Employee turnover rate and organizational performance of indigenous manufacturing firms in Enugu Metropolis

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Article Info

ISSN (online): 2582-7138
Impact Factor: 5.307 (SJIF)
Volume: 05
Issue: 02
March-April 2024
Received: 15-02-2024;
Accepted: 17-03-2024
Page No: 754-762

Abstract
The study evaluated the effect of employee turnover on organizational performance of manufacturing firms in Enugu Metropolis. Specifically, the study sought to: ascertain the effect of employee downsizing on operational safety of manufacturing firms in Enugu Metropolis and examine the effect of voluntary resignation on physical expansion of manufacturing firms in Enugu Metropolis. The study adopted descriptive research design. The study area was Enugu State. The sample size of 358 respondents was taken from population of 503 staffs of the selected indigenous manufacturing firms in Enugu metropolis The research question were answered with simple percentage, mean and deviation. The hypotheses were tested with single regression. The empirical results showed that employee downsizing has negative and significant effect on operational safety of manufacturing firms in Enugu Metropolis (t-statistic; -6.446; P-value; 0.000 < Sig-value; 0.05) and voluntary resignation has negative and significant effect on physical expansion of manufacturing firms in Enugu Metropolis (t-statistic; -11.826; P-value; 0.000 < Sig-value; 0.05). The study recommended that management of the manufacturing firms in Nigeria should introduce policies that would address issues or factors that could cause labour turnover in their organizations. Also, employees should be adequately motivated so that their services can be retained over a reasonable period of time.

Keywords: Employee turnover Employee downsizing; Operational safety; Voluntary resignation; Physical expansion

Introduction

The rate at which employers' increase or decrease staff during the period when employees tend to leave and join the organization is called employee turnover. There are many factors involved in employee turnover in this scenario. Such aspects can come from both the company and the employee (Ampomah & Cudjor, 2019) [3]. Employers are more concerned about turnover, as it has a negative and very costly impact on the business world. Employers incur significant direct and indirect costs when employees leave the company. The cost of employee turnover can be enormous; consuming a significant amount of the annual wages employers would otherwise pay employees. The costs of employee turnover typically include advertising costs, headhunting costs, resource management costs, lost time and efficiency, job imbalance, and training and development costs for new hires. Employees can incur significant costs in terms of recruitment, training, socialization, disruption, and various indirect costs (Alkahtani, 2021) [2].

Most organizations believe they can reduce employee turnover by addressing issues that affect employee morale. This is primarily done by providing employees with benefits such as adequate flexibility in work-life balance, performance reviews and performance-related incentives, in addition to traditional benefits such as paid and sick leave. The extent to which a company retains its employees depends not only on the cost of replacing employees, but also on the company's overall performance (Belete, 2018) [4].

High employee turnover can be a serious impediment to organizational performance, quality and profitability in companies of all sizes. For smaller businesses, high turnover can mean that just getting enough staff to carry out day-to-day tasks can be a challenge. Labour turnover can however be controlled to a certain extent by the policies as well as the rules of the firm (Justus, Kombo, Murumba & Edwin, 2021) [11]. However, there are certain factors that cause high turnover rate in the firm which can be costly to the firm such as firm instability, low level of pay and poor work situation. Such factors that bring about labour turnover are characterized with suddenness and untimeliness which then does not give the organization the opportunity to prepare for the exit as well as the hiring of new employees. This then becomes a huge cost on the funds of the firm, a reduction in the human asset which can then affect the performance of the firm (Onuoha, 2019) [13].
These labor costs faced by organizations include training and development costs, inefficiencies, new hires and customer retention. Annual wages and salaries range from 30% of her to 200% of her single employer, depending on industry and field of activity. This has greater impact on low-paying jobs, which tend to cost businesses less per employee replacement than higher-paying jobs. However, this is often expensive. For these reasons, most companies focus on employee retention strategies, regardless of salary.

