# Job Satisfaction and Employees' Turnover Intentions in total Nigeria plc. in Lagos State

#### Samuel Emeka Mbah

Department of Industrial Relations and Personnel Management University of Lagos Nigeria

#### C. O. Ikemefuna

Department of Industrial Relations and Personnel Management University of Lagos Nigeria

#### **Abstract**

This paper examines job satisfaction and employees' turnover intentions in Total Nigeria PLC in Lagos State. The paper highlights and defines basic concepts of job satisfaction and employees' turnover intention. It specifically considered satisfaction with pay, nature of work and supervision as the three facets of job satisfaction that affect employee turnover intention. To achieve this objective, authors adopted a survey method by administration of questionnaires, conducting interview and by reviewing archival documents as well as review of relevant journals and textbooks in this field of learning as means of data collection. Four (4) major hypotheses were derived from literature and respective null hypotheses tested at .05 level of significance It was found that specifically job satisfaction reduces employees' turnover intention and that Total Nigeria PLC adopts standard pay structure, conducive nature of work and efficient supervision not only as strategies to reduce employees' turnover but also as the company retention strategy.

Key words: Job satisfaction, Turnover Intentions, Pay, Nature of work, Supervision.

#### Introduction

There is a general consensus that there exists a managerial problem of finding successful mechanism of retaining employees especially in a job environment that is characterized by constant yearnings for pay rise. Employee job satisfaction has influence on employee turnover in organisations. This implication of this is that the extent to which an organisation is able to retain it's employees' depend on the level of job satisfaction that are made available to these workers. Job satisfaction is known to have positive impact on employee turnover intentions. It means that dissatisfaction on the job increases or will increase the rate of employee turnover intention in organisation.

Dessler (1978:37) refers to job satisfaction, 'as the degree of needs satisfaction that is derived from and or experienced on the job'. He affirms to the ability of employees in an organization aspirations, feeling happy doing their job with the hope that their needs will be achieved.

Consequently, the inability of employees to achieve their needs will amount to dissatisfaction. Robin (1989) defined job satisfaction as a general attitude towards an individual's job, and the difference between the amount of reward workers receive and the amount they believe they should receive. It is Robin's opinion that a person with a high level of job satisfaction holds positive attitude toward the job while the person who is dissatisfied with the job holds negative attitude about the job. This study indicates that job dissatisfaction is widespread and employees are observed to work smart when they are adequately trained and have been on a job long enough to reap the benefits from their training (Beach, 1990). Also satisfied employees are known to show higher level work performance in organisations. By analysing job satisfaction an organisation can possibly increase positive outcomes such as employee satisfaction and performance, and may decrease absenteeism and turnover. Investigating the employee's value-perception can aid in managers building and creating work environments that help them to achieve high levels of employee satisfaction.

The intention of investigating employee job satisfaction is therefore a step toward creating a healthy psychological contract for people at work (Schermerholn JR, 1996). This research therefore, seeks to evaluate the antecedents of employee turnover in the Total Nigeria PLC with a view to understanding its retention strategy. It would also evaluate the level of employee job satisfaction in relation to pay, nature of work and supervision as well as recommend ways of sustaining or improving on the company's retention strategy. This research study would help in mapping out strategies and methods that would foster objective conclusions.

#### 2.1 Literature Review

This section provides an overview of the existing literature on 'job satisfaction' and 'Employee Turnover.' It highlights various theoretical frameworks relevant to the investigation. It presents the definition of employee turnover, discusses the impact of employee turnover on organization, and identifies the antecedents of turnover, including job related factors. These literatures will assist in constructing frameworks for further research

## **Definition of Employee Turnover**

Employee Turnover is the ratio of the number of workers that had to be replaced in a given time period to the average number of workers (Agnes, 1999). In simpler terms, employee turnover is the series of actions that it takes from the employee leaving to his or her being replaced. It is often utilized as an indicator of company performance and can easily be observed negatively towards the organization's efficiency and effectiveness (Glebbeek & Bax, 2004). It is defined (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. Frequently, managers refer to turnover as the entire process associated with filling a vacancy: each time a position is vacated, either voluntarily or involuntarily, a new employee must be hired and trained. This replacement cycle is known as turnover (Woods, 1995).

However, for the purpose of this study, the term 'leaving' and 'separating 'are used to imply termination of an employment contract with a particular organization. It is the rate at which an employer gains and loses employees. Thus, employee turnover is not a relatively new concept in management but a typical issue in human resources management that is presently attracting the attention of public administration and industrial relations management practitioners across the globe. Aside the cost of investment in employees, with globalisation, which is heightening competition, organizations must continue to develop tangible products and provide services, which are based on strategies created by employees (Ongori, 2007).

