



EMPLOYEE TURNOVER AND PRODUCTIVITY AMONG SMALL BUSINESS ENTITIES IN NIGERIA

John N. N. Ugoani
College of Management and Social Sciences,
Rhema University, Nigeria
E-mail: drjohnugoani@yahoo.com

Submission: 02/04/2016
Revision: 12/04/2016
Accept: 19/06/2016

ABSTRACT

This study was designed to evaluate the problems of employee turnover on productivity among small business entities in Nigeria, and recommend remedial actions. Employee turnover is the separation of employees from employers and replacement with other employees. Productive manpower is a critical element for the economic survival of any small business entity. The survey research design was used for the study. The sample comprised of 320 respondents. Data generated were analyzed by using descriptive and Z-test statistical techniques. It was found that employee turnover adversely affects productivity in small business entities in Nigeria.

Keywords: absenteeism, turnover, sexual-harassment, clones, *Igbuoge*, psychological implication



1. INTRODUCTION

In human resource management context, the employee is the human being who possesses specific abilities, skills, knowledge and desired work attitudes and whose services are required for the purpose of undertaking certain specified activities needed for the attainment of enterprise goals. Generally speaking, turnover occurs when employees leave organizations and have to be replaced by others.

Turnover is a costly problem that has adverse effects on productivity. The problem of turnover can be understood by the popular phrase nowadays that there are no longer any job for life, suggesting that the length of time employees spend working for others has reduced very drastically in recent years.

Turnover always rises when the economy of a country is strong or in a state of boom, and work opportunities are plentiful for people to change employers. On the contrary, in times of recession, employee turnover falls because relatively few attractive and permanent job openings are available. Another way of understanding employee turnover is to state that it refers to the termination of employees and the engagement of other employees to replace them.

Such activities are usually divided into additions and separations. Additions include new hires and recalls. Separations include lay-offs, quits, discharges, among others. Temporary employees and transfers between jobs are not considered terminations or additions in evaluating overall enterprise employee turnover. The incidence of employee turnover also increases in a situation where physical working conditions are poor.

Environmental stresses or distractions such as poor illumination, temperature, unpleasant noise and ventilation as well as unfriendly co-employees. These can push up turnover rates to higher degrees than the attitudes towards the enterprise, the pay, or the job itself. Turnover equally increases where employees have relatively poor relations with their employers or managers.

The employee who feels that the manager is unfair or unfriendly will always feel like quitting the job. It is equally highly important to stress that older employees do generally maintain a better average turnover record than younger employees. When jobs are surplus and employment is high there is usually some increase in turnover rates.



The incidence of employee turnover is higher under the age of thirty after which it generally cools off. The incidence is also higher among women than men and about 30 percent higher in married than unmarried women. This perhaps explains the paucity of women in high management positions.

Turnover is frequently categorized as voluntary or involuntary and avoidable or unavoidable. Voluntary separations are initiated by the employees while involuntary terminations are initiated by the employer. However, Lee, et al (1999) in their model of voluntary turnover state that it represents a divergence from traditional thinking and suggest that the phenomenon is primarily based on a theory of decision-making.

Avoidable turnover issues are the ones the employer has control over such as wages, benefits, working hours, and work conditions, among others. Unavoidable turnover issues are the ones the employer has no control over such as chronic illness, retirement, death and pregnancy, in the case of women. (MCEVOY, et al, 1987, MORRELL, et al 2004).

Inability to minimize turnover among Small Business entities (SBEs) is a big problem because the employee is the greatest asset of any business, no matter how big or small it may be, organizations are social systems and they are made up of structures, technology and the environment. The common denominator among these three is labour. The human agent is buffeted with the designing, building and the operations of organizational structures.

Employees are concerned with the development and use of appropriate technology for the achievement of enterprise goals. Also, people in their various endeavors in life directly or indirectly examine, manipulate or exploit their immediate environments, the consequences of which are later translated to either challenges or prospects of their enterprises. The human being is therefore the most important and versatile resource in any organization.

Controlled turnover can be healthy because it wipes away non-performers and brings in new hires with fresh blood, and ideas and approaches to an enterprise. It makes nonsense of enterprise "clones" that have a specific mindset and much less creative or innovative. Although some small business promoters recognize the



seriousness of the problems of employee turnover, they hardly evaluate its implications on productivity.

Failure to link employee turnover and reduced productivity frequently results in little or nothing being done to reduce the problem. If much money and time are put in recruitment and selection, also some good time and money should be budgeted for keeping them. The typical notion that the problem of employee turnover is a complex one does not solve the problem.

