

**PERCEIVED RETENTION STRATEGIES AND INTENTIONS
TO LEAVE AMONG EMPLOYEES IN THE NIGERIAN
TELECOMMUNICATIONS INDUSTRY**

BY

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Abstract

The study focused on perceived retention strategies and intentions to leave among employees in the Nigerian telecommunications industry. The study focused on private telecom organizations (Airtel, Globacom, MTN, and 9Mobile) and how they affect employees' intention to leave. The study became necessary as the organizations are perceived to have been experiencing outbound employee turnover which sometimes jeopardizes management's efforts at retaining competent and productive workers. The proxies associated with this study were performance-based promotion and performance-based compensation. The study adopted a cross-sectional design and a structured questionnaire was administered to 496 respondents. The hypotheses were tested with the multiple regression analysis using SPSS. The result of the analysis indicates that performance-based promotion and performance-based compensation hurt employees' intention to leave. It recommended among others that, the management of telecommunication organizations in Nigeria should adopt promotion practices that would be based on relative staff performance and not on a random basis where a lower-level staff is promoted to a higher level regardless of performance or seniority. Employees should be adequately compensated not just with bonuses and commissions, but other fringe benefits that would adequately support and supplement their salaries for any injury suffered in the course of performing their duties because a poorly compensated worker will not be motivated or committed to remaining in the employment of an organization. To reduce staff intentions to leave, telecommunication organizations should improve their working conditions by

creating flexible working hour schedules that allow employees to work effectively and still attend to their families and other social responsibilities.

Keywords: Retention strategies, performance-based promotion, compensation, organizational culture

INTRODUCTION

Over the years, business success and sustainable market domination by the telecommunication industry in Nigeria is alarming and these require retaining valued human capital for the strategic goal attainment of the organization (Ladia & Gupta, 2015). It plays the role of attracting and retaining productive employees while reducing turnover in the organization. For business executives and HR practitioners have the core objective of retaining productive employees through fairness and transparency in the organization. Hence, low turnover is achieved with an effective employee retention programme which requires setting a clear priority to show how future leaders are developed; establishing a selection process to ensure that qualified candidates have participated, and implementing strategies for rewarding or compensating the employees.

In the telecommunication industry, retention strategies have become enablers of employees' sustainability toward the productivity of the organizations. This is traced to the advancement of the industry and a critical player in today's economy in Nigeria. A major development is the wireless telephone system which comes in either fixed wireless telephone lines or the Global System of Mobile Communications (GSM). Without a doubt, communication which is the means of sending or receiving information either through telephone lines, GSM, the internet, and computers among others is a major driver of any developing economy. The Nigerian telecommunications industry has not been left out in the race for rapid development in the global telecommunications industry with the establishment of a regulatory body, the Nigerian

Communications Commission (NCC) in 1992. As one of its mandates enshrined in Act 75 of 1992, the Nigerian Communications Commission in 2001 granted operating licenses to some privately-owned telecommunication organizations including Mobile Telecommunications Network (MTN), Airtel Ltd, Globacom Ltd, and 9Mobile, to provide effective telecommunication services in Nigeria. Each of these operators has been seeking a competitive advantage over the other. To achieve this goal, they are continually developing strategies that could motivate their respective employees to remain in the organizations and reduce their intentions to leave.

Another effect of turnover on the organization is after involuntary termination, the dismissed or disengaged staff may still be carrying out some illegal transactions or private business practices in the name of his/her former organization which might affect the image and reputation of the organization. These private practices could also lead to loss of customers/patronage, sharing of the company's production strategies to her competitors, disclosure of the company's confidential information to the public, etc. A low-level employee turnover can be acceptable in any occupation, in that it reduces potential stagnancy, eliminates low performers, and encourages innovation among the newly employed. While high-level employee turnover leads to low performance and ineffectiveness in organizations and results in a huge number of costs and negative outcomes. Turnover intentions might not only cause productivity problems, but it results in the loss of human resources that may not be easily replaced. For example, some of the company's best and most innovative employees and researchers have voluntarily separated from service to pursue better opportunities. The loss of these employees not only hurts productivity but weakens the company strategically, because of the specialized skills and creativity that the employees brought with them. Even if the company can find the same quality of workers, the search, training, and time involved cost serious cash (Ndemaki, 2014). Aside from the cost of replacing an