This term is also often utilized in efforts to measure relationships of employees in an organization as they leave, regardless of reason. "Unfolding model" of voluntary turnover represents a divergence from traditional thinking (Hom and Griffeth, 1995) by focusing more on the decisional aspect of employee turnover, in other words, showing instances of voluntary turnover as decisions to quit. Indeed, the model is based on a theory of decision making, image theory (Beach, 1990). The image theory describes the process of how individuals process information during decision making. The underlying premise of the model is that people leave organizations after they have analyzed the reasons for quitting. Beach (1990) argues that individuals seldom have the cognitive resources to systematically evaluate all incoming information. They rather compare incoming information to more heuristic-type decision making alternatives.

#### 2.1.2 **Types of Employee Turnover**

#### Voluntarily vs. Involuntary

The separation of employees from an organization may be due to voluntary or involuntary turnover. It is voluntary when the choice of leaving the organization is initiated by the employee and involuntary where the employee has no choice in their termination. It may result from the following situations: dismissal, retrenchment/redundancy, retirement, long term sickness, physical/ mental disability, moving /relocating abroad, death.

#### **Internal vs. External**

Employees' turnover can be classified as either internal or external. It is internal when employees leave their current assignment and take up new roles or positions within the organization. This could bring both positive and negative feelings.

The feeling could be positive if the new position brings about increased morale from the change of task and supervisor; alternatively, it could be negative if the new position is project related or relational disruption like holding brief for a colleague in another location. The effect of this internal turnover may be important as to require monitoring just like the external turnover. Human resource mechanism such as recruitment policy and succession planning can be used to control internal turnover.

#### • Skilled vs. Unskilled

Unskilled employees who are generally known as 'contract staff' usually experience high turnover. The reason for their exit is not far-fetched. This category of employees do not have status of permanent contract and consequently do not enjoy the same condition of service like their permanent counterpart, as a result, they leave the organization at the slightest opportunity of having a more favourable job. Employers do not worry about this kind of turnover because of the ease of hiring new ones. On the other hand, high turnover of skilled employees pose a risk to the business and ultimately in the organization in the form of human capital lost. These include skills, training and acquired knowledge. Since these specialised employees have skills that are relatively scarce and can be re-employed within the same industry, their leaving can act as a competitive disadvantage to the organization in addition to the cost of replacing them. These costs can be enormous especially if the employees occupy strategic position and play key roles in the organization.

#### 2.1.3 Impact of Employee Turnover on the Organisation.

The reason so much attention has been paid to the issue of turnover is because turnover has some significant effects on organizations (DeMicco and Giridharan, 1987; Dyke and Strick, 1990; Cantrell and Saranakhsh, 1991; Denvir and Mcmahon, 1992). Many researchers argue that high turnover rates might have negative effects on the profitability of organizations if not managed properly (Hogan, 1992; Wasmuth and Davis, 1993; Barrows, 1990).

An employee leaving a company for whatever reason must have an effect on the organization and the people that compose it. Employee turnover is expensive from a business point of view and Voluntary quits which represents an exodus of human capital investment from organizations and the subsequent replacement process entails manifold costs to the organizations. These replacement costs include for example, search of the external labour market for a possible substitute, selection between competing substitutes, induction of the chosen substitute, and formal and informal training of the substitute until he or she attains performance levels equivalent to the individual who quit (John, 2000). In addition to these replacement costs, output would be affected to some extent or output would be maintained at the cost of overtime payment. Asides from economic effect, uncontrolled employee turnover can actually have social and psychological effects.

Gustafson (2002) argue that turnover include other costs, such as lost productivity, lost sales and management's time. She estimates the turnover costs of an hourly employee to be \$3,000 to \$10,000. This clearly demonstrates that turnover affects the profitability of the organization and if it's not managed properly it would have the negative effect on the profit. Research estimates indicate that hiring and training a replacement worker for a lost employee costs approximately 50 percent of the worker's annual salary (Johnson, 2000) – but the costs do not stop there. Each time an employee leaves the firm, we presume that productivity drops due to the learning curve involved in understanding the job and the organization. Furthermore, the loss of intellectual capital adds to this cost, since not only do organizations lose the human capital and relational capital of the departing employee, but also competitors are potentially gaining these assets (Meaghan, 2002). Therefore, if employee turnover is not managed properly it would affect the organization adversely in terms of personnel costs and in the long run it would affect its liquidity position.

#### 2.1.4 Theoretical Framework and Hypotheses

There are very few areas in industrial and organization psychology that have received as much attention and research as employee turnover. Most researchers, including Bluedom, (1982), March and Simon (1958), Pettman (1973), Porter and Steers (1973); Price (1977), and Peters, Bhagat, and O'Connor. (1981) have attempted to investigate what determines people's intention to quit by examining the possible antecedents of employees intentions to quit. The researchers employed different methods of approaches and analytical techniques, consequently, to date; there has been little consistency in their findings. Therefore, there are several reasons why people leave an organization.

