EFFECT OF LEADERSHIP BEHAVIOUR ON LABOUR (EMPLOYEES’) TURNOVER: A CASE STUDY OF NIGERIAN UNIVERSITIES

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Abstract

Leadership today is increasingly associated with the concept of team work, getting along with other people, stimulating and creating a vision which others can identify rather than command and control. The study focused on the influence of leadership behaviour on labour turnover. The problem is that most institutions have been witnessing high staff turnover which has been associated with many problems. This study examines the challenges and problems being experienced by the employees and institutions through the leadership behaviour with a case study of Nigerian universities. The specific objectives are therefore to: analyse the relationship between leadership behaviour and employees decision; investigate the influence of leadership behaviour on labour turnover and examine the respondents’ perception of leadership behaviour as it affects labour or workplace management. The study is based on the behavioural style theory of leadership using both secondary data from previous studies and primary data obtained from a total of 148 respondents selected from Nigerian Universities. The study is limited to the independent variable: leadership behaviour and dependent variables: employees and labour turnover. The study analysed the data collected using regression and descriptive statistics. This study is significant in helping to determine how leadership behaviour influence employees turnover so as to attain organisational goal. So, managers in institutions / organisations will find it useful as the appropriate strategy for improving organisational management. At the same time the findings of this study will help in improving the management of the workplace to improve the labour turnover for organizational growth and development. The study reveals high relative influence of leadership behaviour on employees’ turnover and also established that leadership has effect on employee turnover. The study makes recommendations towards employees’ workplace management to reduce labour turnover. The findings also suggest that organizations should have the right person (with ability) to do the right job and give employees suitable training to increase their job performance and ability. Besides that, managers as supervisors should always take actions that will improve their workers wellbeing. That is, organizations should always take active step in: providing strong leadership and mentoring for staff members, building working conditions that are conducive as well as provide challenging and stimulating work assignments.

Keywords: Leadership, Turnover, Labour, Employees, Organisation
1. **INTRODUCTION**

Leadership today is increasingly associated with the concept of team work, getting along with other people, stimulating and creating a vision which others can identify rather than command and control. In most organizations and especially most universities, there have been high staff turnover which has been associated with many problems. This study examined the effect of leadership behaviour on turnover as the importance of leadership in every organization evidently brought about good organization profitability. Employees’ turnover has always been a key concern issue faced by organizations regardless of locations, sizes, natures of business, business strategy (profit or non-profit oriented). Yin-Fah et al (2010) also quoted employees’ turnover as a serious issue especially in the field of human resource management. This study therefore focused on; analysis of the relationship between leadership behaviour and employees’ decisions, investigated the influence of leadership behaviour on labour turnover, examined the respondents’ perception of leadership behaviour as it affects labour or workplace management, and made recommendations towards reduction in employees’ labour turnover at the work place. This study therefore provided answer to the following questions:

- What is the relative influence of leadership behaviour on employees’ turnover?
- How does the Perception of leadership behaviour affect employees’ turnover or workplace management?
- What is the strength of the predicting variable to employees’ performance and commandment?

Previous studies (Cook, Wall, Hepworth & Warr, 1989; Bass, 1990; Chen & Silverthorne, 2005) have examined the relationship between employee job satisfaction and leadership behaviour in various settings. The studies generally indicated that employee job satisfaction in the public sector is just as important as it is in the private sector. The majority of the previous studies confirmed and identified from the literature review, a negative relationship between job satisfaction of workers and employees’ turnover intention in various fields of industries. Similarly, relationship also exists between leadership styles and job satisfaction from researches on the two variables. This study however investigated the effects of leadership behaviour on academic staff turnover in Nigerian universities. It also examined the relationship between leadership behaviour and academic staff turnover intention. This study will assist managers in work organizations especially universities in identifying their influence on labour turnover and the institutions/organization will find the findings useful in providing appropriate strategies for improving employees’ turnover at the workplace for growth and development of the organization through general employees’ participation aided by the various motivational incentives adoptable.