According to Natolooka and Otengo (2011), labour turnover describes “how long employees tend to stay or the rate of traffic through the revolving-door”. If an employer is said to have a high turnover relative to its competitors, it means that employees of that organization have a shorter average turnover than those of the other organizations in the same industry.

Employee turnover is commonly used to refer only to wastage or the number of employees leaving the organization. Employee turnover can be controlled in many ways. Since it is connected to job satisfaction, matching an employee expectations of rewards and satisfaction to what is actually provided by the employer may help reduce employee turnover. A fine way to reduce turnover is to improve selection and better match applicants to jobs.

Improving the selection process and employing the right people may be helpful. Good employee orientation can also help to reduce turnover. Equitable and fair pay, career planning and internal promotion can help in no small measure in reducing the incidence of employee turnover. Present day employees tend to move from employer to employer early on in their careers.

But once they find a job or an employer that they like, the tendency is to remain for years. For example, many employees have stayed on in their jobs for over 10-30 years in Nigeria (Udeze, 2000). Employee turnover is neither a local nor recent phenomenon. It is a global issue that many enterprises are struggling to handle.

According to Halloran (1978), to be fair to employees, if some employers feel that a person working at the same job for over twenty years is bound to go stale and that the best way to restore interest, imagination, vigor, and capacity for growth to those who are stagnating is to allow long breaks-to rest, to study, and possibly to



change fields. With today's jet-age becoming a serious problem, the employment culture is fast changing; it is now very common to find younger people changing jobs every few years instead of staying with a particular organization for the whole of the employment life.

This they do, not because of any accident but rather to suit their ever changing life styles, including the ever-prominent desire to balance work and family roles. Since productivity means reaching the higher level of performance, with the least expenditure of resources – including employees – the need for reducing employee turnover cannot be over emphasized.

Employee turnover appears to be high in Nigeria because it is generally perceived that SBEs lack the capacity to pay or retain good employees, and there is also the problem of what constitutes a SBE. Over the years, several definitions of a small business have emerged. Different countries try to define what constitutes a SBE or a Small business within the context of their economic development. For example, in the U.S, a small business or a SBE is an individual, partnership, trust or company with aggregate turnover less than \$2m (U.S 1976-83, LONGENECKER, et al, 2006).

Also the basic characteristics of a small business, irrespective of any definitions, would include: (a) the managers being the owners, (b) capital being supplied and the ownership held by an individual or small group, (c) the area of operation being mainly local, but the markets need not be local. According to the micro, small and medium enterprises (MSMEs) Act (2006), the meaning of the terms MSMEs is understood with respect to the investment made in the plant, machinery and equipment.

The Act suggests that in Nigeria microenterprises or SBEs mean businesses defined by the Act. In this case, a micro enterprise is an entity with capital investment of not more than N1m only which includes a working capital but excluding land and or a labour size of between 1 and 10 workers. Small enterprises are the businesses with capital and investment of over N1.5m only but not exceeding, and a labour size of between 11 and 100 workers, while medium enterprises are business entities with capital and investment of over N50m only but not more than N200m including



working capital but excluding the cost of land, or a labour size of between 101 and 300 workers.

According to Aganga (2012) Nigeria has about 17.3m MSMEs. Generally, a small business is one that is independently owned and operated, but not dominant in its field. In addition to being small in size, a small business is also usually localized in its operations. Its owner(s), employees, and customers often reside in the same town in which the enterprise is located. (AWUJO; URIETO, 1995, IBEENWO, 2015).

According to Nickels, et al (2005) 90 percent of all small business failures are as a result of poor management including poor human relations and human resource management. SBEs constitute a vital engine in economic growth and development of a nation. For example, Nigeria Vision 20:2020 is anchored on the recognition that the people are the most essential assets of any nation.

With a learning population of over 160 million people Nigeria represents one of the largest markets in the developing world. Transforming these people into catalysts for growth and national renewal, and lasting growth underscores the need for SBEs development so as to improve the wellbeing of the people working there.

According to Awujo and Urieto (1995) a study of small business owners in Nigeria showed a significant correlation of human relations ability and small business success. Human relations ability is comprised of ascending emotional stability, sociability, personal relations, considerations, and co-operation that should exist between owner(s) and the employees.