The reasons range from job-related factors, external factors to personal characteristics of the employees. These previous reviews have agreed on some factors concerning turnover; factors such as effectiveness of job satisfaction, age and tenure as predictors of turnover.

The framework for this research includes independent and dependent factors: Job satisfaction and employees' turnover intention as variables in this study. Turnover intention has been widely used in past research as an appropriate dependent variable as it is linked with actual turnover. Bluedom(1982) and Price and Muller(1981) recommended the use of turnover intention over actual turnover because actual turnover is more difficult to predict than intentions as there are many external factors that affect turnover behaviour. Our discussions below will provide a theory underpinning testable hypothesis.

### 2.1.5 Antecedents of Employee Turnover Job Satisfaction.

An essential factor in an organisation success is job satisfaction and it is defined in various contexts by different authors.

Low absenteeism is associated with high job satisfaction while high turnover and absenteeism are said to be related to job dissatisfaction (Saifuddin, Hongkraclent and Sermril, 2008). The Mobley model (Lee, TW 1988.) was a landmark conceptual piece that persuasively explained the process of how job dissatisfaction can lead to employee turnover. The model proposes that an employee normally experiences seven sequential and intermediate stages between job dissatisfaction and eventual turnover. Mobley theorized that job dissatisfaction leads an employee (1) to think about quitting, which may help that employee to lead in. (2) To evaluate the expected usefulness of searching for another job and the costs associated with quitting the current job. From the evaluation, 3) an intention to search for alternative jobs may occur, which in turn likely leads the employee 4) to intend searching for alternative jobs and 5) to the evaluation of the acceptability of any specific alternatives. From that second evaluation, the employee would likely 6) compare the new alternatives to the current job which in turn can lead to 7) an intention to quit, and eventual employee turnover. The experience of job related stress (job stress), the range factors that lead to job related stress (stressors), lack of commitment in the organization; and job dissatisfaction make employees to quit Flirth, David, Millor, Moore and Claude, (2004).

This study considers three facets of job satisfaction that affect employee turnover intention namely satisfaction with pay, satisfaction with nature of work, and satisfaction with supervision as relevant in the Nigerian context. Based on personal experience we find that pay is considered one of the most important factors influencing employee turnover in Nigeria. The reasons are high inflation in the economy which has adverse effect on the cost of living and extended family dependency. Culturally, much is expected from an average worker in Nigeria in terms of financial support to both his immediate and extended family as well as personal crave and societal recognition for monetary success.

Porter and Steers (1973), and Price (1977) reported 'pay' to be consistently and negatively related to turnover. However, Mobley, Griffeth, Hand and Meglino, (1979) review concludes that findings concerning pay are not conclusive. According to Griffeth, Hom, Gaertner (2000), pay and pay-related variables have a modest effect on turnover. Their analysis also examined the relationship between pay, a person's performance and turnover. They concluded that when high performers are inadequately rewarded, they quit. It is their opinion that jobs which provide adequate financial incentive are more likely to make employees to stay with the organization. Large organizations can provide employees with better chances for advancement and higher wages and hence ensure organizational attachment (Idson and Feaster 1990). Contrary to the two-factor theory of Herzberg (1960) and Herzberg, Mausner and Snyderman (1959) 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 etc. These factors encourage effective performance and ensure job satisfaction. Pay and supervision are "demotivators or dissatisfiers" as used in the Herzberg's terminology and do not encourage job satisfaction. This implies that pay and supervision rather have positive effect on employees' turnover intention.

The nature of work in Nigeria is also an important consideration because of higher educational levels and the level of affluence of Nigerians. Past generation of employees were basically school leavers who did not care much about the kind of work they were doing. They joined organisations and rose through the ranks and hardly left since they were not so educated.

Ologunde (2005) found that satisfaction with the nature of work is negatively related to turnover intention in her sample of University Teachers in South-western Nigeria. Koh and Goh (1995) also found that satisfaction with the nature of work was negatively associated with turnover intention in their sample of clerical employees in the banking industry in Singapore. This relationship it is believed will hold for other jobs and industries likewise.

Debrah (1993) noted that a supervisor with poor interpersonal skills and who is also inflexible very quickly drives employees away. Muchinsky (1990) argues that insufficient information on how to perform the job adequately, unclear expectations of peers and supervisors, ambiguity of performance evaluation methods, extensive job pressures, and lack of consensus on job functions or duties may cause employees to feel less involved and less satisfied with their jobs and careers, less commitment to their organization, and eventually display a propensity to leave the organization (Tor et al., 1997). If roles of employees are not clearly spelled out by management/supervisors, this would accelerate the degree of employees quitting their jobs due to lack of role clarity.

In view of the above arguments, we hypothesize as follows:

H1: The greater is the employee's Job satisfaction the less likely they are to express the intention to quit. Specifically:

H1a: The higher the satisfaction with pay the lower is the employee turnover intention

H1b: The higher the Satisfaction with nature of work the lower is the employee turnover intention

H1c: The higher the Satisfaction with supervision the lower is the employee turnover intention.

