



International Journal of Economic Research

ISSN : 0972-9380

available at <http://www.serialsjournals.com>

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Volume 14 • Number 14 (Part-II) • 2017

Impact of Quality of Work Life on Turnover Intention in Selected Nigerian Banks

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Abstract: The purpose of this study is to examine the relationship between the qualities of work life dimensions on turnover intention in the Nigerian banking sector. This study used the partial least squares (PLS) and structural equation model (SEM) tool of analysis to examine the quality of work life dimensions on turnover intention among employee of the Nigerian banking sector. It measures the impact of the quality of work life dimensions on turnover intention. Data was collected using a structured questionnaire from respondents. In a similar way, the study uses the cross-sectional research design in which data was collected throughout the entire period of the study. The units of analysis of the present study are the employee of the Nigerian banking sector. The results confirm that the three dimensions of quality of work life positively influence turnover intention. The findings are very useful to policy makers, Bank managers and practitioner in the industry in order to enhance turnover intention in the Nigerian banking sector. Limitations and suggestions for future research are also included.

Keywords: Turnover intention, quality of work life

INTRODUCTION

Several previous studies have been carried out in the worlds which focus mainly on the effect of turnover intention and quality of work life dimensions. More especially, studies mainly focused in the areas of Human Resource Management (HRM), for example training and development (Etemad, 2009), performance evaluation and appraisals (Bolino & Bloodgood, 2001), employees compensation, salaries and benefits (Bloom & Milkovich, 1998), and the firm performance benefit which is link to employee turnover intention. Similarly, studies have shown that firms /organization that offers the better quality of work life usually experience higher influence in attracting, hiring and retaining its workers which is one of the most important assets of an organization (Wulf *et al.*, 2015). Hence, worker commitment is all about attaining a reasonable

stage of the working environment in order to achieve the firm's core objectives and make an impact on the society (Codd *et al.*, 2010). In addition, previous studies have shown a positive and significant relationship between HRM and the performance of firms and the result proven to be inconsistent (Becker & Ostrom, 1995). Meanwhile, most of the previous empirical studies on the dimensions of quality of work life and turnover intention have shown contradiction due to mixed results and inconclusive in the previous literature and therefore, the result proven to be controversial and need further investigation.

Hence, several studies on the dimensions of quality of work life and turnover intention have been carried out in advanced countries such as in UK, USA and Asian continents (Bizerril & Raw, 1998). To the neglects of African continents more especially in the Nigerian context and which need further investigation, and the question of whether the quality of work life on the turnover intention have improved or declined firms performance have not been given adequate attention and which need further research to be conducted. Basically, there is a theoretical research gap in the literature, more especially in the developing countries like Nigeria and which needs further investigations. Similarly, this research attempts to fill this theoretical and practical gap by studying the Nigerian context in the banking sector and to provide empirical evidence for the benefits of the society. Therefore, it is against, this background that these particular studies look at the following research questions which are the link to the objectives of the study:

- (i) Does supervisory behavior enhance turnover intention?
- (ii) Do job characteristics enhance turnover intention?
- (iii) Do compensation and benefits enhance turnover intention?

Based on the research questions above and the main objective of the study are to examine the three dimensions of quality of work life and turnover intention in the Nigerian banking sector.

LITERATURE REVIEW

Quality of work life (QWL) can be defined as the level of employees satisfaction with the various needs using several resources, activities, and outcomes from the participation of employees in an organization (Mazodier & Merunka, 2012). Hence, every employee with higher quality of work life tend to report high levels of identification with their institutions and with low level of turnover intention (Pardo & Román, 2013). Similarly, an employee perception of quality of work life has the influence on institutional commitment, which may have the impact on turnover intention towards the institutions (Heong *et al.*, 2011). Also, it was found that there is a significant relationship between turnover intentions and the quality of organizational commitment (Chen & Huang, 2009).