2. **RESEARCH DESIGN, APPROACH AND METHOD**

A survey research design was used with descriptive research design. In recent decades, organisations have continued to lose their skilled and experienced employees due to voluntary turnover. As a result, managers, researchers and practitioners have taken interest in understanding the factors that affect employees’ turnover decisions. However, although several existing studies
have identified numerous factors related to turnover behaviours among employees, most of the empirical research studies utilise explanatory models that do not sufficiently address the mediating processes that lead to turnover intention. This study used both primary and secondary data obtained from the internet and through the questionnaire administered on 148 academic staff, both male and female from Nigerian Universities and 2 others that have left for other countries. The data obtained was analysed through the use of descriptive statistics and regression-test.

THEORETICAL FRAMEWORK

The importance of leadership in organizations cannot be over emphasized. There are various theories and research concerning leadership because of its importance in all kinds of group action. This study is however based on Behavioural Style theory which is concerned with the patterns of leader’s behaviour that is; not who the leader was but how the leader behaves. It is based on the assumption that leaders were made and not born. It is also noted from this theory that employees could work harder and more efficiently under leaders who employ certain styles that are better than other styles employed by other leaders. The results from the studies on the theory identified four styles of leadership namely; democratic leadership, autocratic leadership, laissez-Faire leadership and bureaucratic leadership.

LITERATURE REVIEW

CONCEPTUAL DEFINITIONS

Leadership is a process of interaction between leaders and followers where the leader attempts to influence followers to achieve a common goal (Northouse, 2010; Yukl, 2005 & Voon1 *M.L.2011).

Leadership being of long existence among people has so many interpretations, it has been defined in terms of traits, behaviours, influence, interaction, patterns, role, relationships, and occupation of an administrative position. Kocobasi (2005) defined leadership as the ability of an individual to influence, motivate and enable others to contribute toward the effectiveness and success of the organization. Fred Ef (2004) defined Leadership as the behaviour of an individual directing the activities of a group toward a shaped goal. According to Schein, (2005), leadership is the ability to step outside the culture to start evolutionary change processes that are more adaptive. Also, Ekpo-Ufot (1987) defined leadership as interaction behaviour in which one or more persons interacting influences or influence others in the team (institution, community, organisation, nation or any other human group) to accept ideas, values willingly and also influence people to work willingly together to accomplish defined goals. From all the definitions leadership can be defined as the process of influencing people so that they will strive willingly towards the achievement of group or organizational goals or objectives. Thus, leadership can also be seen as a dynamic process in a group where one individual influences the others to contribute voluntarily to the achievement of group tasks in a given situation. There have been various previous studies on the two variables like Wells and Peachey (2010) which also revealed that negative relationship is also found between transactional leadership behaviour and voluntary organizational turnover.

**IMPORTANCE OF LEADERSHIP**

Leadership is important for the following reasons: It is effective leadership that:
(i) helps managers to create a motivational environment and promote high morale,
(ii) provides a sense of direction for the workers in an institution/organisation on which to focus their mind,
(iii) inspires others to pursue the organisation’s mission, and
(iv) creates the right environment for change in an organisation.

**Labour Turnover:** Labour (same as Employee, Staff, or Human resource) is one of the factors of production and labour performance is very important in organisational growth and development from an economists point of view.

**Labour or Employee turnover** refers to the number or percentage of workers who leave an organization and are replaced by new employees thus, in human resource terms, employee turnover is a measurement of how long employees stay with the company, and how often they have to replace them (Ruth Mayhew, 1985). Labour turnover refers to the movement of employees in and out of a business. Although different types of turnover exist, the general definition is that turnover occurs when the employment relationship ends. The end of the employment relationship due to retirement, job elimination, employee death, or long-term illness; unsuitability for the job; is referred to as attrition. Attrition is distinguishable from turnover because when attrition occurs, the position is not filled with a new employee. However, the term is commonly used to refer only to ‘wastage’ or the number of employees leaving (Tutor2u).