Valuing people as critical assets, being fair to people at work, developing cordial labour-management partnerships as well as the appreciation of learning and new ideas are among the essential ingredients that would help in reducing employee turnover in SBEs. This is important because there may not be a single objective performance criterion, rather, the great thing may be the fairness of the employment arrangement, and whether people feel that the process treats them equitably. According to Ugoani (2013) fair treatment of employees and sound employee diversity management are critical for employee attraction and retention.



1.1. Statement of the Problem

Some SBEs fail to appreciate that the human element is important to the survival of any business. This is in contrast to the classic views of Wren (1987) that organizations should take steps to assist employees in adjusting to organizational life by fostering collaborative systems between labour and management. This over-sight leads to the neglect of employees resulting to poor remuneration, conditions of service, lack of recognition, discrimination, and lack of career path among others.

People come to work so as to find a window of opportunity to serve, develop themselves and ultimately solve some personal problems which they may not be able to solve alone. It is logical that when employees experience difficulties or notice that what they had expected from the employment arrangement does not seem to be working out, the tendency is always to think of leaving the job.

For example, an entry level employee who observes that his employer is not the type interested in his personal development would only use such an employment as a stepping stone, a waiting time, Igbuoge, before leaving for an alternative and probably better employment. The existence of all or most of all these problems lead to employee turnover and affect productivity among SBEs negatively.

1.2. Objective of the study

This study was designed to explore the impact of employee turnover on productivity among SBEs in Nigeria.

1.3. Hypotheses

To properly guide this study, two hypotheses were formulated and tested at 0.05 level of significance.

- H_0 : Employee turnover has no adverse relationship with productivity among SBEs in Nigeria
- H_i : Employee turnover has adverse relationship with productivity among SBEs in Nigeria.

1.4. Delimitation of the study

This study was delimited to South-East Nigeria.



1.5. Limitations of the study

The study suffered the lack of research grant and the pains of poor road network that did allow for the extension of the study to other states. However, these limitations did not affect the validity of the study.

2. LITERATURE REVIEW

Employee turnover relates to the numbers of workers leaving employment and being replaced within a given period against the ratio of the average labour force maintained at a time. People leave employment for many reasons, some of which are outside the power of the employer to influence, known as outside factors, and unrelated to work, such as people moving away when a spouse or partner is relocated.

Functional turnover includes all resignations which are welcomed by both employers and employee alike. The major examples are those which stem from an employee's poor work performance or failure to fit in comfortably with an organizational or departmental culture. Others are the push factors and the pull factors leading to unwanted turnover.

A wide range of pushes can be mentioned to explain such turnover problems. For example, insufficient development opportunities, boredom, ineffective supervision, poor levels of employee involvement and personality clashes are among the most common push factors for employees leaving employment. The reverse side of the coin is the attraction of rival employers. For example, salary levels are often a factor for employees leaving in order to improve their living standards.

Also there are broader notions of career development, the wish to move into new areas of work for which there are better opportunities elsewhere, the chance to work with particular people, and more practical questions such as commuting time. For an employer losing employees as a result of such pull factors there are two main lines of actions to take.

First, there is a need to be aware of what other employers are offering and to ensure that as far as possible this is matched – or at least that a broadly comparable package of pay and opportunity is offered. The second requirement involves trying to ensure that employees appreciate what they are currently being given. The



emphasis is on effective communication of any unique selling points, and of the extent to which opportunity comparable to those offered elsewhere is given.

For example, Taylor (2002) interviewed 200 people who had chased employers about why they left their last jobs. It was found that a mix of factors at work in most cases were responsible but concluded that push factors were a great deal more prevalent than pull factors as causes of voluntary resignations. The study indicated that very few people appear to leave jobs in which they are happy in search of something even better.

Instead the picture is an overwhelming one in which dissatisfied employees seek alternatives because they no longer enjoy working for their current employers. The same study found relatively few examples of people leaving for financial reasons. Other factors found to influence voluntary resignations include; dissatisfaction with the conditions of work, especially hours, a perception that they were not being given sufficient career development opportunities, and bad relationships with their immediate supervisors.

The issue of bad relationships was most commonly mentioned according to Taylor (2002), lending support to the often stated point that people leave their managers and not their organizations. High levels of turnover can destabilize a business and demotivate those who attempt to maintain levels of service and output against a background of vacant posts, inexperienced staff and general discontent. High rates of turnover can be reduced through good internal communications, because most employees who leave their employment do so because they never heard what they expected to hear.

Organizations function by means of collective action of people, yet each person is competent of taking independent action which may not be in line with policy or instructions or may not be reported properly to other people who ought to know. Since employees are most frequently influenced by the push factors, the issue of good internal communications cannot be ignored.