employee mentioned earlier, other negative effects stated here could combine to affect a firm's profit. For example, the cost of settlement of employees' benefits (pay-offs, gratuity, and others) and the cost of litigations as some terminations may lead to legal disputes, all combine to affect the organization's performance, which ultimately affects the overall profit of the organization.

From the perspective of employees, Turnover intentions in an organization have a serious effect on the employee as it will negatively affect the morale of existing employees. The morale of employees may be low due to work overload, overtime work, and working with fewer employees than required. This causes an increase in errors during the performance of activities and results in poor services. Another effect of turnover on the employee is that a new employee may require some time to learn the roles or job functions of the former employee. In a survey by Allied Workforce Mobility (2012), about 30% of companies confirmed that it takes a year or longer period for a new employee to reach the full productivity level of a departing employee. Therefore, high employee turnover means having many inexperienced employees, which will eventually lead to lower employee productivity and poor service delivery. Involuntary termination also affects employees' employment history during interviews for a new job, lack of trust from former customers, and a longer period to regain confidence and trust lost.

Generally, there are three types of labour turnover namely: voluntary, involuntary, and attrition but this study shall consider voluntary and involuntary turnover, which are most relevant to this investigation. Voluntary turnover: Voluntary turnover refers to decisions mainly made by employees leaving the company, including all forms of resignations. When employees stay in units or post for a long time, they will feel tired, which can lead to turnover intention. Young employees who are inexperienced and have high education levels, tend to have low levels of satisfaction with jobs and careers, as well as a lower commitment to the organization. These

negative attitudes are associated with turnover intention. Involuntary turnover: According to Society for Human Resource Management (2014) involuntary turnover may occur as a result of employee wrongdoing in the organization. Involuntary turnover happens for many reasons including a decline in corporate revenue, retirement, or career changes. An employee's departure is not always because of a negative relationship with the employer. Involuntary turnover could sometimes be a part of organizational life which is unavoidable.

Organizational culture refers to the basic values, norms, standards, philosophies assumptions, ideologies, beliefs, and practices of an organization that make it different from others. The culture of any workplace decides how employees would behave with each other or with external parties (Ochiel, Iravo & Wandera, 2017). Organizational culture, therefore, has a significant effect on the employees' decision to continue working for their employers. Organizational culture emerges from social interaction and is defined in terms of its values and beliefs, which are manifested in the practices of the organization. Organizational culture is fundamental to organizational identity and can serve as an active force that influences the environment. Organizational culture can be used as a lever to enhance organizational performance by shaping employee behavior, and land loyalty, and establishing parameters for acceptable behaviour Therefore, organizational culture is the collective behaviour of humans who are part of an organization and the meanings that the people attach to their actions. Culture includes the organization's values, visions, norms, working language, systems, symbols, beliefs, and habits. It is also the pattern of such collective behaviours and assumptions that are taught to new organizational members as a way of perceiving and even thinking and feeling. Organizational culture affects the way people and groups interact with each other, with clients, and with stakeholders. Organizational leadership can inculcate values by rewarding desired

behaviour or punishing undesirable behaviour until the desired behaviour becomes the new norm for the organization. In this way, the organization and its members gradually adapt to changing conditions until a new culture emerges that is better suited to the new environment and goal structure.

