

Influence of Organizational Culture on Employees' turnover

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Abstract: *This study investigates the association between organizational culture and employees' turnover in selected private schools in Anambra State. The study employs the descriptive research design. 350 respondents were selected from a population of about 600 employees of 25 selected private schools in Onitsha, Awka and Nnewi, in Anambra state, using simple random sampling technique. The Chi-square test of independence was used to test the association between variables of interest. The significance of the association is tested at 5% level of significance. The results reveal that there is significant association between all the variables of organizational culture studied and employees' turnover. The study found a significant association between organizational commitment as cultural values and employee turnover. The study also found that supervision style and work conditions have significant association with employees' turnover in the selected schools. The study concludes that there is significant association between organizational culture and employees' turnover in the selected private schools in Anambra state, Nigeria.*

Keywords: *culture, commitment, working conditions, supervision style, turnover.*

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I. Introduction

Human resources are the most vital and dynamic resources of any organization around every area of the economy. One of the challenges organizations are facing now is not only in managing the human resources but retaining them also. Sourcing and retaining skilled employees play important role for any organization as their knowledge and skills are essential to organizations' competitiveness (Das & Baruah, 2013).

Specifically, employees' turnover intentions have become one of the major challenges in human resources. Organizations globally, are giving more attention to the issue of employee turnover as they know that high employees' turnover rate slow down the performance of the employee's as well as organization. Besides, it inflates the expenses related to recruitment and new employee training (Chen, Lin, & Lien, 2010). Incoming employees on the other hand may be more highly skilled and better educated. Employee turnover may increase organizational performance, this has fascinated limited awareness in the existing literature, which concentrate on the impact of employee turnover rather than on the organizations.

Employee's turnover issues still exist throughout the world in most of the organizations. In the most developed nations, employees' turnover rate is still very high. The level of performance of tasks accomplished by the employees will be achieved only if organization's employees are satisfied with the internal environment (Muhammad, Muhammad & Aisha, 2013). This internal environment may be around cultural values being upheld in the organization over a time.

Turnover intention is serious issues especially in the field of Human Resource Management. The economic cost of turnover includes cost of recruiting and selecting new employees and as well as the cost of loss of sales due to the low experience of the new worker.

Bodla & Hameed (2008) examines the dimension of employees' turnover intention and identified satisfaction with pay, satisfaction with working conditions, satisfaction with supervision, organizational commitment, and Job stress, as the turnover variables.

Shim (2010) classified turnover intention into unpreventable, desirable and undesirable turnover. The unpreventable turnover is due to the family issues, illness or retirement. The desirable turnover can be as a result of employee's incompetence, while undesirable turnover may be related to competent and qualified employees leaving due to such organizational issues as a result of lack of supervision, poor support and role conflict.

Organizational culture refers to a set of shared values and unwritten rules that guide the employees towards acceptable and rewarding behavior. The organizational culture exists at two distinct levels: visible and hidden. The visible cultural values are in form of artifacts, symbols and observable behaviors of employees. The hidden cultural values relate to underlying values and assumptions that employees make regarding acceptability of behaviors.

Objectives of the Study

The main objective of this study is to investigate the association between organizational culture and employees' turnover in selected private schools in Anambra State.

The specific objectives are to:

1. Ascertain the association between organizational commitment and turnover intentions.
2. To determine the association between working conditions and employees' turnover intentions
3. To find out the influence of with supervision style and employees' turnover

Research Questions

The following research questions are formulated for this study:

1. What is the extent of association between organizational commitment and employees' turnover intention?
2. What is the degree of association between working conditions and employees' turnover intentions?
3. To what extent does supervision style influence employees' turnover intentions?

Research Hypotheses

The following null hypotheses are formulated for the purpose of this study.

1. H₀: there is no significant association between organizational commitment and turnover intentions.
2. H₀: there is no significant association between working conditions and employees' turnover intentions
3. Supervision style does not have significant influence on employees' turnover intention.

II. Literature Review

Retention refers to the process by which employees of firms are encouraged to remain with the organization for maximum possible time. This is necessary as the success and succession of any organization depends upon the retention of key employees. Encouraging employees to remain in the organization for a long period of time can be termed as employee retention.

Abu-Jarad, Yusof & Nikbin (2010) focuses on the definition and measurement of organizational culture and shed the light on the definition, conceptualization, and measurement of organizational performance. The study also reviewed the relationship between organizational culture and the organizational performance.

Adewale & Adeniji (2013) studied the impact of organizational culture on human resource practices in some selected Nigerian private universities using two hundred and thirty-seven respondents in the selected private universities. The result reveals that a close relationship exists between organizational culture and training programmes, recruitment process, performance of employees, job performance management, compensation administration and pay structure. The study suggested that prospective employees or job seekers should endeavor to familiarize themselves with the organizational culture before accepting job offers.