Obviously, employees want to hear about, and to comment upon the matters that affect their interests. These of course will include changes in working methods, and conditions, changes in the arrangements for pay and other conditions of the employment arrangement. According to Armstrong (2004), employers should try to



understand what employees want to hear and plan its communication strategy to suit it.

This can easily be done through open communications such as conducting focus group discussions which bring together groups of employees to focus on particular issues that concern them, by means of attitude surveys, by asking employee representatives, by informally listening to employees and hear grievances to see if improved interactions could modify them and thus reduce the rate of voluntary turnover.

Good internal communications ensures that employees are given an opportunity to voice out their suggestions and fears and that the organization is in a position to amend its strategies in the light of employee's observations. Daisy, et al (2013) argue that organizations that put in place practices like effective and equitable compensation structure, appropriate promotional scales, enhanced development and training opportunities, will motivate their employees to stay.

Sutherland (2004) further explains that proficiently planned and well-executed employee retention strategy will significantly enhance productivity and reduce employee turnover. According to Middleton, et al (1993) "Both common sense and economic research support the idea that the gravity of a nation's workforce is important to economic growth and social development. Two factors are generally considered to be the prime determinants of the quality of a work force.

One is labour productivity, or the value of the goods and services produced by a worker. The second is the flexibility of the work force or the ability of workers to move across sectors of the economy and between industries as the structure of the economy changes". This can better be achieved through turnover reduction in organizations. Productivity is a critical determinant of organizational profit ability and survival.

The term productivity is usually used in a general sense with little differences in the meaning. When used as a general term it is applicable to a wide area of economic activities, contexts and other circumstances. Accordingly productivity applies virtually to all disciplines and spheres of human endeavour. Productivity is related to a much combination of factors necessary to achieve predetermined organization goals.



The level of productivity in an organization depends on two major factors, namely human performance and technology. Human performance is directly related to employee productivity. In the context, productivity is an index that measures output relative to the input used to produce them. This is often expressed as the ratio of output to input.

Productivity has important implication for the business organization and for the entire nation. For example, for nonprofit organizations, higher productivity means a lower cost, for profit-based organizations, productivity is an important factor in determining how competitive an organization is. For a nation, the rate of productivity growth is of great importance. Productivity increases add value to the economy while keeping inflation in check (STEVENSON, 2002).

Productivity measurement on the other hand provides productivity data which is used to ascertain the level of organizational effectiveness and efficiency (AKANWA; AGU, 2005). Productivity declines in a situation of high employee turnover that may be caused by adverse work conditions.

According to Shaw, et al (1998) employee turnover is a much studied phenomenon, but there is no universally accepted account for why people choose to leave organizations. Hom and Griffeth (1995) reviewed many studies on employee turnover and posit that predominantly, there are instances where the employee makes the decision rather than in the cases of involuntary turnover.

To some extent therefore, voluntary turnover issues are of interest because in a majority of cases, these represent the bulk of turnover within the organization. Such category of turnover equally represents a significant cost proportion to the organization (MORRELL, et al, 2004).

Morrell, et al (2004) believe that there is no accepted theoretical framework for clearly understanding the turnover characteristics and processes completely, but that factors such as job satisfaction and dissatisfaction, labour market situation, equity variables, the question of psychological contract, are among the important factors that influence employee turnover (HOM; KINICKI, 2001).

3. METHODOLOGY:



3.1. Research design

Survey research design was used for the study. This design is used so as to gain a fuller understanding of a topic of interest to the investigator (ASIKA, 2004).

3.2. Participants

The sample comprised of 320 participants (195 males, and 125 females) ranging in age from 21 to 70 (M = 46 years; SD = 25). The participants were generated from the population in Nigeria.

3.3. Instrument

Data were generated through a 5 – point 20 item Likert-type questionnaire titled “Employee Turnover and Productivity Questionnaire (ETPQ)” adapted from Cook and Wall’s (1980) British Organizational Commitment scale. The scale has previously been subjected to development and validation procedures and with Cronbach’s Alpha established at about .81.

3.4. Procedure

Copies of the questionnaire were personally administered on the participants by the investigator and two research assistants. They were required to answer questions in the areas of poor working conditions, pay, communication, supervision, etc. All the questionnaire copies were returned and the responses found suitable for analysis.

3.5. Data Analysis

Data were analyzed using descriptive and Z-test statistical methods, and the results presented in tables.

3.6. Presentation of results.

Figure 1 was used to illustrate the typology of SBEs in Nigeria.



