.

The study found that both extrinsic and intrinsic factors have strong influence on turnover intention which means if Nigerian banks' management improve pay package, provide conducive nature of work, suitable recognition and supervision, and high job security for its employees, the turnover intentions will low. This means, the more job satisfaction dimensions are satisfied, the less the thinking of quitting the job. Furthermore, management of Nigerian banks should use these job satisfaction dimensions as policy instruments for retention and as strategies which have the tendency to reduce employee turnover and enhance job satisfaction in the organization.

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