2.1. Turnover Intention

In most previous studies have been using the terms of intent to leave or intention to leave or even turnover to describe intention to leave the firms. Similarly, it was agreed that turnover intention is the most commonly used in various studies to explain the level of employee propensity to leave the firms (Fried, Shirom, Gilboa, & Cooper, 2008). Also, the result has shown that turnover intention has been tested and reported to be valid indicators of the actual turnover of the firms (e.g., Onwuegbuzie, Daniel, & Collins, 2009). In addition, it is very significant to identify the main contributing factors of turnover in firms and to find out

the motive behind leaving such firms. Hence, turnover is considered to be the relationship between individual employees and the business firms (Wu, Wang, Chang, & Wang, 2005).

2.2. Quality of Work Life and Turnover Intention

Quality of Work Life (QWL) explains the extent of a relationship between individuals and his perception of life in relation to his work environment. QWL was firstly conceptualized by and categorized into eight different QWL and turnover intention which include; safety and healthy working conditions, adequate and fair compensation, the opportunity to use and develop human capacities, opportunity for continued security and growth, social integration in the workplace, work and total life space and finally the social relevance of work (Walton, Salazar, & Wang, 2008).

QWL has four dimensions which include, the supervisory behavior, the compensation and benefits, the job characteristics and work-life balance, and which is similar to the proposal of the QWL as where organizational, human being interaction in the society (Abbott *et al.*, 2004). Hence, compensation and benefits, and job characteristics which represent the aspect of the organization and while supervisory behavior and work-life balance which mainly represent the human aspects, similarly, prior studies have shown that organizations which offer better QWL are most likely to gain leverage in the process of hiring and retaining the valuable employees (Martel *et al.*, 2001). However, when associating it's with productivity seems a misleading assertions (Abbott *et al.*, 2004). Basically, employees become attached to their organization whenever their previous expectations are met (Han, Kim, Choi, & Kim, 1998). Also, recent studies have proved that (e.g., Dawson, Kelly, Spetch, & Dupuis, 2008).

Therefore, it is hypothesized that

H1: QWL has an impact on turnover intention in selected Nigerian banks

Supervisory skills added with the support of the supervisor through the strategies of promotion within the organizations are a significant factor in managing the employee's commitment in order to increase their commitment and reduce their turnover intentions (Cox *et al.*, 2011). In the prior studies, it is significant for the top management to maintain an open system of communication with their subordinates, to create a more fruitful path of person- towards organizational goal congruence and this will reduce the level of turnover intention in the organization. Based on the above discussion, it is hypothesized that:

H2: Supervisory behavior has an impact on turnover intention in selected Nigerian banks.

Compensation and benefits in either monetary or non-monetary form have been found in the previous studies as an excellent employees performance in terms of motivation, and also pay as a factor do affects the turnover intention (Singh, 2000). The career growth is significant for employees and concern whenever, the organizations create a conducive environment in which the employees are able to meet with their career-related needs and finally get promoted and compensation and in a situation whereby an employees are satisfied with the benefits received, they will be loyal and remain in the service of the organization (e.g., Weng *et al.* 2010) (Dulebohn *et al.* 2009). Based on the discussion above, thus, it is hypothesized that:

H2: Compensation and benefits have an impact on selected Nigerian banks.

Job characteristics as a dimension of QWL have been indicated in the prior studies that once an employee get familiar with their job functions, they have started relating to themselves to it and will therefore,

find its very difficult for them to break from the routine and engage themselves entirely in another working place and they would prefer to stay in the status quo and continue with the same routine (Chong, Su, & Biswas, 2012). Similarly, the more challenging banker's views on their job characteristics, the more and more stressful they usually become, and also they are encouraged to leave their present organization as they feel pressured to stay with their current organization with the work difficulties that they are experiencing. The above studied hypothesized that:

H3: Job characteristics have an impact on turnover intention in selected Nigerian banks.