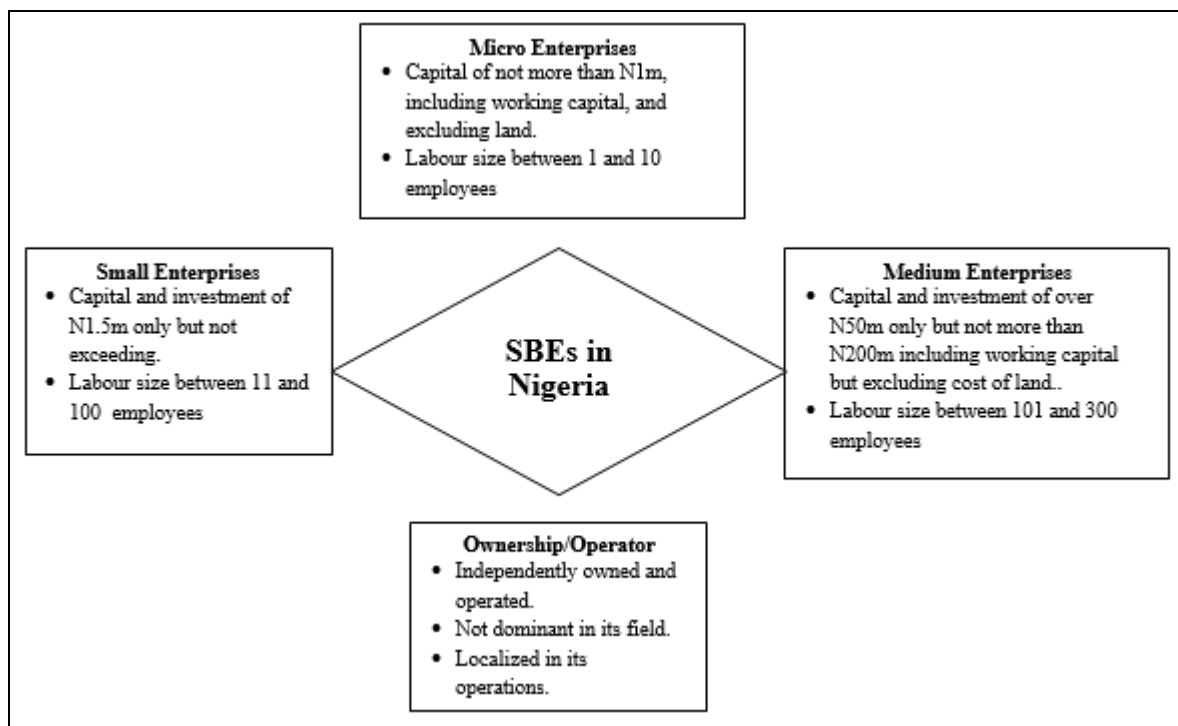


Figure 1: SBEs Model in Nigeria

Source: Adapted from Ibeenwo (2015)

Table 1 reflected the characteristics of respondents.

Table 1: Demographic Breakdown of the Sample (n = 320)

Demographic features	Measures	Frequency	Percentage
Age	21 – 50	215	67.19
	51 – 70	105	32.81
		320	100.00
Gender	Male	195	60.94
	Female	125	39.06
		320	100.00
Employment	Entrepreneurs	85	26.56
	Small business managers	101	32.56
	Employees in SBEs	70	21.88
	Others	64	20.00
		320	100.00
Education	FSLC	132	41.25
	GCE	108	33.75
	Dip/Others	33	10.31
	None	47	14.69
		320	100.00
Experience	1 -10	65	20.31
	11 – 20	175	54.69
	21/above	80	25.00
		320	100.00

Source: Field work, 2016.



Table 2 showed that 192 respondents, representing about 60 percent agreed that the problems of employee turnover negatively affects the productivity of the SBEs,

Table 3: Analysis of Responses

S/N	Problems of Turnover	No of Respondents	Scores of responde	Mean Scores of Respond	Standard deviation	No of Respondents	Scores of responde	Mean score of responde	Standard deviation	Total no of responde
1	Apathy of employees	180	810	4.50	2.62	140	280	2.00	1.36	320
2	Poor working conditions	210	840	4.00	0.35	110	273	2.50	2.01	320
3	Poor supervision	200	900	4.50	3.90	120	314	2.60	1.47	320
4	Poor pay	200	850	4.25	0.35	120	240	2.00	5.13	320
5	Ineffective communication	194	873	4.50	2.02	126	315	2.50	1.70	320
6	Inadequate training opportunities	210	945	4.50	6.92	110	230	2.09	6.32	320
7	Unethical behaviours	152	700	4.61	11.80	168	420	2.50	9.60	320
	Total	1346	5918	30.86	27.96	894	2072	16.19	27.59	2240
	Aggregate mean	192	845	4.41	4.00	128	296	2.31	3.94	320

Source: Field Survey, 2016

while about 40 percent (128 respondents) differed in this opinion.