A strong culture makes an organization efficient by ensuring that members are aware of what is important, what needs to be done, and how the required tasks should be accomplished. There is no definitively good or bad culture. If a culture supports the mission of the organization it is adequate, but for an organization's culture to be truly effective, it must not only be efficient it must also be appropriate to the needs of the organization. Culture is integral to the identity of an organization and reflects the fundamental values important to the organization. Indeed, Organizational Culture is defined in terms of its values which are then evinced in the operational practices of the organization. An organization's culture may make that organization an attractive employment prospect to different individuals based on each person's value structure. Thus, OC has important implications for the retention of employees because it may be the most important factor in determining how well an individual fit with an organization (Jenkins 2008). The researcher notes that employees who fit well with their organization's culture are less likely to leave and are generally more satisfied with the conditions of their employment, while those that are a poor fit are more likely to leave voluntarily and less likely to be promoted. Individuals are unique and different cultural attributes are deemed desirable by different people. Each person has a unique perspective which is a function of their personality and preferences (Bellou. 2008). Thus, the perceptions of organizational culture will not be uniform among employees. It is based on this background that the study focused on perceived retention strategies and intentions to leave among employees in the Nigerian telecommunications industry.

Statement of the problem

The vision of every telecommunication organization among others is the engagement and retention of competent, productive, talented, and valuable employees to gain a competitive advantage over competitors. Employee retention has been of great concern to organizations as managers continue to develop and implement strategies that will help to retain productive employees and reduce employee turnover. Zeeshan, Sarwat, Mishal, Imam, and Amjad (2016) identified some of the following negative implications of employee turnover to the organization: the cost of recruiting, inducting, and training new staff to replace the departing one as well as the decrease in organizational productivity, knowledge, and history. Employee turnover can drain an organization's human and financial resources because the apparent loss of key and productive employees may lower existing employees' morale, affects the organization's image, loss of existing/potential customers, decline in sales volume, etc.

The present study examined retention strategies considering such as performance-based promotion and performance-based compensation which were undermined by previous studies while employee intentions to leave are examined in terms of planning to leave the organization, having no active interest in what happens in the organization, not feeling inspired to go the extra mile helping the organization to succeed, do not feel any sense of commitment to the organization, and do not see the organization as a great place to work concerning the Nigerian telecommunications industry using Airtel, Globacom Ltd, MTN and 9Mobile respectively

Purpose of the study

The major objective of this study was to examine the perceived retention strategies and intentions to leave among employees in Nigeria telecommunications industry. The specific objectives of the study were to:

1. Examine the influence of the use of performance-based promotion as a retention strategy on employee intentions to leave the Nigerian telecommunication industry.
2. Determine the influence of the use of performance-based compensation on employee intentions to leave the Nigerian telecommunication industry.

Research questions

The following research questions were formulated to direct this study.

3. What is the influence of performance-based promotion as a retention strategy on employee intentions to leave the Nigerian telecommunication industry?
4. How does performance-based compensation on employee intentions to leave the Nigerian telecommunication industry?

Statement of hypotheses

The following research questions were formulated to direct this study.

1. Performance-based promotion does not significantly affect representative aims to leave in Airtel, Globacom, Mtn, and 9Mobile
2. Performance-based promotion significantly affects representative aims to leave in Airtel, Globacom, Mtn, and 9Mobile

Research Methodology

The study adopted a survey research design in obtaining the relevant information for the study. the population of the study consisted of management and employees of Airtel, Globacom, 9Mobile, and MTN in Nigeria specifically in the corporate headquarters of the organizations. The sample size of 569 was determined scientifically using the Taro Yamane sampling formula. The study adopted stratified and snowball sampling techniques were used which allows the researcher to administer the questionnaire instrument through an existing participant in each

department/organization who further recruits and identifies other staff to ensure credibility. Five Likert questions were developed as a questionnaire for data collection. Although a total of 569 questionnaire copies were distributed, 496 were retrieved. This accounts for a response rate of 87.17 percent. Factor analysis was used to ascertain the validity of the constructs. Descriptive statistics were used in summarizing data and hypotheses were tested using multiple regression model statistical tools for data analysis and test of hypotheses through SPSS (Statistical Package for Social Science) version 20. The Model specification is as follows:

$$Y = f (a_k + bX + e)$$

The Regression Model is defined as follows:

Where:

- Y = dependent variable
- f = functional notation
- a_k = intercepts
- b = coefficient
- X = independent (predictor) variable
- e = error or random sample

while model specification for Multiple Regression (MR) is:

$$Y = f (a_k + bX_1, bX_2, bX_3, bX_4, bX_1X_2X_3X_4X_5 + e) \dots \dots \dots (1) \text{ to terminate the association among the reliant and separate substances.}$$

- Where y = Employee intentions to leave
- Y = Dependent (criterion) variable
- f = Functional notation
- a_k = Intercepts
- b = Coefficient
- X₁ = Performance-based promotion
- X₂ = Performance-based compensation
- X₃ = Organizational culture (moderator)
- e = Error or random sample

The mean (\bar{X}) values were used to answer the research questions with descriptive statistics to determine the average response for each of the items as captured in section D of the research instrument respectively.

Result and discussions

Hypothesis one

Performance-based promotion does not significantly affect representative aims to leave in Airtel, Globacom, Mtn, and 9Mobile. To test this hypothesis, simple regression analysis was employed as presented in Table 1.

Table 1: Summary of regression analysis for performance-based promotion and employee intentions to leave (N=496)

Sources of variance	Sum of squares	Df	Mean square	F-value	p-value
Between Group	910.241	1	910.241	66.880	.000 ^b
Within Group	6739.416	495	13.61		
Total	7648.657	496			

Model	B	β (r)	R-Squared	T-value	p-value
Performance-b compensation (slop)	8.98				
Intentions to leave (intercept)	.421	-.75	.52	-8.57	.000

*p<.05

The model summary with One-way ANOVA in table 1 shows that the sum of squared deviation for promotion is 910.24, while for intentions to leave is 6738. At 1 and 495 degrees of freedom, the p-value (sig.) was found to be .000 which was less than the chosen Alpha .05. The unstandardized regression slop (b) is 8.98, and the standardized regression coefficient (β) is -.75. Transformation of the β , produced a t-ration of -8.75 (sig.000) which is greater than the chosen

alpha of .05, therefore, the null hypothesis which states that there is no significant linear prediction of promotion on employee turnover was stated. This means that there is an overwhelming inverse association between promotion and employee intentions to leave. That is, the more regular employees are promoted, the less they intend to leave the organization.

Hypothesis two

Performance-based compensation does not have a significant effect on employee intentions to leave. To test this hypothesis, simple regression analysis was employed as presented in Table 2.

Table 2: Summary of regression analysis for performance compensation and employee intentions to leave (N=496)

Sources of variance	Sum of squares	Df	Mean square	F-value	p-value
Between Group	64.851	1	64.851	7.496	.021 ^b
Within Group	4282.637	495	8.651		
Total	4347.487	496			

Model	B	β (r)	R-Squared	t-value	p-value
Performance-based compensation (slop)	15.460				
		-.65	.42	4.325	.011
Intentions to leave (intercept)	.122				

*p<.05

The model summary with One-way ANOVA in table 2 shows that the sum of squared deviation for promotion is 910.24, while for intentions to leave is 6738. At 1 and 495 degrees of freedom, the p-value (sig.) was found to be .021 which was less than the chosen Alpha .05. The unstandardized regression slop (b) is 8.98 and the standardized regression coefficient (β) is -.65. Transformation of the β , produced a t-ratio of 4.33 (sig. .010) which is greater than the chosen alpha of .05. The result of the analysis shows that there is a basic inverse association among

compensation and employee intentions to leave and thus the null proposition that, there is no significant linear prediction of performance-based compensation on employee intentions to leave was placed whereas the stated proposition was placed This implies that the higher the employees are compensated (strange benefits), the lower their intentions to leave their respective organizations.