Mondy (2010) briefly described turnover rate as how fast the employers recruit and lose employees. It is used to measure the effectiveness of recruitment and is sometimes considered as one of the indicators of organizational performance (Cho, Woods, Jang & Erden 2006). By definition, labour turnover is concerned with individuals who work for firms rather than self-employed individuals. Labour turnover measures the ratio between the number of employees who leave the company and the total number of employees working for the company and also indicates the number of employees being hired to replace the employees who have left the firm.

**WHAT CAUSES EMPLOYEE TURNOVER?**

There are 2 main categories of turnover: voluntary and involuntary that is; employees who quit their jobs and those who are asked to leave. Each of them has different causes.

**Involuntary Turnover:** Involuntary termination is when an employee is laid off or fired, generally due to reducing staff as a result of a business downturn or change in business focus, Changes in capacity - e.g. a decision to reduce output by closing a shift and Seasonal changes in demand for a business, or employee termination for poor job performance, absenteeism or violation...
of workplace policies. It is involuntary because it wasn’t the employee’s decision to leave the company. We are more concerned with the loss of staff for reasons other than above.

Voluntary Turnover: This occurs when an employee leaves the company on her own generally given the employer verbal or written notice of intention to resign from a job (called voluntary termination). Employees give a number of reasons for leaving their jobs. They may be accepting employment with another company, relocating to a new area or dealing with a personal matter that makes it impossible to work. That is, an employee voluntarily terminates the employment relationship. Voluntary turnover is when an employee quits. So, we might call the voluntary staff turnover – employees who leave of their own accord. This can be due to finding a better position at another company, a conflict with a supervisor, or a personal reason such as staying home with a family member.

Thus, Turnover can be either voluntary or involuntary, where voluntary turnover happens when the employees initiate the termination of employment regardless of the reasons while involuntary turnover happens when a termination is initiated by the employers which may help in improving productivity because underperforming employees were removed (Davidson & Wang 2011). Most of the research on turnover is devoted to the causes and consequences of voluntary turnover (Schneer, 1993)

FACTORS AFFECTING VOLUNTARY LABOUR TURNOVER

Labour turnover (or “staff turnover”) is all about employee retention - i.e. the ability of a business or organisation to convince its employees to remain with the business. It is important to remember that labour turnover levels vary between industries and also from region to region.

The highest rates are found where unemployment is lowest and where it is unproblematic for people to secure desirable alternative employment.

The study by Akpotu & Nwadiani (2000) on examination of the perceived and expressed factors influencing academic staff turnover in Nigerian Universities between 1990 and 1997, and the direction of turnover showed that poor remuneration, poor conditions of service, under funding and lack of teaching facilities, were identified factors responsible for turnover. The oil industry in Nigeria and the foreign sector dominated the direction of movement of the leavers in the 1990s.

The following factors were also identified with voluntary turnover:

a. Compensation and Benefits: Employees demand appropriate compensation which is the core of production reward which could be monetary reward like salary and bonus; or non-monetary reward like medical insurance. When the employees perceive that their employer may not offer them the expected compensation they may leave the institution or organisation (Mondy, 2010).

b. Career Development: Studies confirmed that employees are likely to leave when they perceive limited promotional opportunities. It was also found that generation of young people expected a quick linear promotion by changing jobs on a regular basis
c. Stress: stress is hard to quantify, but was confirmed that occupational stress is correlated with various outcomes including reduced productivity, absenteeism and ultimately employee turnover.

d. Perceived Alternative Employment Opportunity

e. Job Satisfaction: This reflects how much the individual is satisfied with his or her job.

Studies on Relationship leadership and job satisfaction conducted in the education profession revealed that lack of effective leadership skills had negative effect on teachers’ job satisfaction and may lead to turnover.