CONCEPTUAL FRAMEWORK

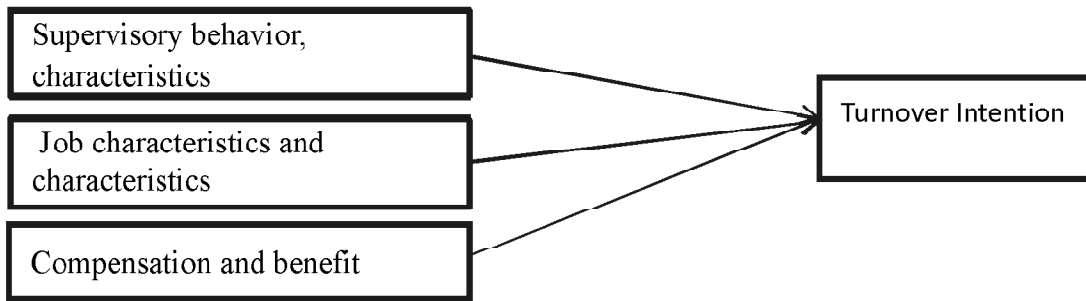


Figure 1: Proposed Conceptual framework

Model Specification $y = \beta_0 + \beta_1 x_{i1} + \beta_2 x_{i2} + \beta_3 x_{i3} \dots + \beta_k k_i + e_i$
 $TI = \beta_0 + \beta_1 (SB)_i + \beta_2 (JC)_i + \beta_3 (CB)_i + \varepsilon_i$

RESEARCH METHODOLOGY

Sampling Design

The sample of this study consists of the four-second generations banks within the three Senatorial zone in Bauchi State-Nigeria; Jaiz bank, Gtbank, Zenith Bank and Ecobank. Similarly, each of the respondents was given a questionnaire, and a letter inviting the respondent to participate, describing the main objective of the study, and given them the assurance of the confidentiality of their responses. In addition, out of the 300 distributed questionnaires, only 242 were filling and returned, representing a response a rate of 81%. And the respondent's profile is summarized as below in table 1.

Research Procedure

The twelve items were developed by (Chen & Barnett, 2000) and also adapted and used by (Chen & Huang, 2009) which represent the four dimensions of QWL. The four dimensions are the work-life balance, job characteristic, supervisory behavior, and compensation and benefit. Finally, the turnover intention was measured by three items which were adapted from (Williams & Hazer, 1986).

DATA ANALYSIS

The study used the Partial Least Squares (PLS) approach in analyzing the data. The measurement model which consists of the validity and reliability of the measures, and followed the measurement model by

testing the formulated hypothesized relationship between the variables(Lo & Ramayah, 2013).Therefore, the Smart PLS M2 Version 2.0 and two-step analysis approach was used to analyze the data collected from the respondents.

Results

Table 1
Summary of respondents profiles

<i>Demographic Variables:</i>	<i>Categories</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Gender	Male	175	72.3
	Female	67	27.7
Age	Below 25	127	52.5
	26-35	94	38.8
	36-45	13	5.4
	46-55	8	3.3
Marital Status	Married	73	30.2
	Single	164	67.8
	Divorced/ Separated	5	2.1
Annual Income	#1MM and below	103	42.6
	#1.1MM- #2MM	59	24.4
	#2.1- #3MM	50	20.7
	#3.1 and More	30	12.4
Tenure	Five years and less than	100	42
	6-10 years	60	24
	11 years and above	82	34

As seen in table 1 above, the summary of the profile of the respondent’s employees in the first generation banks in which male is more than the female, age bracket range from 25 and below is the majority, most of the respondents are young graduate and not yet married. The income level is between one million nairas to above 3 million, and only 34% with more six years working experience.