#### 3.1 Research Methods

To carry out this examination, three research methods were employed: A survey of the company employees, interviews with selected HR experts and a review of archival documents.

The primary data included an evaluation of the company HR strategy as well as a conducted survey on 300 employees of the company using questionnaire and personal interview. The questionnaires were self administered. A review of archival documents was equally done to throw more light on the company retention strategy thrust in the area of collective agreement between employees and management regarding incentives. The types of data collected were basically primary data. These were collected using questionnaire and personal interview. The questionnaires were self administered. The questions were framed in a manner whereby the respondents would provide direct information that would help to provide answers to some of the research questions and in testing the hypotheses. Other documents examined were journals, handbooks, relevant publications and company's website/document

### 3.1.1 Questionnaires

These were administered on 300 permanent employees of Total Nigeria PLC out of a total number of 481 excluding expatriates (5), Executive management (6) and junior staff (40). This target population of employees is chosen to focus on those categories that are more susceptible to quit the company. These are senior staff (339), Middle management (59) and senior management (32) {Company payroll, Nov 2011}. Nowadays, a greater population of the company's employees are in senior staff category since most entry level are employed at senior staff aside artisans such as technicians, Drivers and other contract employees who are recruited as 'service providers'. A survey was conducted via the company intranet to the sample population and this was followed up with email reminders and phone calls to aid prompt responses. By utilizing Questionnaires, the research would have a better probability of providing a more accurate reflection of the trend of responses. Responses were then grouped and analysed as they answer question items.

#### 3.1.2 Interview

Interview was conducted with three Human Resources Executives: the GM Human Resources, Employees relations Manager and Human capital Manager. These executives, in their various official capacities have the responsibility of formulating and implementing most of the employee's management policies of the company. The focus of the interview questions was to allow for more in-depth discussion around the questions that are presented in the questionnaires.

#### 3.1.3 Archive documents

The employees of the company are under a union which operates a collective agreement with the company. 'Employees collective agreement' and Employee relations handbook, which are products of these agreements, spell out most of the Principles and policies that guide the general welfare, condition of service and conduct of employees. The 'collective agreement' document is reviewed between the employees (union) and the company management bi-annually. A copy of both documents was examined to ascertain their impact or relevance to employee retention. Other relevant sources such as the company website, bi-monthly journal, magazine and other publications were also examined.

### 3.1.4 Assumptions and Description of Data Collection

The data was collected from the target population of 300 questionnaires (sample employees) of Total Nigeria PLC only. The company has total staff strength of 481 permanent employees. However, the categories more susceptible to quit constitute largely the sample population. The study therefore excluded junior staffs (40) who were basically artisans, General Managers (6), expatriates (5) and contract employees. This was done to narrow down the population to a more realistic and representative of the employee population. The data was collected using a survey of the sample of the staff of the company and several interviews with the HR manager which corroborate questionnaire items. To measure job satisfaction, the items from the Index of organizational reactions was used (Smith, 1976) for satisfaction with pay and supervision while satisfaction with the nature of work, items from Minnesota satisfaction Questionnaire (Weiss, Dawis, England and Lofquist, 1967). In addition, the items from (Camman, Fichman, Jenkins and Klesh 1979) were used for turnover intention.

Generally, the questions were drawn to focus on employees' perception of job satisfaction in supervision.

### 4.1 Data Analysis and Interpretation

In this section questionnaire responses that support the statement of hypotheses are presented and interpreted. The simple descriptive percentage method was adopted. Then chi-square method was used basically to analyze, evaluate and interpret the stated hypotheses from which an accepted or rejected decision was made. The hypotheses were tested at 0.05 level of significance in this study.

Q6. Table 1: How Adequate Is The Respondents ' Pay Considering The Area

No of Respondents **Adequacy of Pay** Percentage Very Inadequate 4 4.3

More than Adequate

Inadequate 40 43.3 Undecided 8 8.6 Adequate 41 44.1

In table 1, the respondents considered whether their pay is adequate or not considering the cost to live in the area and 44.1 %(44) said the pay is adequate while a sum of 47.6%(44) deemed it as inadequate.

0.0

**Q7.** Table 2: How Poor is the Amount of money respondents make Considering The Job.

	No of Respondents	Percentage
Very poor	4	4.3
Poor	31	33.0
Undecided	7	7.4
Good	52	55.3
Extremely good	0	0.0

The respondents in table 2 were asked to ascertain if for the job they do, they feel satisfied with the amount paid. A of 37.3% (35) say it is poor while 55.3% (52) say it is good. It establishes that there is a level of organizational loyalty

**Q8.** Table 3: The Way Pay is Handled, Does it encourage or discourage hard work

	No of Respondents	Percentage
It definitely discourages hard work	1	1.1
It discourages hard work	19	20.0
Undecided	25	26.3
It encourages hard work	49	51.6
It definitely encourages hard work	1	1.1

In table 3, a sum of 52.7% (50) respondents are encouraged by the way the pay is handled, 26.3%(25) are undecided and only a sum of 21.1%(20) are grieved about how the pay is handled.