Table 3: Z-test Statistical Analysis

Responses (options)	No of Respondents	Mean scores X	Standard deviation	Degrees of freedom	Z calculated	Z critical	Level of significance	Decision
Agree	192	4.41	4.00	4	+3.28	1.96	0.05	Rejected
Disagree	128	2.31	3.94					

4. DISCUSSION

From table 4, the calculated Z – value (+3.28) was not found in the region between -9.96 and +1.96 (ie critical values of 2) at 4 degrees of freedom and 0.05 level of significance. In applying the decision rule, the null hypothesis was rejected. The P – value provided a confirmation of this decision. The likelihood of finding a Z – values greater than +3.28 was $0.5000 - 0.4990 = 0.001$. Being a two – tailed test, the P. Value $2(0.001) = 0.002$, was less than the significance level, ($P < 0.05$).

Therefore the null hypothesis was not true. The alternate hypothesis was upheld. By this empirical result it was found that employee turnover adversely affects productivity among SBEs in Nigeria. Productivity is a very critical factor in economic



and social development. A productive employee is a progressive individual and so any employer that has such mass of productive manpower will certainly be an economically productive expertise.

Poor pay is a constant source of frustration and employee turnover that results in decrease in productivity (UDEZE, 2000). This study supports the views of Mathis and Jackson (1994) that good human resource management is critical in small and entrepreneurial organizations. "People problems" are among the most frustrating ones faced by small-business owners and entrepreneur's they posit.

The result again agrees with Noe, et al (2000) that turnover as the result of resignations, downsizing, etc., is far from the goals of increased productivity and increased profitability of the business enterprise. While acknowledging the imperatives of functional turnover, Armstrong (2004) agrees that employee turnover can be costly, in terms of leaving costs, opportunity costs, direct costs, as well as input costs.

Employee turnover in SBEs has frequently been attributed to low pay, poor conditions of service, unethical behaviours among other problems. The fact of the matter is that human resource management has always had a psychological implication and an ethical dimension.

For example, according to Torrington, et al (2005) there is two widely expressed, but wholly opposed, perspectives on the link between training interventions and employee turnover. On the one hand is the argument that training opportunities enhance commitment on the part of employees, making them less likely to leave voluntarily than they would if no training was offered.

The alternative view holds that training makes people more employable and hence more likely to leave in order to develop their careers elsewhere. This view holds that money spent on training is money wasted because it ultimately benefits other employers.

This is the view held by small business owners based on economic reasons but it is debatable if it is ethical or right not to train employees for higher responsibilities. Depending on the ability to pay, problems of pay could be reduced by bench-marking what other businesses of equivalent status pay. Because human

beings are not economic tools, they need to be motivated, to be able to solve personal problems with the assistance of the employer.

Thus conditions of service must be well spelt out, managerial approach made humane, people given due respect and recognition, and the work environment made as conducive as possible. People who are not competent enough require support to succeed and not condemnation, and sexual harassment that are frequently reported in SBEs minimized so as to wedge employee turnover.

In many cases, if not most, voluntary resignations are explained by dissatisfaction on the part of employees with their managers or supervisors, it follows that an effective means of reducing employee turnover in SBEs is to improve the quality of management-employee relationships.

The aim will be to work hard at creating a sense of community among employees so that leaving the enterprise would mean leaving a social network of activities; it makes employees think twice about resigning and abandoning their team-mates. (TAYLOR, 2002).

Turnover in SBEs often arises because of less attention to people issues. Managing a business requires more than just the desire to be your own boss. It demands dedication, persistence, the ability to make decisions and the ability to manage both employees and finances. The management plan, along with marketing and financial management plans form the foundation for and facilitate the success of the enterprise.

People are the most valuable asset a business has. Therefore, it is imperative that SBEs promoters know how to manage and treat their employees; make them a part of the team, keep them informed of and get their feedback regarding changes. Employees usually have excellent ideas that can lead to new market areas, innovations to existing products or services or new product lines or services which can improve overall competitiveness of the SBEs.