Discussion of findings

The outcome of the investigation indicates an overwhelming inverse association between performance-based promotion and employee intentions to leave. That is, the more regular employees are promoted, the less they intend to leave the organization. This suggests there is an overpowering backward connection between advancement and representative aims to leave. That is, the higher representatives are advanced, the lower their goals/choices to leave their associations. Its further infers that advancement can be utilized to foresee worker choice to either remain or stop an association. These discoveries are predictable with Eyster, Johnson, and Toder, (2008) who presumed that advancement doesn't just give representatives higher compensation yet, in addition, the capacity to take on more obligations in the work environment and keep on developing hands in this manner lessening their aims to leave. In this way, different things being equivalent, the more representatives see open doors for further advancement in one telecom association, the fewer expectations to willfully stop.

The outcome of the investigation on the second hypothesis depicts that there is no significant linear prediction of performance-based compensation on employee intentions to leave was placed. This implies that the higher the employees are compensated (strange benefits), the lower their intentions to leave their respective organizations. This suggests there is a staggering backward connection between pay and the representative goal to leave. That is, the higher

representatives are repaid utilizing incidental advantages at work, the lower their aim/choice to stop their separate associations. Concentrates by Shields and Ward (2001) repudiated the discoveries of this examination that pay alone does not comprise a significant maintenance factor but rather can just build maintenance ability in the present moment. This infers a worker can even now leave his or her association whenever different factors, for example, work-life balance, development openings, and helpful workplace among others are not set up to complement the budgetary reward given to representatives. Inyang (2011) differs from the abovementioned yet underpins the discoveries of this investigation that a powerful and effective remuneration draws in, inspires, hold laborers, encourages quality administration conveyance, improves work execution, and increment efficiency. In any case, when representatives are not reasonably and enough redressed, they will in general perform ineffectively, and this terrible showing may prompt their automatic exit from the association. This suggests to diminish worker turnover (be it deliberate or automatic), Nigeria telecom associations ought to guarantee that representatives are sufficiently compensated for any damage endured or time spent in rendering quality administrations for the development and improvement of their separate associations.

Summary/Conclusion

It is evident that performance-based promotion or advancement and performance or execution-based pay significantly predict and impact workers' goals to leave the telecommunication industry. It was additionally presumed that authoritative culture conservatives' representatives chose to either stay in the administrations of an association or separate from it. The investigation further reasons that when telecom associations embrace' and executes standard advancement and match advancement with duties, it would diminish workers' expectations to stop however persuade and build their goals to remain at work. Furthermore, the negative impact on

the association incorporates the cost of procuring and preparing new workers, it hinders hierarchical exercises particularly when it included a top or senior administration staff, loss of skilled and significant representatives, and irregularity in administration conveyance which may prompt loss of clients. Incessant stopping of workers additionally influences the association's picture in the work advertisement. The constructive outcome of representative turnover incorporates the expulsion of ineffective laborers, less staff cost, and infusion of new gifts, and important abilities that could advance hierarchical effectiveness and development.

Recommendation

The recommendations based on the findings were drawn

1. To diminish representative goals to leave, management of telecommunication associations in Nigeria ought to receive advancement rehearses that would be founded\ on relative staff execution and not on arbitrary premise where a lower level staff is elevated to the higher level paying little respect to execution or status. This will debilitate lackluster showing and lessen representative expectations to leave.
2. To lessen staff expectations to leave, the board of Airtel, Globacom, MTN, and 9Mobile ought to guarantee that representatives are satisfactorily remunerated with rewards and commission, however other incidental advantages that would sufficiently support and enhance their pay rates for any damage endured over the span of playing out their obligations because an inadequately repaid laborer won't be spurred or resolved to stay in the work of an association.

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