Statement of the Problem

The inability to address unwanted turnover is a reflection of ineffective retention policies in the workplace. This affirms that the continuous loss of employees implies the loss of experience, skills, and corporate image which is a critical issue affecting the productivity that manufacturing firms aim to achieve. This implies that replacing the acquired skills and knowledge that individuals walk away from is difficult when considering the training cost. Therefore, efforts by manufacturing firms to retain talented employees are often faced with challenges despite persuasion for creative employees to stay with the organization for positive value. These challenges consist of ineffectiveness in the work environment, compensation and benefits, and training and development. These have given rise to the inability to retain a competent workforce in manufacturing firms. Hence, there is a need to deploy resources to ensure that the organization is attractive for employees to work to minimize turnover costs. Employee turnover is now a recurrent issue faced by organizational leaders against productivity improvement, Therefore, retention strategies become critical in addressing performance issues in the organization. Hence, this study seeks to examine the effect of employee turnover on organizational performance in selected manufacturing firms in Enugu Metropolis.

Objectives of the study

The main objectives of this research work was to evaluate employee turnover and firm performance of manufacturing firms in Enugu Metropolis. The specific objectives of this study were to:

1. Ascertain the effect of employee downsizing on operational safety of manufacturing firms in Enugu Metropolis.
2. Examine the effect of voluntary resignation on physical expansion of manufacturing firms in Enugu Metropolis.

Research Questions

Based on these objectives, the study would ask the following research questions:

1. What is the effect of employee downsizing on operational safety of manufacturing firms in Enugu Metropolis?
2. What is the effect of voluntary resignation on physical expansion of manufacturing firms in Enugu Metropolis?

Significance of the Study

The study would be beneficial and relevant to employer of labour, management of manufacturing firms and researchers. The outcome of the study would help employers of labour to have an understanding of the negative effect of labour turnover and how they affect the organization's performance and ability to achieve their strategic goals.
The outcome of the study would provide data that is beneficial to the management of table water manufacturing firms because it help to take specific steps in redressing the challenges confronting the manufacturing sector in the Nigeria.
This study would be significant to the student of human resource management as it makes it possible for them to understand the effect of labour turnover on the manufacturing industry.

Conceptual Review

Employee Turnover

Employee turnover, as defined by Samuel and Chipunza, (2019) [14], is 'voluntary terminations of members from organizations. Akinruwa, Ajayi and Akeke, (2019) [1] observed that staff turnover is the proportion of staff leaving in a given time period but prior to the anticipated end of their contract. According to Welle and Koffi, (2023) [16], staff turnover is the rate of change in the working staffs of a concern during a defined period. Urhode, (2018) [15] opine that staff turnover is the net result of the exit of some employees and entrance of others to the organization.
Garba, (2018) [9] defined turnover as the amount of movement in and out (of employees) in an organization. Employee turnover is the rotation of workers around the labor market, between firms, jobs and occupations, and between the states of employment and unemployment (Fatimehin, Ezejiofor & Olaniyi, (2022) [7]. Staff turnover that can occur in any organization might be either voluntary or involuntary. Voluntary turnover refers to termination initiated by employees while involuntary turnover is the one in which employee has no choice in the termination as it might be due to long term sickness, death, moving overseas, or employer initiated termination (Elena, Fatimehin, Olaniyi & Adebisi, (2022) [7]. Employee turnover refers to the rate at which an employer gains and losses employee, how long the staff tend to leave and join the organization (Armstrong, 2006).

Organizational Performance

Performance in organizations is a multi-dimensional concept whose complexity makes it difficult to define it from a single perspective. This is so because performance is a multi-faceted organizational concept which cannot be measured using a single measurement tool (Ejimofor & Ogundare, 2023) [6]. Nevertheless, some scholars have tried to define organizational performance. According to Bonareri and Cheluget, (2023) [5], organizational performance can be considered as an actual outcome of an organization measured against the output targets or goals, Odunayo, (2023) [12] point out that, though organizational performance can be perceived on the 'wholeness' of goals achievement, it is important to focus on specific areas including financial, product markets and shareholder returns which altogether can be summed to determine the overall outcome in an organization.