Nyako, (2012) frowns at violence against women and sextortion while in employment. Such actions are among the issues militating against employee retention in SBEs in Nigeria (ODIBO; AGBADUDU, 2011).



5. RECOMMENDATIONS:

In order to reduce the negative effects of employee turnover on productivity among SBEs, the following recommendations were made, based on the results of this study:

- 1) From the employees' point of view pay is very critical for their retention. SBEs no matter how small, should benchmark their pay in terms of Minimum Wage Act. This will help in attracting and retaining good employees.
- 2) Good managerial supervision is important. Small business promoters should avail themselves of basic management and leadership improvement courses usually run in business schools to keep abreast with current managerial and leadership techniques. Sensitivity training will be very helpful.
- 3) Small businesses should from day one, put proper structures in place that will ensure a rise through the ladder for employees. This will enable them avoid serving as training grounds for their competitors by losing their good employees to them at frequent intervals.
- 4) Government should direct all SBEs to formulate family-friendly policies to enable employees, particularly women – balance their work and family roles.
- 5) SBEs should have employee hand book, a document showing their rules and regulations for the guidance of their employees. Absenteeism is often an indication that there are problems and is used to escape. Proper training will afford employees reasonable opportunity to perform satisfactorily and avoid attitudinal failures.
- 6) SBEs if well managed are supposed to transform into large businesses so they should avail their employees wishing to return to school flexible working hours to do so while in service. This approach will motivate the employee and also benefit the employer as the employee would bring in fresh ideas from theories to improve productivity.
- 7) Because of advances in knowledge and technology, the employee of today needs autonomy to do his/her job. Small business promoters who capitalize on the illusion of business ownership need to have a rethink for the growth and prosperity of their enterprises.



- 8) Over the years, improvement in wages, benefits, and job security, the biological or survival needs of most employees have been emphasized. However, in the present yet-age, business promoters should devote increasing effort in understanding the fact that every person has need for personal recognition, respect and acceptance. This will go a long way in curbing insubordination and the resultant turnover.
- 9) The incidence of unfair treatment and or frequent cases of sexual harassment among female employees in paid employment should be addressed by the Government and non-governmental organizations (NGOs). This will not only reduce the level of depersonalization, it will also encourage and motivate female employees for higher productivity, because small businesses are the engine of economic growth in Nigeria.
- 10) Employees as the most important factor of production need to work and survive in a conducive environment. Good working environments will make work less stressful and this has the obvious implication of high employee motivation, productivity, and decreased turnover.

5.1. Scope for further study

Further research should examine the relationship between poor human relations and small business failures in Nigeria

6. CONCLUSION:

Many factors influence employee turnover such as the pay structure, work conditions which in turn impair productivity. Based on a wealth of research on the employee turnover phenomenon, there is evidence that the much prevalent issue of voluntary turnover is primarily based on a theory of decision-making. The level of organizational productivity depends highly on human performance and where this is inadequate the obvious result will be low productivity.

Employees are concerned with the development and use of appropriate technology to achieve organizational goals, therefore efforts to attract and retain a desired level of employees at any time is critical in enhancing organizational productivity.



Through theoretical and statistical analyses this study found that employee turnover has significant negative relationship with productivity among SBEs in Nigeria. This is the interest of the study.

