

PSYCHOSOCIAL FACTORS PREDICTING EMPLOYEES' TURNOVER INTENTION

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Abstract

The present study examined perceived trust and procedural justice in management lay-off decisions, tenure, age and gender as predictors of employees' organizational turnover intention. The survey utilized the correlation design as the research design for this work. A total of 400 participants responded to the questionnaires. In all, 228 male (57%) and 172 females (43%) participated. Average age was 34.6 with a standard deviation of 6.18. Structured questionnaires were employed for data collection and the hypotheses were tested using multiple regression analyses. Results showed that, perceived procedural justice and trust in management lay off decision did not independently and jointly predict turnover intention $R^2 = 0.03$, $F(2,398) = .55$, $P > .001$). The results also revealed that, age, tenure and sex did not predict turnover intentions among textiles employees, $R^2 = 0.04$, $F(3,399) = 63$, $P > .001$. Based on the findings, recommendations were made.

Key words: *Perceived trust, Procedural justice, Tenure, Age, Turnover intention.*

INTRODUCTION

As a result of global economic recession, management teams are increasingly moving towards generating “mean and lean organizational structures (Hartley, 1995; Pfeffer, 1997), hundreds of organizations have conducted downsizing and layoff in the past decades with the intent of reducing costs, and promoting organizational efficiency. The few studies that have been conducted focus primarily on the needs for layoff in organizations and the layoff victims, rather than those who are part of the system during and after the layoff exercises that is, the survivors (Brockner, Konorky, Cooper-Schneider, Martin, & Bies, 1994). Reports also indicate that, layoff may have an effect on many survivors, after the reorganization which a times is described as rightsizing, the same employees expected to make the organization run more effectively with fewer human resources. Recently, the federal government of Nigeria, through its different ministries spokesmen and women informed Nigerian workers about the need for the government to reduce the already over bloated workforce. Barely two months into the year 2011 more than 4000 workers from old and new textile industries were thrown out of job as a result of industries' over dependence on government funding (The Nation News Paper, March 23, 2011).

This will not be the first time a gale of retrenchment will sweep through different government parastatals, corporate and private organizations. Earlier in the year 2011, the Federal Government of Nigeria indicated that over 40 percent i.e. (60,000) of its work force would be right sized as its resources were dwindling. Some of the reasons adduce for this decision, were redundancy, bad health, length of service and untrainable workers.

The manufacturing sector has also witnessed series of job losses in recent time. Textile industries are the worst hit as job losers are estimated to be tens of thousands as indicated by researchers. (Lambert & Hogan, 2009). Indeed, according to a recent survey, thousands of bank employees were disengaged recently as results of mergers and acquisition in the banking sectors. Many lost their job in the past five years due to what the management called uncondusive business environment in the country (Ojedokun, 2008).

The sensitive and elusive constructs of trust and organizational justice have long been considered important for a variety of organizational processes such as lay off decision making. Retaining and attracting competent employees in different strategic sectors of Nigeria economy is enormous challenge. Job attitude: such as turnover intention, a precursor to turnover in any organization, results in high

recruiting cost, selection and training cost. It is equally observed that, nowadays despite the serious unemployment situation in the country, it is not uncommon to see highly skilled personnel and professionals leaving one job for the other or even traveling out of the country for better prospects. Most employees cannot function in an environment that hardly reward their creativity and stimulate their minds into further initiative. It therefore becomes necessary for any organization that wants to attract and retain the best brain and expert, to understand feelings of their employees properly.

Trust in Management Lay-off Decision

Trust between management and employee is a valuable asset in employee-management relationship, (Udegbe, Balogun, Oshinowo & Sunmola, 1999). In fact the roles of trust have been recognized in employee and labour relations management literature. Whitener, Brodt, Korsgaard and Werner (1998) provided a three fact definition of trust: First, it reflects an expectation or belief that another person or party will act benevolently. Secondly, it involves willingness to assume the risk that the other person or party may not fulfill that expectation. Third, it involves dependency on another person or party. Robinson (2001) considered trust as attitudes held by one person or party (trustor) toward another person or party (trustee).