**Q9.** Table 4: Satisfaction derived from Chance to Try His / Her Own Method of Doing Job.

	No of Respondents	Percentage
Very dissatisfied	2	2.2
Dissatisfied	3	3.3
Undecided	8	8.7
Satisfied	64	69.6
Very satisfied	15	16.3

Table 4 show responses on the satisfaction derived from trying their own method of doing the job, 86% (79) feel satisfied while a paltry sum of 5.5% (5) feel dissatisfied.

Q10. Table 5: Satisfaction derived from The Chance to do Something That Make Use of His /Her Abilities

	No of Respondents	Percentage
Very dissatisfied	3	3.2
Dissatisfied	8	8.4
Undecided	5	5.3
Satisfied	56	58.9
Very satisfied	23	24.2

Table 5 show 83.1% (79) feel satisfied for chance to make use of their ability at work against the 11.6(11) that are dissatisfied.

Q11. Table 6: Satisfaction Derived From Using His / Her Own Judgement

	No of Respondents	Percentage
Very dissatisfied	3	3.2
Dissatisfied	7	7.4
Undecided	11	11.7
Satisfied	61	64.9
Very satisfied	12	12.8

In table 6 the 78% (73) respondents feel satisfied for the freedom to make use of their own judgment while a negligible 10.6 % (10)were dissatisfied.

Q12. Table 7: Do respondents have the feeling he/she would be better off working under different supervision.

	No of Respondents	Percentage
Very dissatisfied	3	3.2
Dissatisfied	21	22.3
Undecided	13	13.8
Satisfied	49	52.1
Very satisfied	8	8.5

Asked if people would be better off working under different supervision, table 7 show 60.6 (57) hardly or never feel this way while 25.5(24) almost always feel this way.

Q13 Table 8: Respondents Rate the Kind of Supervision Received

	No of Respondents	Percentage
Greatly discourages me from giving extra effort	3	3.2
Discourages me from giving extra effort	6	6.4
Undecided	7	7.4
encourages me from giving extra effort	73	77.7
Greatly encourages me from giving extra effort	5	5.3

From table 8 above, the supervision received greatly encourages 83% (78) and discourages 9.6% (9) of the respondents indicate that the majority did not complain about supervision that they give to them.

Q14 Table 9: Respondents Rate The Way He / She is Treated by those who Supervise or influence their **Attitude Toward Job** 

	No of Respondents	Percentage
Very unfavourable influence	3	3.2
unfavourable influence	8	8.6
undecided	8	8.6
favourable influence	69	74.2
Very favourable influence	5	5.4

Here table 9 shows that supervisor treatments have favourable influence on the attitude of the respondents to work as 79.6% (74) of them noted. Implication is that the supervisees enjoy the supervision.

# **4.1.1 Test of Hypotheses**

Tested hypotheses results are as shown in the tables below using Chi- Square (X<sup>2</sup>) Analysis based on 0.05 probability level of significance:

Hypothesis H1: The greater the employee job satisfaction the less likely they are to express intention to quit specifically.

Table: 10a.

### **RESPONSES (Q15, Q16 & Q17).**

Q15	SD	D	UN	A	SA	TOTAL
	23 (8.6)	119(45.2)	85 (32.3)	28 (10.8)	8 (3.2)	263
Q16	46 (17.4)	125 (47.8)	46 (17.4)	46 (17.4)	00.0	263
Q17.	31(12.0)	111 (42.4)	80 (30.4)	29 (10.9)	11(4.3)	262
TOTAL	100 (38)	355(50.6)	211 (80.1)	103(39.1)	19 (7.4)	788

Table: 10b

#### **Computation of Calculated Chi-Square Value.**

Responses	O	Е	О-Е	$(O-E)^2$	$(O-E)^2$
					E
STRON.DIS.	100	157.6	-57.6	3317.76	21.05
DISAGR.	35	157.6	-122.6	15030.76	95.37
UND.	211	157.6	53.4	2831.56	95.37
AGRE.	103	157.6	-54.6	2981.16	18.92
STRO. AGRE,.	19	157.6	-54.6	19209.96	121.89
TOTAL	788				352.6

Expected Value = 
$$352.6$$

$$= 70.52$$

CAL 
$$(X^2) = \sum (O-E)^2$$
  
 $E = 352.6$ 

Level of significance = 0.05

Tab 
$$(x^2)$$
= 9.48773.

Decision: Since the calculated chi- square  $(x^2)$  value is greater than tabulated chi- square value (9.48733) at 4 degrees of freedom under 0.05 probability level, we reject the null and accept that the greater is the employee job satisfaction the less likely they are to express intention to quit specifically.