Organizational performance has developed to be the most important issue that every organizational management is concerned about, as it determines the ability of an organization to continue with its operations. Ampomah and Cudjor, (2019) [3] believed that measuring performance in an organizations is necessary as it seeks to assess the value that employees bring into the organization. The impact that the inputs in an organization has on the processes and activities within an organization play a central role in determining the strategic outcomes within the organization which is determined by the achievement of mission, vision, financial position, and goals within the organization.

Contextual Literature

Employee downsizing and operational safety

Downsizing can be viewed as "a type of reorganization or restructuring, downsizing or workforce reduction is a strategy to streamline, tighten and shrink the organizational structure with respect to the number of personnel that the organization employs" (Heathfield, 2020) [10]. It has been reported that terms encountered as synonyms of downsizing include resizing, leaning-up, retrenching consolidating, declining reduction-enforce, slimming, rightsizing, reengineering, streamlining, reorganizing, researching, restructuring, and many others. Each of these concepts could share certain meaning with downsizing, but every one may also create dissimilar connotations and criteria for assessment.

Organizational downsizing represents a set of activities, undertaken on the part of the management of an organization, designed to improve productivity, organizational efficiency, and/or competitiveness (Alkahtani, 2021) [2]. According to Belete, (2018) [4], downsizing has four main attributes that help define and separate it from related, but non-synonymous concepts such as decline and layoffs. Downsizing may occur intentionally as a strategic, proactive response designed to improve organizational effectiveness. This may involve mergers, acquisitions, sell-offs, or restructuring to better enable the organization to meet its mission (Justus, Kombo, Murumba & Edwin, 2021) [11]. Downsizing emerges either reactively or proactively to control costs, boost revenue and efficiency, and/or strengthen competitiveness. Downsizing activities may bring about changes in the work processes.

Voluntary resignation and physical expansion

Voluntary resignation may refer to a variety of actions, but most commonly, it refers to an employee's .decision to leave a job on their own accord. It differs from a layoff or a firing, in which the decision to end employment was made by the employer or another party, rather than the employee (Onuoha, 2019) [13]. Voluntary resignation refers to the situation where an employee decides to terminate his contract or service with the organization in his or her volition. It can be one of the most stressful situations to a manager especially if the resignation comes at a time when the manager is not prepared and when it's one of the top performing employees leaving (Samuel & Chipunza, 2019) [14]. This affects the organizational efficiency and productivity greatly in the sense that experienced employees leave and the organization has to spend a huge amount of money and time to hire, recruit, select and train new employees to replace those who have left. Factors of employee turnover reduce the performances of the firm. Basically dissatisfied employee leave or quit the organization. High rate of employee turnover affect the organization as it reduces the number of clients, increases the level of inefficiency and affects the overall achievement and growth of a manufacturing firm (Akinruwa, Ajayi & Akeke, 2019) [1].

Theoretical Review

Expectancy Theory

The Expectancy theory was propounded by Victor Vroom (1964). The theory focuses on the relationship between rewards and behavior. It posits that behaviour (job performance) can be described as a function of ability and motivation while motivation is a function of expectancy, instrumentality, and valence perceptions. Although this theory implies that linking an increasing amount of rewards to performance will increase motivation and performance, some authors have argued against this assumption, emphasizing that monetary rewards may increase intrinsic motivation. Extrinsic motivation depends on rewards – such as pay and benefits – which are controlled by some external variables whereas intrinsic motivation depends on rewards that flow naturally from work itself. Therefore, while it is important to keep in mind that money is not the only effective way to motivate behaviour, and that money rewards will not always be the answer to motivation problems, it does not appear that monetary rewards run much risk of compromising intrinsic motivation in most work settings.

The relevance of the theory to this study is that it is believed that a well paid staff will be motivated to work better, which will further translate to improved profitability of the entity.