**IMPACT OF TURNOVER (WHAT IMPACT DOES TURNOVER HAVE ON THE INSTITUTION?)**

Labour turnover can reduce quality of output from institutions/organisations. High labour turnover is generally considered to be bad industrial practice, because it results in inefficiency and demoralization of the labour force. From the review of previous studies like Choi Sang Long and Lee Yean Thean (2011), high labour turnover causes problems for business. Hinkin and Tracey (2000) measured the cost of turnover in terms of separation cost, replacement cost and lost productivity etc. The specific impact of turnover varies based on many factors, including the difficulty of filling the position, the amount of training required for a new employees, and specific costs such as recruiter fees or advertisements. Although it is inevitable that some employees leave an institution or company, high turnover rates lead to high expenses and low productivity. Therefore, a company should aim to provide a good work environment for its employees to achieve a low labour turnover rate. From the perspective of remaining employees, high turnover rates increases the average workload. Such additional burden was found to increase the stress level of the rest of the team members (Hendrie, 2004). Such impact of constantly high turnover rate was found to demotivate the remaining employees by imposing respective training obligation to them.

Costs of labour turnover include recruitment, selection and training of new employees. Less direct costs of labour turnover include higher workloads and overtime expenses for other workers and lower productivity due to low employee morale. Ali (2009) also argued that organizational cost expenditure will be increased if high employees’ turnover is not solved. Employees’ turnover is costly to all level of organizations regardless of its nature and usually the productivity and quality of the products or services are always negatively affected. Ali (2009) confirmed that high employees turnover has tremendous impact on direct and indirect cost which could bring destruction to the organizations. Direct costs are referring to costs such as expenditures incurred on the selection, recruitment, induction and training of new employees while indirect costs are referring to cost of learning, reduced morale and pressure on the existing employees. In addition, high employees’ turnover will jeopardize the progress on achieving organization pre-determined objectives and goals. Apart from monetary measureable cost, non-monetary cost such as deteriorated reputations, loss of customer’s loyalty, reduced branding trust, etc. may bring forward much more severe long term impact.
DATA ANALYSIS AND PRESENTATION OF RESULTS

TABLE 1.1: Summary of Regression Analysis

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<tr>
<td>R Square</td>
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<tr>
<td>Adjusted R Square</td>
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<td>Standard Error</td>
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<tr>
<td>Observations</td>
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Source: Researchers’ data analysis 2014

From table 1.1, it is revealed that the relative influence of Leadership behaviour account for 83.11% of the total variance in employees’ turnover (R²=0.831178). The high percentage which is statistically significant indicates that leadership behaviour has negative significant influence on labour turnover in Nigerian Universities. The remaining variance in leadership behaviour may be accounted for by other factors not considered here.

The Relationship between the Variables

TABLE 2.1: Summary output

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Source: Researchers’ data analysis

TABLE 2.2 ANOVA

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<td>2648.16</td>
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Source: Researchers’ data analysis

From the above table 2.1, it is revealed that the relative influence of leadership behaviour accounts for 86.09% of the total variance in employees’ turnover (R²= 0.860923). With the high
percentage which is statistically significant, this finding indicates that leadership behaviour has negative significant relationship with labour turnover in Nigerian Universities. From the analysis of the data, the following were the findings: The study confirmed that the rates of academic staff turnover remained generally high over the years across all categories of academic staff. Labour turnover has always been issue of concern by all organizations regardless of the location, size and the type of business. Thus of recent, the development in Nigerian University system has made Labour turnover a point of concern in Nigerian Universities.

Factors Affecting Labour Turnover in Nigerian Universities were found to be in association with factors identified as major causes of turnover like: Low compensation which make some academic staff to move to other universities within the country or even in other countries; The stress created by the movement of some on the remaining staff even led to strike in Nigeria Universities as workers were asking for compensation for extra workload. Also, most academic staff in Nigerian Universities now results to turnover for quick promotion. All these are as associated with most leaders who like to reduce their running cost in terms of payment of salaries of academic staff by employing less and overloading the available staff. Also, the leaders caused most Nigerians to move to other countries thereby reducing available academic staff for the institutions. Thus, the available staff find it easy to move from one university to the other. This is associated with Perceived Alternative Employment Opportunity (lowest unemployment) existing in the university system due to its expansion which makes it unproblematic for people to secure desirable alternative employment.