REFERENCES

- AGANGA, O. (2012) Nigeria has about 17.3m SMEs. **The Nation**, v. 7, n. 2143, p. 12.
- AKANWA, P. U.; AGU, C. N. (2005) **Entrepreneurship Theory and Practice in Nigeria**. Resources Development Centre, Owerri.
- ARMSTRONG, M. (2004), **A Handbook of Human Resources Management Practice**, 9th Edition, Kogan Page Ltd. India.
- ASIKA, N. (2004) **Research Methodology**. A Process Approach. 1st edition, Lagos Mukusemu & Brothers Enterprises.
- AWUJO, A. C.; URIETO, J. E (1995) **Introduction to Business**. Port Harcourt, Paragraphics
- COOK, J.; WALL, T. (1980) New Work Attitude Measures of Trust, Organisational Commitment and Personal Needs Nonfulfillment. **Journal of Occupational Psychology**, n. 53, p. 39-52
- DAISY, O. K.; MUATHE, S.; NZULWA, R. (2013) The Influence of Employee Rewards Human Resource Policies and Job Satisfaction on the Retention of Employees in Vodafone Ghana Limited. **European Journal of Business and Management**, v. 5, n. 12, p. 13-20.
- HALLORAN, J. (1978) **Applied Human Relations: An Organizational Approach**. Prentice-Hall, Inc. Englewood cliffs, New Jersey.
- HOM, P. W.; GRIFFETH, R. (1995) **Employee Turnover**, South Western Publishing, USA.
- HOM, P. W.; KINICKI, A. J. (2001) Toward a Greater Understanding of How Dissatisfaction Drives Employee Turnover. **Academy of Management Journal**, v. 44, n. 5, p. 975-987.
- IBEENWO, G. I. (2015) **Entrepreneurship Development and Management in Nigeria**, Aba, Living Word Mission Press.
- LEE, T. W.; MITCHELL, T. R.; HOLTOM, B. C.; MCDANIEL, L. S.; HILL, J. W. (1999). The Unfolding / Model of Voluntary Turnover: a replication and extension. **Academy of Management Journal**, v. 42, n. 4, p. 450-462.
- LONGENECKER, J. G.; MOORE, C. W.; PETTY, J. W.; PALICH, L. E. (2006) **Small Business Management: An Entrepreneurial Emphasis**. 13th edition, USA, Thomson South – Western.
- MATHIS, R. L.; JACKSON, J. H. (1994), **Human Resource Management** 7th Edition, West Publishing Corporation, New York.
- MCEVOY, GLENN, M.; WAYNE, F. C. (1987), Do Good or Poor Performers Leave? A Meta-Analysis of the Relationship between Performance and Turnover. **Academy of Management Journal**, v. 30, n. 4, p. 744-762.

MICRO, SMALL AND MEDIUM ENTERPRISES ACT (2006) **Federal Government of Nigeria**, Press.

MORRELL, K. M.; LOAN-CLARKE J.; WILKINSON, A. J. (2004) Organisational Change and Employee Turnover. **Personnel Review**, v. 33, n. 2, p. 161-p173.

MIDDLETON, J.; ZIDERMAN, A.; ADAMS, A. V. (1993) **Skills for Productivity: Vocational Education and Training in Developing Countries**. Washington, D. C. The World Bank

NATOLOOKA, K.; OTENGO, R. A. (2011) Labour Turnover and Employees Performance in Local Governments in Uganda: The case of Lira District Local Government, **International Journal of Social and Policy Issues**, v. 8, n. 1. P.48-60

NICKELS, W. G.; MCHUGH, J. M.; MCHUGH, S. M. (2005) **Understanding Business**, 7th edition, USA, McGraw Hill, Irwin

NIGERIA VISION 20:2020 (2009) **Economic Transformation Blueprint**, National Planning Commission, Abuja.

NYAKO, B. (2012) Violence Against Women and Sextortion. **The Nation**, v. 06, n. 2170, p. 1-2

NOE, R. A.; HOLLENBACK, J. R.; GERHART, B.; WRIGHT, P. M. (2000) **Human Resource Management**, 3rd Edition, USA, McGraw-Hill, Irwin

ODIBO, E. E AND AGBADUDU, E. J (2011) Employee Retention in Small and Medium Scale Enterprises in Delta State. **The Nigerian Journal of Policy and Public Policy**, p. 100–114.

SHAW, J. D.; DELERY, J. E.; JENKINS, G. D.; GUPTA, N. (1998) An Organisation-level Analysis of Voluntary and Involuntary Turnover. **Academy of Management Review**, v. 41, n. 5, p. 511-525.

STEVENSON, W. J. (2002) **Operations Management** 7th edition, USA, The McGraw-Hill Companies.

SUTHERLAND, M. M. (2004) **Factors affecting the retention of knowledge workers** Ph.D Dissertation Faculty of Economics and Management Sciences, University of Johannesburg.

TORRINGTON, D.; HALL, L.; TAYLOR, S. (2005) **Human Resource Management**, 6th Edition, Prentice Hall, U.K

TAYLOR, S. (2002) **The Employee Retention Handbook**. London. CIPD.

UDEZE, J. O. (2000), **Human Resources Management in Nigeria**, 1st Edition, Joebest Books, Enugu

UGOANI, J. N. N. (2013) Ethical Excellence through Employees Diversity Management in Nigeria. **Management and Administrative Sciences review**. v. 2, n. 4, p. 343-352

U.S. DEPARTMENT OF LABOUR STATISTICS (1976-83) **Employment and Earnings**. Washington, D. C. Government Printing Office.

WREN, D. (1987) **The Evolution of Management Thought**. 3rd edition, New York John Wiley and Sons.