Empirical Reviews

Odunayo, (2023) [12] investigated effect of employee turnover on organization performance in the telecommunication industry in Nigeria. Specifically, the study sought to investigate the effect of work environment and employee autonomy on organizational performance. This study was carried at MTN Nigeria across five states. The population of the study comprised of 235 staff of MTN Nigeria operating in Oyo State; Kano state; Enugu state; River's state and Ogun state. The method of data analysis was regression test. The results show that employee turnover measures have significant effects on organisational performance. Besides this, all the independent variables have significant contributions in organisational performance. However, the most significant variable is the employee autonomy (0.641 contributions) due to which employees intend to quit a job. Finally, it is recommended MTN Nigeria proper counselling should be considered as a tool for building desired employee behaviours towards achieving an expected level of performance.

Bonareri and Cheluget, (2023) [5] conducted a study to examine effects of staff turnover on the organizational performance of manufacturing sector in Kenya with reference to BAMB Cement Limited. The main objective of the study was to find out how performance management affect staff turnover in the manufacturing sector. Specific objectives of the study were to find out how training and development, legal framework and leadership style affect staff turnover. This study adopted a descriptive research design with a target population of 120 respondents. Analysis of data was done using descriptive statistics. The data analysis tools included simple tabulations and presentations of the report using spreadsheets and the use of SPSS version 24.0. The method of data analysis was inferential statistics to show the relationship that exists between the study variables. The findings show that organization performance at BAMB Cement significantly influences and is determined by the factors: training and development, performance management, legal framework and leadership style and the study concluded that these factors affect the performance of the organization in a positive way. The study recommended that training and development should be incorporated in the industries to facilitate quality services.

Ejimofor and Ogundare, (2023) [6] focused on the essential causes of high job turnover rates in order to improve employee retention, reduce costs, and improve organizational performance. The study focused on two selected Banks in Asaba, Delta State: First Bank of Nigeria Plc and Access Bank branches at Nnebisi Road, Asaba, Delta State. A cross-sectional survey design was adopted in the study. The total population is 100, which consists of the employees of First Bank Nigeria Plc and Access Bank. The probability sampling methodology employed was a stratified random procedure. The findings of the study revealed that poor management practices, low pay, and the working environment have a significant effect on the performance of the banking sector. The findings emphasized the significance of initiatives like opportunities for growth and development, competitive pay and benefits, fostering a happy work environment, and lowering employee turnover rates. The study recommends that banks create a positive work environment that fosters a sense of community, respect, and open communication. This can include initiatives such as employee recognition programs, open-door policies, and regular team-building activities.

Welle and Koffi, (2023) [16] examined the effect of employee retention on organizational performance in selected manufacturing companies in Calabar, Cross River State, Nigeria. Specifically, the study sought to examine effective work environments, compensation and benefits, and training and development. The study was guided by research questions, hypotheses, and Job-Embeddedness Theory. A cross-sectional research design was used for data collection with a sample size 329 staff. A content validity on the instrument was carried out and reliability was through the use of Cronbach Alpha. Findings revealed that an effective work environment relates to organizational performance ($r = .354$ (35.4%), $n = 322$, $p > 0.05$). The second hypothesis shows compensation and benefit relates to organizational performance ($r = .577$ (57.7%), $n = 322$, $p > 0.05$). The findings on the third hypothesis reveal that training and development relate to organizational performance ($r = .743$ (74.3%), $n = 322$, $p > 0.05$). The study concludes that improved organizational performance significantly depends on HR policies and practices to retain the workforce in a volatile and knowledge-driven environment. The study recommends among other things that management should review the policy framework of the firms to ensure that the work environment appeals to the confidence of the employees and encourages teamwork and collaboration.