Because of the centrality of managerial trust to perceptions in organizational commitment and turnover intention in management layoff decision making, managerial trust building has been suggested as a strategy for mitigating perception of organizational commitment and turnover intention, particularly managerial behaviour integrity, consistency and concern for employees' welfare (Whitener, Brodt, Krorsgaard,&Werner, 1998).

People generally respond according to the way they are treated. If you give a little, you will invariably get a little back, hence the need for every worker most especially the management to make people feel important and give them a sense of personal worth.

Procedural Justice

Justice is very important to individuals in organizations because it shapes the employee's perceptions of fairness in the ways management handles various administrative decisions. Organizational justice deals with employees' perceptions of fairness in organizations, employees watch the way rewards and sanctions such as money, decisions about promotions, training, trips, transfers and

dismissal are allocated (Everton, Jolton, &Mastrangelo, 2007). These allocations can be viewed as fair or unfair according to three types of justice which include procedural, distributive and informational justices. Procedural justice describes whether the allocation process is fair. Employee's theft is a form of vengeance to perceived injustice on the part of employer. Feeling of being exploited by the organization and payment inequity often result in dissatisfaction. Employees might lower their inputs such as performance or even raise their outcomes (theft). Since there is a feeling of being maltreated, employees might perceive a moral justification for upgrading their wages by theft, or quit the work place (Greenberg and Barling 1996). It is therefore not an overstatement to say that, the procedure of communicating the layoff decision to the affected employee may go a long way in determining the turnover intention among the employee in the organization.

Turnover Intention

Turnover intention is the relative strength of employee intent to quit his or her job or organization voluntarily. Employee trust in management was found to be related to job attitude such as turnover intentions, job satisfaction and job performance (Cameron, Freeman & Mishra 1993). Similarly, Marsh and Mannari (1977) found out that, turnover intentions negatively correlates with trust in leadership in an electronic manufacturing company in Japan, a study was carried out using 600 participants from the company on the impact of employee perception of trust in the management of the company on job performances, turnover. Mash and Mannari, (1977) found out that, trust in the management significantly predicted the employee level of job performance and turnover intention, it was revealed that the greater the trust in the management, the lower the turnover intention and improve level of job performance.

Age, tenure and gender and employee's turnover intention.

The rationale for including employees' length of service as one of the factors that can influence employee's turnover intention was based on the belief that employees with long years of service have more to lose and, therefore, are presumably less likely to leave their organizations (Ritzer & Trice, 1969). O'Reilly and Chatman (1986) contend that employees with longer tenure may have a stronger identification with the value and goals of the organization. This invariably means that the longer the length of time in service the more adaptable the employees become. Freshly employed individuals usually have a burning desire to make things work, even in bad conditions, they still look at things with a positive eye. Stale or older employees on the other hand, lose that fresh zeal and the only thing that might keep it intact is their personal disposition and their

commitment towards the organization. Several studies that examined the effect of gender and employee attitudes posit that knowledge of the procedures' used in allocation of rewards are more important to women than men considering the fact that they are relatively underpaid (Lee, Pillutla & Law, 2000; Tata, 2000) . The literature on gender inequities has shown that women earn average of 70% of men's earning. Although different reasons (e.g. glass ceiling, glass wall effect, access discrimination, non-supportive work environment) for such wage differentials have been articulated, the fundamental inequalities in earring have not been eradicated. Such differences tend to be across various occupation and industries such as management (Schneer & Reitman, 1994), Lawyers (Wood, Corcoran & Courant, 1999) and private sector (Gerhart & Milkovich, 1989). Turnover intention or intention to quit or leave (as used interchangeably in literature) is an individual desire or willingness to quit or leave employer organization (Tett & Mayer, 1993; Elangovan, 2001). According to Price (2001), it is not just intending to quit the location, but the work role, the job, and also the organization. Turnover intention has been found to be one of the major determinants of turnover behavior (i.e., quitting behaviour) (e.g., Price, 2001; Brigham, Castro, & Shepherd, 2007). It can also lead to work overload, mistrust, disruption in workflow, and further turnover (Miller, 2010). These may jeopardize industrial sectors in Nigeria.