Kumar, Ramendran and Yacob (2012) examined the influence of organizational culture, organizational commitment and person organization fit towards turnover intention in Fast food industry using a sample of 278 respondents from top level to low level employees in Fast Food Industry, and multiple regression analysis. The study found that organizational culture and organizational commitment, organization person fit have impact on turnover intention in fast food Industry.

Haggalla & Jayatilake (2017) explored the influence of organizational culture types: adhocracy, clan, hierarchy and market on Turnover intention in foreign managed IT companies in the Sri Lanka. The study used Organizational Culture Assessment Instrument (OCAI) to collect organizational cultural data. The study also used intention to quit scale to collect turnover intention statistics on the respondents. The sample size of 188 respondents were used for the study. The findings in the study reveals a relationship between organizational Culture and Turnover intention in the Sri Lankan IT sector. The study also found that market culture was the most dominant type of organizational culture among those culture types. Management of employees and organizational cultural attribute were found to have the greatest effect on Turnover intention.

Banaszak-Holl et al (2013) examined how organizational culture in nursing homes affects staff turnover using reports on facility culture and staff turnover. 419 responses of 1,056 administrators contacted were received. The study used negative binomial models predicting turnover. The results show that turnover rates are lower in past but remain significantly higher among Nursing Aides (NAs) than among registered nurses (RNs) or among licensed practice nurses (LPNs). The study also found that facilities emphasizing hierarchical internal processes had lower RN turnover. Group and developmental values focusing on staff and innovation only lowered LPN turnover. The study concluded that organizational culture had differential effects on the turnover of RN, LPN, and NA staff that should be addressed in developing culture-change strategies.

Madueke & Emerole (2017) examined the nature of relationship that exists between organizational culture and employee retention with reference to three selected commercial banks in Awka, Anambra State. The study used descriptive survey research design and the Pearson Moment Correlation Coefficient in testing the necessary hypothesis. The finding in the study revealed that there is a significant positive relationship between

innovative culture and the employee commitment in commercial banks. The study concluded that capability and risk taking are essential to high retention organization and recommended that banks needs to adapt their innovative strategies in order to meet the pressure set by competitors.

Sheridan (1992) investigated the retention rates of 904 college graduates hired in six public accounting firms with varied organizational culture over a six-year period. The study found that the variation in cultural values of the organizations was found to have significant effect on the rates at which the newly hired employees voluntarily terminated employment. The study also found relationship between the employees' job performance and retention also varied significantly with organizational cultural values. The cultural effects were found to be stronger than the combined exogenous influences of the labor market and the new employees' demographic characteristics. The study estimated the cultural effects to have resulted in over six million dollars' difference in the cost of human resource between firms with different cultural values.

III. Research Methods

This study employs the descriptive research design to describe the characteristics of organizational cultures as it relates to employees' retention in selected private schools in Anambra state of Nigeria. 350 respondents were selected from a population of about 600 employees of 25 selected private schools in Onitsha, Awka and Nnewi, in Anambra state, using simple random sampling technique. The respondents must have worked in the selected school for at least two years. This was to ensure better understanding of the cultural values existing their schools.

The study distributed questionnaires built on five-point likert scales to the to the respondents. The questionnaire was retrieved after five working days. The Chi-square test of independence was used to test the association between variables of interest. The significance of the association is tested at 5% level of significance.

IV. Results And Discussion Of Findings

The research analysis and discussion of findings are presented in this section. The contingency tables of the association and the tests of significance of the association are presented for each hypothesis. The test is conducted at 5% level of significance.

Hypothesis 1

H₀: there is no significant association between organizational commitment and turnover intentions.

Versus

H_a: there exist significant association between organizational commitment and turnover intentions.

The results of the Chi-square test of independence for the association between organizational commitment and employee turnover. Table 1a presents the contingency table of organizational commitment and employees' turnover. The entries in parenthesis are the expected values

Table 1a: Contingency Table of organizational commitment and employees' Turnover

	VHE	HE	UN	LE	VLE
QUS1	83(74.25)	102(84.5)	26(29.5)	78(86.5)	36(50.25)
QUS2	92(74.25)	82(84.5)	30(29.5)	78(86.5)	43(50.25)
QUS2	66(74.25)	71(84.5)	34(29.5)	98(86.5)	56(50.25)
QUS4	56(74.25)	83(84.5)	28(29.5)	92(86.5)	66(50.25)

Table 1b: Chi-Square Test for Organizational Commitment and Employees' Turnover

CHI-SQUARE					
	<i>chi-sq</i>	<i>p-value</i>	<i>x-crit</i>	<i>sig</i>	<i>Cramer V</i>
Pearson's	31.97559	0.001396	21.02607	yes	0.090548
Max likelihood	31.99369	0.001387	21.02607	yes	0.090573

Table 1b presents the result of Chi-square test of independence between organizational and employees' turnover. The Chi-square value of 39.98 is presented in table 1b. The p-value of the test being approximately equal to zero ($p=0.001396$) leads to the rejection of the null hypothesis and the conclusion that there is significant association between organizational commitment as cultural values and employee turnover.