Elena, Fatimehin, Olaniyi and Adebisi, (2022) [7] determined the effect of staff turnover on the financial performance of Nigerian banks. Ex Post Facto research was adopted for the study. In order to achieve the aim of this study, the following objectives have been developed: to determine the impact of staff turnover cost on profit margin of the Nigerian banks and to ascertain how staff turnover is affecting the return on assets of the Nigerian banks. Panel data approach, for a period of 10 years (2011-2020) was adopted. A sample of ten out of twenty two banks in Nigeria were used for the study The data were analyzed using regression technique with aid of E-view 9.0 at 5% level of significance. The study revealed that staff turnover cost has a negative impact on profit margin and return on assets of Nigerian banks. Based on the findings of this study, the researchers suggest that there is a pressing need for Nigerian commercial banks to participate in proactive strategic planning and initiatives to reduce staff turnover. As a result, the management should try to ensure that its trained and experienced staff has all of the necessary comfort and ease to accomplish their jobs.

Fatimehin, Ezejiofor and Olaniyi, (2022) [7] examined the relationship between staff turnover and financial return of Nigerian Banks. Specifically, the study sought to determine the impact of staff turnover on return on equity of the Nigerian banks. Ex-Post Facto research was used in this research. The sample of the current study was limited to ten (10) banks license with national and international authorization operational in Nigeria. The empirical data for the study based on secondary sources and were retrieved from the annual financial statements of the sampled banks. Regression analysis was employed to test the hypothesis with E-view 9.0. This study conclude that staff turnover cost has a negative impact on return on equity of Nigerian banks, but statistically significant and therefore supported by the Expectancy theory as the relevance of the theory to this study is that it is believed that a well paid staff will be motivated to work better, which will further translate to improved profitability of the entity. The study recommended that for the development of their job, Nigerian banks should give a favorable working environment for its staff, as this is one of the variables that influence an employee's decision to stay with the company.

Akinruwa, Ajayi and Akeke, (2019) [1] examined the effect of labour turnover on performance in Nigerian banking industry. Specifically, the study sought to evaluate labour turn-over relationship with the performance of Nigerian banking industry. Survey method was used; the population of the study comprised the entire commercial banks in the three senatorial districts of Ekiti-State, Nigeria. Sample size of 34 officers of current employees out of total population of 51 officers was used while 51 out of total population of 68 ex-employees were used. Regression was used to analyse the data using Statistical Package for Social Sciences (SPSS). The finding shows that retrenchment, unrealistic target, leadership style, training and job insecurity have a positive relationship with performance while excessive workload shows negative relationship with the performance. Arising from the findings, it shows that performance in an organisation hangs on each determinant factors working together as a system. The study recommended that banks management should ensure that other determinant factors especially, those that are concerned with the institutions performance are given necessary support and pursued to actualise them.

Urhode, (2018) [15] examined the effect of employee turnover rate on organizational performance in the Nigerian Banking Sub-Sector. The specific objective of the study was ascertain the effect of poor salary structure, retrenchment, excessive workload and job insecurity on performance (proxied with profitability, productivity, customer service and organizational achievement). The data obtained were analyzed via descriptive (simple percentage, mean and standard deviation) and inferential statistics (multiple regression) and findings indicated that employee labour turnover determinants of the study significantly affect the performance of the Nigerian banking subsector. More importantly, it was revealed that employee labour turnover determinants of retrenchment, poor salary structure and job insecurity negatively affect organizational performance of banks in Nigeria. The study recommended among others that banks management and regulatory framework of the banking sub-sector in Nigeria should ensure that employee labour turnover determinants like poor salary structure, retrenchment and job insecurity affecting performance should be given considerable attention.

Garba, (2018) [9] examined the impact of labour turnover on organizational performance of Telecommunication firms in Kaduna Metropolis. Specifically, the study sought to: examine the effects of poor pay level, poor work situation and firm instability on organizational performance. This study employed a descriptive research design. Data were collected from a randomly selected sample of 202 respondents using a structured questionnaire. In order to test the hypotheses formulated, Pearson product moment correlation coefficient (i.e. simple regression analysis) was performed to test the hypotheses formulated. Data analysis revealed that poor work situation, poor pay level and firm instability have a negative and significant relationship with organizational performance. The study recommended that the managements of the telecommunication firms in Kaduna metropolis should introduce policies that would address issues or factors that could cause labour turnover in their organizations.