Hypotheses

The following hypotheses were tested:

- I. Trust in management and procedural justice in management lay off decisions will independently and jointly predict turnover intentions.
- ii. Age, Tenure and gender will independently and jointly predict turnover Intentions among employee.

METHOD

Design

The study adopted correlation design. There was no manipulation of any variables but respondents were asked to provide information as the situation applies to them. The independent variables are trust in management layoff decision, procedural justice, *tenure*, *Age and sex* and the dependent variable is turnover intention.

Participants

The participants in the study were four hundred (400) textile workers in the south

west Nigeria, selected through accidental sampling techniques. 57% (228) were male and 43% (172) were female. Their age ranged between 16 -60 yrs with a mean age of 34.62 (SD =7.38) The range of the respondent work experience was 13-34years (mean =6.73; SD = 4.33) It was later revealed that 19.7% had only SSCE, 17.3% were holder of Diploma Certificates, and 34.5% were HND / First degree holder while 29.4% had Postgraduate degrees.

In term of marital status, 25.55% were single, while 74.5% were married.

Instrument for Data collection

The questionnaire method was used for data collection.

Trust in management was measured using the Trust in management scale development by Udegbe & Andrew (2005). This is a 7 – item scale with a – 5 point Likert type response format ranging from (5) 'strongly agree to (1) strongly disagree'.

Low scores on the scale reflect low trust in management, while high scores on the scale indicate high trust in management, item 2 was reversely coded.

The authors reported alpha – coefficient of .73. However, for this study, the reliability estimate was .60, after item 2, 3, and 7 were discarded for been below the mean score during its test for validity.

However, the four items all has item total correlation of between 0.45 and 0.71.

The second scale (procedural justice scale) was an adapted version of a -13items scale developed by Niehoff & moorman 1991. It measure two dimension of procedural justice, namely, systematic and informative justice, with coefficient of .78 and .65 respectively.

The first five items measure systematic justices“ whiles the remaining measures information justice. The scale in a five point Likert – Type scale range from (1) strongly Disagree to strongly Agreed” the scale has a reported r .80. The reliability estimate for the present study is 0.93. In this study, systematic and information justice has a reported reliability coefficient of .93 and .83 respectively. High score on the scale indicated high level of fairness in management lay off decision. The third scale was turnover intention scale. Turnover intention was measured using a-3 items scale developed by Camman, C., Fishman, M., Jenkins, D. & Klesh., (1979). The author reported an alpha reliability value of .87. The scale is a five

point Likert-type scale range from (1) "Strongly Disagree" to (5) "Strongly Agree". Individual with low scores indicates they have low turnover intention while those with high scores have high turnover intention. In this research, reliability coefficient alpha of 0.45 was reported. Total by item correlation was done to test for the validity of the scale. The coefficients for the total by items reflect .60 for Items 1 and 2 while item 3 was discarded due to low reliability (< .30).

Procedure for Data Collection

Textiles industries in Nigeria being the major organization largely affected by large gale of layoff and downsizing phenomena, and also, one of the largest employers of labour outside Agriculture, was the targeted setting.

The researcher visited the three textile industries used in this study. They were located in Lagos State and Ibadan, Oyo State. In other to facilitate the processes of data collection, the researcher engaged the services of some employee in the industry to help in the administration and collection of the questionnaire. Department was not included as a demographic variable in the questionnaires and participants were provided envelopes to return the completed questionnaires. All these were aimed at concealing the identities of, and guaranteeing the confidentiality of the responses of the participants. The participants were instructed to drop the sealed envelope containing the completed questionnaire in a specified box at the security post the next day. This technique was adopted because the work schedule might not give the participants the opportunity of completing the questionnaires during office hours.