Table 2
Reliability Analysis

<i>Constructs</i>	<i>AVE</i>	<i>Composite Reliability</i>	<i>R Square</i>	<i>Cronbach's Alpha</i>
Compensation and Benefit	0.672	0.911		0.878
Job Characteristic	0.725	0.913		0.873
Supervisory Behaviour	0.710	0.924		0.897
Turnover Intention	0.631	0.895	0.678	0.853

Table 2, above, have illustrated that all the alpha values were greater than 0.6 and all the measurements proved to be reliable. Reliability is a test which shows how the consistency of the instrument which measures whatever concept it is measuring (Sekaran & Bougie, 2013).

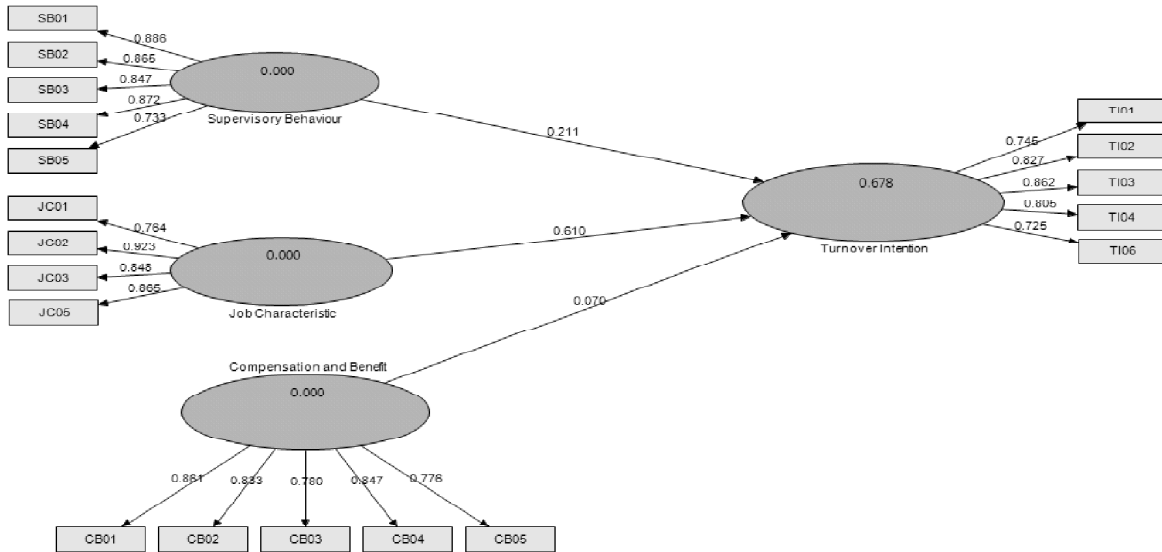


Figure 1: Measurement Model

Table 3
Convergent Validity

Constructs	Items	Loadings	AVE	Composite Reliability
Compensation and Benefit	CB01	0.861	0.672	0.911
	CB02	0.833		
	CB03	0.780		
	CB04	0.847		
	CB05	0.776		
Job Characteristic	JC01	0.764	0.725	0.913
	JC02	0.923		
	JC03	0.848		
	JC05	0.865		
Supervisory Behaviour	SB01	0.886	0.710	0.924
	SB02	0.865		
	SB03	0.847		
	SB04	0.872		
	SB05	0.733		
Turnover Intention	TI01	0.745	0.631	0.895
	TI02	0.827		
	TI03	0.862		
	TI04	0.805		
	TI06	0.725		

As seen in table 3 above, the loadings of all items have exceeded the recommended value of 0.6, while, composite reliability values ranged from 0.895 to 0.924, and also the latent constructs were in the range of 0.776 to 0.923 which have exceeded the recommended value of 0.7 and 0.5 (Henseler & Chin, 2010) respectively.

Table 4
Discriminant Validity of Constructs

<i>Constructs</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
Compensation and Benefit	0.820			
Job Characteristic	0.662	0.852		
Supervisory Behavior	0.504	0.720	0.842	
Turnover Intention	0.580	0.808	0.685	0.794

Diagonals represent the square root of the AVE, while the other entries represent the squared correlations

As shown in table 4, all the square root of the AVE extracted was all higher than the correlations, which indicate adequate and sound discriminant validity. Therefore, the measurement model demonstrated to be adequate convergent and discriminant validity.