Hypothesis 2

H₀: there is no significant association between working conditions and employees' turnover intentions
Versus

H₀: there exist significant association between working conditions and employees' turnover intentions
The test is conducted at 5% level of significance. The results are presented in tables 2a and 2b respectively.

The results of the Chi-square test of independence for the association between organizational working condition and employee turnover are presented in table 2a and 2b. The entries in parenthesis are the expected values

Table 2a: Contingency Table of Commitment and Turnover

	VHE	HE	UN	LE	VLE
QUS5	81(68.25)	110(96.25)	21(23.25)	83(86.5)	30(50.75)
QUS6	89(68.25)	99(96.25)	22(23.25)	70(86.5)	45(50.75)
QUS7	59(68.25)	103(96.25)	18(23.25)	88(86.5)	57(50.75)
QUS8	44(68.25)	73(96.25)	32(23.25)	105(86.5)	71(50.75)

Table 2b: Chi-Square Test for Organizational Commitment and Employees' Turnover

CHI-SQUARE					
	<i>chi-sq</i>	<i>p-value</i>	<i>x-crit</i>	<i>sig</i>	<i>Cramer V</i>
Pearson's	56.71325	8.9E-08	21.02607	yes	0.12059
Max likelihood	58.04838	5.11E-08	21.02607	yes	0.122001

Table 2b presents the result of Chi-square test of independence for the association between working conditions and employees' turnover. The Chi-square value of 56.71 is presented in table 2b. The p-value of the test being approximately equal to zero ($pv=8.9E-08$) leads to the rejection of the null hypothesis and the conclusion that there is significant association between working conditions as cultural values and employee turnover.

Hypothesis 3

H₀: Supervision style does not have significant influence on employees' turnover intention.
Versus

H_a: Supervision style has significant influence on employees' turnover intention.

The test is conducted at 5% level of significance. The results are presented in tables 3a and 3b respectively.

The results of the Chi-square test of independence for the association between supervision style and employee turnover are presented in table 3a and 3b. The entries in parenthesis are the expected values

Table 3a: Contingency Table of Supervision Style and Turnover

	VHE	HE	UN	LE	VLE
QUS1	77(79.75)	92(92.5)	25(23.25)	93(75.75)	38(53.75)
QUS2	96(79.75)	108(92.5)	20(23.25)	63(75.75)	38(53.75)
QUS2	81(79.75)	101(92.5)	18(23.25)	67(75.75)	58(53.75)
QUS4	65(79.75)	69(92.5)	30(23.25)	80(75.75)	81(53.75)

Table 3b: Chi-Square Test for Supervision Style and Employees' Turnover

CHI-SQUARE					
	<i>chi-sq</i>	<i>p-value</i>	<i>x-crit</i>	<i>sig</i>	<i>Cramer V</i>
Pearson's	49.94097	1.43E-06	21.02607	yes	0.113161
Max likelihood	49.37885	1.8E-06	21.02607	yes	0.112522

Table 3b presents the result of Chi-square test of independence for the association between supervision style and employees' turnover. The Chi-square value of 49.94 is presented in table 3b. The p-value of the test being approximately equal to zero ($p=8.9E-08$) leads to the rejection of the null hypothesis and the conclusion that there is significant association between supervision style as cultural values and employee turnover.

V. Conclusion

The results of various hypothesis have been presented in the previous section. The results reveal that there is significant association between all the variables of organizational culture studied and employees' turnover. The study found a significant association between organizational commitment as cultural values and employee turnover. When organizations are committed to their obligations especially the unwritten ones, it gives employees confidence in the organization and they would want to stay and give in their best towards the growth of the organization.

Working conditions in the organizational as part of cultural values was found to have significant association with employee turnover. Working conditions are part of cultural values that most organizations try to uphold. The work conditions are made flexible to make the employees fit into the daily routines. Also, the approach of supervision by superiors go a long way in influencing the decision to continue in an organization or quit. Some supervisors adopt some harsh approach to supervision. These antagonistic supervisory approaches tend to discourage employees from fully doing their task, and as such increases their turnover intentions.

Based on the findings of this study, it is therefore concluded that there is significant association between organizational culture and employees turnover in the selected private schools in Anambra State

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