Accidental sampling technique was used in the selection of participants among the volunteered.

Statistical tools

The data obtained for the study were subjected to statistical test using multiple regression analysis for predictive purposes.

RESULTS

The hypothesis which stated that trust in management and procedural justice in management layoff decision will independently and jointly predict turnover intention was tested using multiple regression analysis and the results obtained is presented in the table one below

Table 1. A summary of multiple regression analysis showing the prediction of turnover intentions by trust in management and procedural justice.

Predictors	β	t	P	F	P	R^2
Procedural justice	.06	.86	>.05			
Trust in Management	.06	.91	>.05	.55	>.001	.003

N = 400, β = standardized regression weight computed at the end of each step, R^2 = Adjusted R^2

Table A. Showed that procedural justice and trust in management did not predict turnover intentions both independently and jointly $R^2 = 0.03$, $F(2,398) = .55$, $P >.001$). This showed that trust in management could explain just .03% of variance in perceived turnover intentions among workers. Therefore, the hypothesis was not supported.

Hypothesis two stated that age, tenure and sex will independently and jointly predict turnover intentions.

Table 2. A summary of multiple regression analysis showing the prediction of turnover intentions by of age, tenure and gender.

Predictors	β	t	P	F	P	R^2
Age	.01	.12	>.05			
Tenure	.02	.31	>.05	.63	<.001	.004
Gender	.08	1.31	>.05			

N = 400, β = standardized regression weight computed at the end of each step, R^2 = Adjusted R^2

Table 2. Showed that, joint influence of age, tenure and gender on turnover intention was not significant $R^2 = 0.04$, $F(3,399) = .63$, $P >.001$, accounting for .04% of variance in perceived turnover intentions among workers was caused by the joint influence of age, tenure, and sex. The table also reveal that age, ($\beta = .01$, $t = .12$, $P >.05$, Tenure ($\beta = .02$, $t = .31$; $P >.05$ and sex ($\beta = .08$, $t = 1.31$; $P >.05$ did

not independently predict turnover intentions among the workers. The results of this finding showed that the hypothesis was not supported.

DISCUSSION

The first hypothesis which predicted that, trust in management and perceived procedural justice will independently and jointly predict turnover intentions was not supported from the findings of the study. The results showed that 0.03% of the variance in employees' turnover intentions could be explained by the joint influence of trust in management and perceived procedural justice in management lay off decision.

This finding is inconsistent with the findings of previous studies. For instance, employee's trust in management was found to be related to Job attitude such as turnover intention, job satisfaction and job performance (Cameron et al 1993). Murphy, (2004) found out that, trust in the management significantly predicted the employee level of job performance and turnover intention. It was reveal that, the greater the employees trust in management, the lower the turnover intentions and improved level of job performance.

Moreover, in the findings of Shindler and Thomas (1993), the researchers found employees who have positive and higher – quality relationship with their managers, to be less likely to exhibit unproductive exercises in the work place (e.g. Laziness, absenteeism) and by extension turnover intention.

The result of this finding could be influenced basically by the fact that, there is high level of unemployment in the country, hence, when decision about lay off is being taken by the management in an unfair or unjust manner, coupled with glaring management-employee distrust. The survivors of such decision could not contemplate of leaving, because of the cloud of uncertainty that envelope the work environment. This state of dilemma becomes real because, when they leave the organizations, the assurance of getting another job is not there. The result is quite revealing in a way, since it is widely believed that unfair/unjust treatment of employee and lack of Trust in management layoff decision, would always precipitate negative behavioural outcome.