Hypothesis 1a: The higher the satisfaction with pay, the lower the employee turnover intention. Table :11a

### RESPONSES (Q6, Q7 & Q8).

Q6	SD	D	UN	A	SA	TOTAL
	11	113	23	116	0	263
Q7	11	87	20	146	00.0	264
Q8.	3	53	69	137	3	265
TOTAL	25	253	112	399	3	792

Table: 11b. Computation of Calculated Chi-Square Value. (Q6, Q7 & Q8).

Responses	О	Е	О-Е	$(O-E)^2$	$(O-E)^2$
					E
V. INAD.	25	158.4	-133.4	177.9556	1.12
INAD.	253	158.4	94.6	89.4916	0.56
U	112	158.4	-46.4	21.5296	0.14
A	399	158.4	240.6	578.8836	3.65
MAD	3	158.4	-155.4	241.4916	1.52
TOTAL	792				6.99

Expected Value= 792

CAL 
$$(X^2) = \sum (O-E)^2$$
  
 $E = 6.99$ 

Tab 
$$(x^2) = 9.48773$$
.

Decision: Since the calculated chi- square  $(x^2)$  value is less than tabulated chi- square value (9.48733) at 4 degrees of freedom under 0.05 probability level, we reject the alternative and conclude that higher satisfaction with pay does not imply the lower the employee turnover intention.

Hypothesis 1b: The higher the satisfaction with nature of work the lower the employee turnover intention.

## Table: 12a

# **RESPONSES (Q9, Q10 & Q11).**

Q9	SD	D	UN	A	SA	TOTAL
	6	9	23	182	42	262
Q10	9	22	14	156	64	265
Q11	8	20	31	171	34	264
TOTAL	23	51	68	509	140	791

Table: 12b . Computation of Calculated Chi-Square Value. (Q9, Q10 & Q11).

Responses	О	Е	О-Е	$(O-E)^2$	$(O-E)^2$
					 E
V.DISSAT	23	158.2	-135.2	183	1.16
DISSAT.	51	158.2	-107.2	114.92	0.73
UN	68	158.2	-90.2	81.36	0.51
SAT	509	158.2	350.8	1230.61	7.78
V. SAT.	140	158.2	-18.2	331.24	2.09
TOTAL	791				12.27

CAL 
$$(X^2) = \sum (O-E)^2$$
\_ = 12.27
E

Level of significance = 0.05

Tab 
$$(x^2) = 9.48773$$
.

Decision: Since the calculated chi- square (x<sup>2</sup>) value is greater than tabulated chi- square value (9.48733) at 4 degrees of freedom under 0.05 probability level, we reject the null and accept that the higher the satisfaction with the nature of work, the lower the employee turnover intention.

Hypothesis 1c: The higher the satisfaction with supervision the lower is the employee turnover intention.

Table: 13a

# **RESPONSES (Q12, Q13 & Q14).**

Q12	SD	D	UN	A	SA	TOTAL
	8	59	36	138	22	263
Q13	8	17	20	205	14	264
Q14	8	23	23	195	14	263
TOTAL	24	99	79	538	50	790

Responses	0	Е	О-Е	$(O-E)^2$	$(O-E)^2$
					 E
STRO. DIS.	24	158	-134	17956	113.65
DISAGR.	99	158	-59	3481	22.03
UND.	79	158	-79	6241	39.5
AGRE.	538	158	380	144400	913.92
STRO. AGRE,.	50	158	-108	11664	73.82
TOTAL	790				1162.92

Table:13b Computation of Calculated Chi-Square Value. (Q12, Q13 & Q14).

Expected Value=790 
$$= 158$$

CAL 
$$(X^2) = \sum (O-E)^2$$
= 1162.92

E

D. F=N-1=5=4

Level of significance = 0.05

Tab 
$$(x^2)$$
= 9.48773.

Decision: Since the calculated chi- square  $(x^2)$  value is greater than tabulated chi- square value (9.48733) at 4 degrees of freedom under 0.05 probability level, we reject the null and accept that the higher the satisfaction with supervision the lower is the employee turnover intention.

#### **5.1 Discussion of Findings**

The greater the job satisfaction the less likely is the turnover intention, thus confirming previous literature that a person with a high level of job satisfaction holds positive attitude toward the job and conversely the person who is dissatisfied with the job holds negative attitude about the job. It means that employees who are satisfied on their job will retain their jobs and not quit. So increase in job satisfaction will result in decrease in employee turnover. There are various factors or causes of employee satisfaction which resulted to labour turnover in Total Nigeria PLC. They included:

- Satisfaction with pay;
- Satisfaction with nature of work and
- Satisfaction with supervision.