Methodology

The study adopted descriptive research design. The study area was Enugu State. Research design of the study was questionnaire survey research. The sample size of 358 respondents was taken from population of 503 staffs of the selected indigenous manufacturing firms in Enugu metropolis namely: Bons (WA) (Industries) Limited, Nigeria Brewery Plc, Juhel Nigeria Limited, Nemel Pharmaceuticals Limited, Innoson Technical & Industries Co. Ltd, Alo Aluminium Manufacturing Co. Ltd, Emenite Limited. The research question were answered with simple percentage, mean and deviation while methods of data presentation were table and percentage frequency. The hypotheses were tested with single regression anaysis.

Data Presentation

Table 1: Comprehensive Demographic distribution of the Respondents

Title	Frequency	Percentage
Questionnaire Distributed	387	100%
Returned Questionnaire	358	92%
Not Returned Questionnaire	29	08%
Gender		
Female	213	59.5%
Male	145	40.5%
Age Bracket		
20-30 Years	153	42.7%
31-40 Years	111	31.0%
41-50 Years	66	18.4%
51Years – above	28	7.8%
Marital Status		
Married	223	62.3%
Single	125	34.9%
Widow/widower	7	1.9%
Divorce	3	0.8%
Educational Qualification		
HND/B.sc	230	64.2%
MBA/M.sc	125	34.9%
Ph.D	3	1.10%

***Sources*:** Field Survey, 2023

Three hundred and eighty seven (387) copies of questionnaire were designed and distributed to the respondents. Out of the 387 Questionnaires distributed, 358 (92%) were completed and returned while 29 (08%) were not returned. Therefore, 92 percent respondents were a good representation. The table showed the respondents profile in frequency and percentage distribution of gender, age bracket, marital status and educational qualification.

4.2 Data Analysis

Question One: What is the effect of employee downsizing on operational safety of manufacturing firms in Enugu Metropolis?

Table 2: Mean rating of respondents on what is the effect of employee downsizing on operational safety of manufacturing firms in Enugu Metropolis

S/N	Question Items	SA (5)	A (4)	U (3)	D (2)	SD (1)	Total	Mean	SD
1	Employee downsizing makes it difficult to retain top talent to promote operational safety	900	400	144	46	7	1497	4.18	0.0030
		180	100	48	23	7	358		
		50%	30%	13%	6%	1%	100%		
2	Employee downsizing increases cost of train new employees constantly therefore reduce operational safety	630	632	192	40	10	1504	4.20	0.0030
		126	158	64	20	10	358		
		35%	44%	18%	5%	2%	100%		
3	High turnover rate makes it difficult to maintain organizational quality control in order to improve operational safety	1000	404	135	18	3	1560	4.36	0.0033
		200	101	45	9	3	358		
		59%	28%	13%	2%	0.8%	100%		
4	High turnover rate damage company's reputation because customers perceive the company as unprofessional.	950	444	105	24	10	1533	4.28	0.0032
		190	111	35	12	10	358		
		53%	31%	9%	3%	2%	100%		
	Grand Mean							**4.255**	**0.0031**

Source: Field Survey, 2023

This table showed the opinion of respondents on what is the effect of employee downsizing on operational safety of manufacturing firms in Enugu Metropolis. The respondents are in agreement with all the items. The study thereby revealed that employee downsizing has significant effect on operational safety of manufacturing firms in Enugu Metropolis since high turnover rate damage company's reputation because customers perceive the company as unprofessional (The grand mean 4.255 was greater than the cutoff point 3).

Question Two: What is the effect of voluntary resignation on physical expansion of manufacturing firms in Enugu Metropolis?