However, though the perceived procedural justice and trust in management is not good predictor of turnover intention in this study, it may not be under statement, to say that, when decision making is perceived unfair, it may dampened the spirit of workers and so bring about low productivity.

The second hypotheses that predicted that age, tenure and gender of employees will independently and jointly predict turnover intentions was not supported from the findings. The results showed that none of demographic variables considered was a significant prediction of turnover intention. Their joint influence was also not significant, only .004% of the variance of turnover intention among the employees could be explain by the joint influence of age, tenure and sex of the employees. Therefore, the result is consonance with the belief that, employees with long years of service have more to lose and, therefore, are presumably less likely to leave their organizations (Ritzer & Trice, 1969).

While 96.6% of the variance in turnover intentions was accounted for by other socio/demographic variables or factors not being considered in the present study.

This result is inconsistent with the findings of Herbiniak and Alluto (1972) who reported that females were less likely to change their organization compared to their male counterparts. In a country in which over sixty per cent of the population is poor and the extended family system makes demands on the few who have an income, money matters. Our sample consisted many bread winners of their family. It is likely that each of them is under some economic pressure to pay their wards school fees, provide food and accommodation for extended family members and even support members of the religious organization and member of communities which they belong. Pay is important not only to satisfy the needs of one's nuclear family but to fulfill one's obligations to the extended family and significant others. Above all the government of Nigeria is not doing enough to create job for the teaming youth (both the skilled and unskilled). The fear of losing one's job when the fact remain that the job is not even there, is largely responsible for the result of this study.

Practical Implication of the Study

An important priority is to create an environment of trust and shared commitment, which involve staffs in decisions and action which affect them. This is in line with recent evidence (Andy, 2013) suggest that, to be successful in gaining the trust of followers (employee). Leaders (management) need to:

Involve people in decisions that directly affect them. When people are involved in a decision, even if they don't make the final call, they are more likely to support the decision. This means bringing people in before you've made the decision. If you've already made the decision, and you're not open to changing your mind, don't go through the motions of bringing people into the process. You won't get

buy-in. In fact, people will feel conned. On the other hand, treating people as capable adults shows you trust them to be part of good decisions. They'll trust you more in return.

Pay attention to relationships. It's given that people join companies but leave managers. The connection between employees and managers makes a huge difference in the degree of engagement and involvement people will feel. If people know you understand what matters to them, they'll trust you to act in ways that align with their interests. Management should also respect and listen to employees.

Management should endeavor to fulfill promises made as this increases dependability and credibility.

Moreover, the point stated above should constitute the training need of any organization whose management lacks credibility in the area of trust. However, organizations should consider the issue of trust in selecting, placing and promoting people into leadership position. It would be important to include as one of the selection procedure, a test of employees' integrity, honesty (and other dimensions of trust) another perception of procedural justice in management layoff decision as they have both been found to influence employees' turnover intentions.

Study Limitation and Future Research

While the results of the present study did not significantly predict the expected outcome theoretically, due to reasons given in the discussion, there are a few methodological limitations.

One of such limitations of the study is that, the data Collected were largely self-reported; hence, some of the observed relationship may have occurred as a result of lack of sincerity on the part of the respondents.

Also, the study only uses respondents from a few textile industries organization out of many textile industries in Nigeria. Data collected were purely from the organization and this could limit the variance on either criterion variables or on several predictors' variables.

The small size of samples for testing the research hypotheses could also be another limitation, for a large sample would have increase or add value to the

generalisability of the result achieved from the study.

By and large, the time factor constrained the researcher to adopt incidental sampling method i.e. only people who showed willingness to respond to the questionnaires were given and of the 440 questionnaires distributed only 400 were duly completed and use for the statistical analysis.

Therefore, this study inherits all the weaknesses of surveys and self-report measures. Hence, the relationships between the variables may be subject to temporal change. For future research, roles of workers union, personality characteristics and other demographic variables such as ethnicity, religion e.t.c could be considered.

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