# a. Job Satisfaction with Pay

Research findings show that the higher the satisfaction with pay, the lower the employee turnover intention. This finding contradicts previous studies pay as being consistently and negatively related to turnover, inconclusively and have modest effect on turnover (Porter and Steers,19973; Price, 19977; Mobley et al., 1979; and Griffeth,2000). These findings are in line with studies carried out by (Herzberg, Mausner and Sayderman, 1959 and Herzberg, 1966) which reported that determinants of employee satisfaction are factors intrinsic to the work that is done, that is recognition, achievement, responsibility, advancement, personal growth on the job. These factors are called "motivators" which guarantee effective performance and ensure employees job satisfaction.

On the other hand, pay, supervision among others, according to Herzberg, (1966), are extrinsic or hygiene factors which in Herzberg's term called "dissatisfiers" or "demotivators". They do not guarantee or ensure effective performance and job satisfaction. Employees derive more satisfaction when more challenging task is done than when their satisfaction is based on pay.

## b. Job Satisfaction with Nature of job.

The research finding confirmed that the higher the satisfaction with nature of work the lower the employee turnover intention. This means that satisfaction with nature of work is negatively related to turnover intention. This also corroborates findings in the research by Ologunde, (2005); Koh and Goh (1995) which reported that satisfaction with the nature of work is negatively related to turnover intention in sample of university teachers in south western Nigeria and sample of clerical employees in the banking industry in Singapore respectively. The same will hold for other jobs and industries likewise. Employees of Total Nigeria PLC are satisfied with nature of work. Evidence from this study confirms that employees are permitted to use their own abilities, judgment and methods to schedule and perform their jobs. These constituted employee retention strategy of company, thus reduces labour turnover intention

#### c. Job Satisfaction with Supervsion

Research revealed that the higher the satisfaction with supervision the lower the employee turnover intention. It was supported in Tor et al. (1997) insufficient information on how to perform the job adequately; unclear expectations of peers and supervisors, ambiguity of performance evaluation methods, extensive job pressures and lack of consensus on job functions or duties may cause employees to feel less involved and less satisfied with their jobs and careers. Less commitment to their organisation and eventually display propensity to leave the organisation (Muchinsky, 1990). Lack of role clarity by management can lead to labour turnover According to Herzberg (1966) supervision is an extrinsic factor and a "dissatisfier" as well as a "demotivator" just like pay. This is because employees tend to perform better when they have under less supervision and freedom to exercise initiatives, judgment and self approach to work

### Implications for Total Nigeria PLC.

- Specifically, job satisfaction reduces employee turnover intention.
- ii. Indices like employees' initiatives, autonomy, individual competences, self approach etc reduce employees' turnover.
- iii. Less supervision, clarity of roles, job functions and so on reduce rate of turnover intention.
- iv. Pay package alone cannot enhance full satisfaction. In addition to pay, other intrinsic elements are required to motivate workers to remain on their jobs.

In conclusion, answers from this empirical study, Total Nigeria PLC no doubt adopts standard pay structure, conducive nature of work and a suitable supervision tactics in accomplishing employees satisfaction on their jobs. All these constitute veritable policy instrument for retention and as strategies which have the tendency to reduce employee turnover and enhance job satisfaction in the organisation.

### References

Agnes, M. (1999). Webster's New World College Dictionary (4th Edition). New York, NY: Macmillian USA.

Barrows C (1990). "Employee turnover: implications for hotel managers", FIU Hosp. Rev. pp.24-31.

Beach L.R (1990) Image theory: Decision making in Personal and organizational contexts, Wiley, Chichester, pp3-10.

Bluedorn, A.C (1982a). The theories of turnover: causes, effects and meaning.

Bluedorn, A.C (1982b). A unified model of turnover from organizations, *Human Relations*, 35:135-153.

Cammann, C., Fichman, M., Jenkins, D. and Klesh, J. (1979). The Michigan Organizational Assessment Questionnaire. Unpublished Manuscript, University of Michigan, Ann Arbor, Michigan

Cantrell N, Sarabakhsh M (1991). "Correlates of non-institutional food service turnover". FIU Hosp. Rev. pp.52-9.

Debrah, Y (1993). Strategies for coping with employee retention problems in small and medium enterprises (SMEs) in Singapore, Entrepreneur, Innovation and Change, 2,2, 143-172.

DeMicco, F.J, Giridharan J (1987). 'Managing employee turnover in the hospitality industry', FIU Hosp. Rev. Pp26-

Denvir A, .McMahon F (1992). Labour turnover in London hostels and the cost effectiveness of preventive measures' int. J. Hosp. Manage, 11 (2): 143-540.

Dessler, G. (1978). Personnel Management, Modern Concept and Techniques, Virginia: Renton publishing company Inc.

Dyke T.V, Strick S. (1990). "Recruitment, selection and retention of managers in the hotel and restaurant industry", FIU Hosp.Rev.pp.1-9.