Structural Model

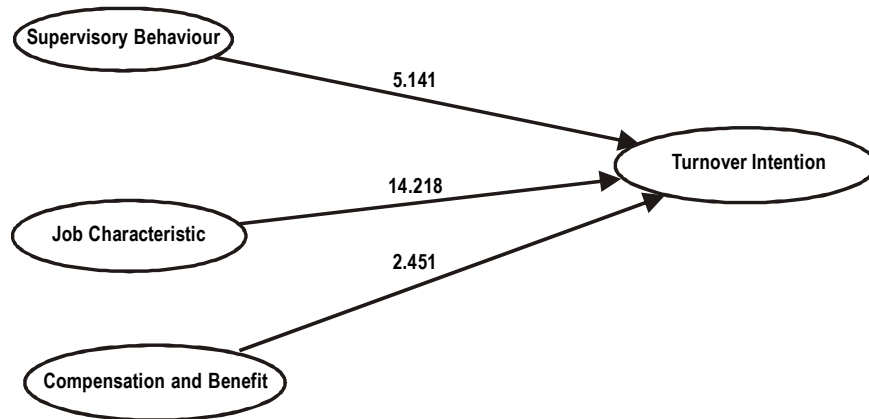


Figure 2: Structural model

In figure 2 above shown, the structural model which indicates the causal relationships amongst constructs in the model, the path coefficients beta and significance level and how well they are supported (Tjong Kim Sang & Buchholz, 2000).

Table 5
Path coefficients

<i>Relationship</i>	<i>path</i>	<i>Standard Error</i>	<i>T Statistics</i>	<i>P. Value</i>	<i>Decision</i>
Compensation and Benefit -> Turnover Intention	0.070	0.029	2.451***	0.007	supported
Job Characteristic -> Turnover Intention	0.610	0.043	14.218***	0.000	supported
Supervisory Behavior -> Turnover Intention	0.211	0.041	5.141***	0.000	supported

Table 5 and figure 2 above, show the results of the structural model from the PLS output. Compensation and benefits ($b=0.070$, $p/0.007$), job characteristics ($b=0.610$, $p/0.000$), supervisory behavior ($b=0.211$, $p/0.000$).

CONCLUSION AND DISCUSSION

This study has indicated that organizations should implement the strategies to reduce the level of employee turnover intention by enhancing learning motivation in order to retain the high caliber of experts and professional in the industry. Previous studies have posited that by providing autonomy which includes self-determination of work pace, dress standards will assist the reduction of turnover intention (Tsai & Wu, 2011). Institutions and managers must understand that human capital is the important asset of the company and the success of the institution depend entirely on intangible assets and on the financial and traditional physical indicators (Alniaçik, Alniaçik, Erat, & Akçin, 2013). Finally, the study also emphasized that the ability to acquire new skills as part of their professional ability development probably play a bigger role in their current work that can make their employment more attractive. As indicated in this particular study, the Quality of work dimensions and turnover intention are related and significant.

In conclusion, therefore, the ability to attract and retain experienced, a sound human capital can provide an institution with a competitive advantage over its competitors and to attract professional employees, organizations need a lot strategy to retain the best brain. As verified in this research as stated in the previous study, a good and sound quality of work life and turnover intentions are amongst the most important components of employee's behavior which are very critical for an organization to achieve a very good performance.

Limitation and Suggestions for the Future Research

This study has its own limitations, as with any other research, this current study mainly relies on primary data on samples from bank customers in the banking industry, while the result obtained cannot be generalized to other professionals in other industries. Similarly, this study used cross-sectional research design but not longitudinal study and also the differences in cultural and international contexts may also limit the generalizability of the results obtained from this study.

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