SUMMARY OF FINDINGS

From the above results, it has been discovered that: the relative effect of leadership behaviour on labour turnover is high and there is very high strength relationship (causation) between the dependent variable: labour turnover and leadership behaviour. This study confirmed that leadership behaviour in every institution is very important as labour or employee performance is also important in organisational growth and development. Employees' turnover has always been a key concern issues faced by organizations. Also, in previous studies employees' turnover is also referred to as a serious issue especially in the field of human resource management and revealed negative relationship between job satisfaction and turnover intention. This study therefore confirmed relationship between leadership behaviour and employees' turnover decision. That is; there is relative influence of leadership behaviour on employees' turnover.

CONCLUSION

The study established that leadership behaviour had significant influence on labour or employees' turnover. The results showed adequate evidence that the indicators used in the study were indeed valid. Understanding the impact of leadership behaviour on employees' turnover intention is very important for the success of an institution. Leaders must realize that proper leadership behaviour is very important and will also affect employees' turnover. Job stress and feeling of "being burnout" would obviously have impact on employees' job satisfaction. Job satisfaction was found
to have a significant negative association with turnover intention. Thus when there is no job satisfaction, it will be negatively associated with turnover intention

**RECOMMENDATIONS**

Employees are the most important asset in an organization. Therefore, organizations need to have capable leaders to lead and motivate their employees in their daily operation and achieve the organizational goals. This study as it is based on the assumption that leaders were made it means leaders need adequate training. Labour turnover (or "staff turnover") is all about employee retention - i.e. the ability of a business or organisation to convince its employees to remain with the business. It is important to remember that labour turnover levels vary between industries and also from region to region. Limiting employee turnover is widely accepted as a goal by organizations and by academic researchers because of the explicit and implicit costs associated with it. The findings also suggest that organizations should have the right person (with ability) to do the right job and give employees suitable training to increase their job performance and ability. Besides that, managers as supervisors should always take actions that will improve their workers wellbeing. That is, organizations should always take active step in providing strong leadership and mentoring for staff members, building working conditions that are conducive and provide challenging and stimulating work assignments.

Reducing Employee Turnover

Stakeholders in universities can take steps to reduce employee turnover by increasing employees' job satisfaction. Also they can treat their employees as members of a tightly knit team, with top-level managers interacting with and encouraging front-line employees on a daily basis. Salaries, benefits and other incentives can also be used to keep employees on board. Other key to increasing employee retention rates is to focus on the intangible aspects of employee satisfaction, like personal respect, trust, responsibility and opportunities for career development. The studies on the theory of leadership identified four styles of leadership namely democratic leadership, autocratic leadership, laissez-Faire leadership and Bureaucratic leadership. In another study carried by Bysio et al. (1995) it was found that higher degrees of transformational leadership were associated with lower intention to leave. Therefore, Transformational leaderships are needed which are defined as: Leadership that makes subordinates or followers aware of the importance of their jobs and performance to the wellbeing of the organization as well as their own needs for personal career advancement and growth and able to motivates subordinates to work harder for the good of the organization; that inspire followers to believe in their own potential so as to create a better prospect and future for the organization as well as to believe in the leader personally; and who are able to change the beliefs and attitudes of subordinates and inspire them to pursue their own interests for the wellbeing of the institution/organization. Furthermore, this type of leaders will give serious consideration to the long term need for self-improvement and development over short term or current needs. This transformational leadership instead focused on the leaders and followers relationship. Transformational leadership is expected to be able to provide a clear vision and mission, inspire self-esteem and gain trust and respect and more likely to foster and enhance job satisfaction among academic staff, than those who are not transformative in their leadership styles.
Also, there are firm-specific factors that can be managed, like stress levels, compensation, working conditions, supervision, training and organization practices. To better manage human resources, the management should consider the turnover costs, develop retention strategies and plan for unexpected turnover and changes in work culture. Employers need to recognize the importance of work life quality to employees and put in a career development program in place, encourage employer-employee communication and address their needs as well as offer an attractive compensation package.

REFERENCES