Firth L, David J Mellor, Moore K A, Claude Loquet (2007). How can managers reduce employee intention to quit? *J. Manage, psychol.* 19 (2) 170-187.

Glebbeek, A.C & Bax, E.H. (2004). Is high employee turnover really harmful: An empirical test using company records". *Academy of Management Journal*, 47 277-286

Griffeth R.W, Hom P W, Gaertner S, (2000). 'A Meta-Analysis of Antecedents and correlates of Employee Turnover: Update, Moderator tests, and Research implications for the next millennium'. *Journal of Management, vol. 26*, No3, 463-488.

Gustafson C. M (2002). 'Staff turnover: Retention' International j, contemp. Hosp. Manage. 14(3):106-110.

Herzberg, F. (1966). Work and the Nature of Man. Cleveland: World.

Herzberg, F.W., Mausner, B., and Sayderman (1959). The Motivation to Work. New York: Wiley.

Hogan JJ (1992). "Turnover and what to do about it", The Cornell HRA Quarterly. 33 (1):40-45.

Hom P.W, Griffeth R.W (1995). Employee turnover, South Western college publishing, Cincinnati, OH PP. 200-340

Idson T.L, Feaster D.J (1990). 'selectivity model of employer-size wage differentials'. J Labor Econ. 8:99-122.

John Sutherland (2000). 'Job-to-Job turnover and Job to-non-employment movement' Personnel Review, 31(6): 710-721.

Koh, H.C. and Goh, C.T. (1995). An analysis of the factors affecting the turnover intention of non-managerial clerical staff: A Singapore study. *The International Journal of Human Resource Management*, *6*(1).

Lee,T W (1988). How job dissatisfaction leads to employee turnover *Journal of business and psychology*, *Vol.* 2, No.3, p. 263.

Meaghan Stovel, Nick Bontis (2002), Voluntary turnover: knowledge management-friend or foe? *J. intellect. Cap. 3* (3): 303-322.

Mobley, W.H (1977). Intermediate linkages in the relationship between job satisfaction and employee turnover, *Journal of Applied Psychology*, 62:237-240.

Mobley, W.H., Griffeth, R.W., Hand, H.H. and Meglino, B.M. (1979). Review and conceptual analysis of the employee turnover process. *Psychological Bulletin*, 86: 493-522.

Ologunde, A.O. (2000). Motivation and Labour Turnover among University Teachers in Southwest Nigeria. Unpublished M. Phil Thesis, Department of management and Accounting, Obafemi Awolowo University, Ile-Ife, Nigeria.

Ologunde A.O, Asaolu T.O, Elumilade .D.O (2003). 'Labour Turnover among University Teachers in South-western Nigeria- Issues, Solutions and Lessons'.Department of management and Accounting, Obafemi Awolowo University, Ile-Ife, Nigeria. <a href="http://unpan1.un.org/intradoc/groups/public/documents/aapam">http://unpan1.un.org/intradoc/groups/public/documents/aapam</a>. Accessed on 10/10/2011.

Ongori, H (2007).' A review of the literature on employee turnover'. *African journal of Business Management*' 049-054, June.

Peters L, Bhagat R, O'Connor EJ (1981). "An examination of the independent and joint contribution of organizational commitment and job satisfaction on employee intention to quit", Group *Org. Studies*, 6: 73-82.

Porter L.W, Steers R.M, Mowday R.T, Boulian P.V (1974). Organizational commitment, job satisfaction, and turnover among psychiatric technicians' J. *Applied Psychol.* 59:603-609.

Price, J.L & Mueller, C.W (1981). A causal model of turnover for nurses, Academy of Management Journal, 24:543-565.

Saifuddin, Hongkrailert, N., Sermsri, S. (2008). Job Satisfaction among nurses in Aceh Timer district Nanggroe Aceh Darussalam province Indonesia.

Schermerholn, JR (1996). Essentials of management and organizational behavior

Total Nigeria PLC website: www.total.com.ng

Total Nigeria PLC (2010): 'Collective Agreement between Total Nigeria PLC & Petroleum and Natural Gas Senior Staff Association of Nigeria' (PENGASSAN).

Total Nigeria PLC (2008): 'The Employee Handbook for Total Nigeria PLC.

Tor G, Owen J.E (1997) 'Assessing employee turnover intentions before and after TQM' *International J. Qual. Reliability manager. 14* (1): 46-63.

Wasmuth WJ, Davis S W (1993). "Managing employee turnover: why employees leave", The Cornell HRA Quarterly, pp.11-18.

Weiss, D.J., Dawis, R.V., England, G.W. and Lofquist, L.H. 1967. Manual for the Minnesota Satisfaction Questionnaire: Minnesota studies in vocational rehabilitations. Minneapolis: Industrial Relations Center, University of Minnesota.

Woods, R. H. (1995). *Managing Hospitality Human Resources*. 2nd. Ed., Lansing, MI: American Hotel and Motel Association.