Table 3: Mean rating of respondents on what is the effect of voluntary resignation on physical expansion of manufacturing firms in Enugu Metropolis

S/N	Question Items	SA (5)	A (4)	U (3)	D (2)	SD (1)	Total	Mean	SD
1	High turnover leads to lower morale and employee burnout among employees therefore reduce physical expansion	630	632	192	40	10	1504	4.20	0.0030
		126	158	64	20	10	358		
		35%	44%	18%	5%	2%	100%		
2	High turnover increases labor costs because organization pay more in overtime or hire temporary workers	580	632	222	26	17	1477	4.13	0.0029
		116	158	74	13	17	358		
		32%	44%	21%	3%	2%	100%		
3	High turnover rate leads to a decline in customer service which in turn reduces physical expansion	900	400	144	46	7	1497	4.18	0.0030
		180	100	48	23	7	358		
		50%	30%	13%	6%	1%	100%		
4	High turnover rate makes it difficult to implement new initiatives thereby reduces physical expansion	985	416	111	24	8	1544	4.31	0.0032
		197	104	37	12	8	358		
		55%	29%	10%	3%	2%	100%		
	Grand Mean							**4.205**	**0.0030**

Source: Field Survey, 2023

This table showed the opinion of respondents on what is the effect of voluntary resignation on physical expansion of manufacturing firms in Enugu Metropolis. The respondents are in agreement with all the items. The study thereby revealed that voluntary resignation has significant effect on physical expansion of manufacturing firms in Enugu Metropolis since high turnover increases labor costs because organization pay more in overtime or hire temporary workers (The grand me 4.205 was greater than the cutoff point 3).

Test of Hypotheses

The two hypotheses were formulated for this study and will be tested and a decision taken is based on the rule below.

Decision rule: Reject Hi if P-value > 0.01

Hypothesis One

H_2 = Employee downsizing has no significant effect on operational safety of manufacturing firms in Enugu Metropolis.

Table 4

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.931[a]	.866	.865	.26055
a. Predictors: (Constant), Employee Downsizing				

ANOVA[a]						
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	57.077	1	57.077	18.604	.000[b]
	Residual	1095.276	357	3.068		
	Total	1152.353	358			
a. Dependent Variable: Operational Safety						
b. Predictors: (Constant), Employee Downsizing						

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	1.614	.089		18.111	.000
	Employee Downsizing	-.529	.082	.931	-6.446	.000
a. Dependent Variable: Operational Safety						

In testing this hypothesis, employee downsizing was regressed against operational safety. The result of the single-regression analysis showed the model to ascertain the effect of employee downsizing on operational safety of manufacturing firms in Enugu Metropolis.

Operational safety = 1.614 - 0.529 Employee downsizing

The empirical result showed that the coefficient of employee downsizing has positive effect on operational safety; it means that employee downsizing has negative and indirect effect on operational safety. The results of the t – statistics denoted that the coefficient of l employee downsizing was statistically significance. This is because observed values of t – statistics (-6.446) was greater than its P-values (0.000). The results of the F – statistical test showed that the overall regression of the hypothesis two was statistically significance. This was because observed value of the F – statistics (18.604) was great than its P-value (0.000). Again, our empirical result showed that the Pearson product moment correlation analysis (r) was 0.931. The strength of relationship between the two variables was high. However, we rejected the null hypothesis and concluded that employee downsizing has negative and significant effect on operational safety of manufacturing firms in Enugu Metropolis.

4.3.1 Test of Hypothesis Two

H_2 = Voluntary resignation has no significant effect on physical expansion of manufacturing firms in Enugu Metropolis.

Table 5

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.931[a]	.866	.865	.26055
a. Predictors: (Constant), Voluntary Resignation				

ANOVA[a]						
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	43.789	1	43.789	9.184	.000[b]
	Residual	1702.176	357	4.768		
	Total	1745.965	358			
a. Dependent Variable: Physical expansion						
b. Predictors: (Constant), Voluntary Resignation						

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	.418	.075		5.568	.000
	Voluntary Resignation	-.201	.017	.969	-11.826	.000
a. Dependent Variable: Physical expansion						

In testing this hypothesis, voluntary resignation was regressed against physical resignation. The result of the single-regression analysis showed the model to examine the effect of voluntary resignation on physical expansion of manufacturing firms in Enugu Metropolis.

Physical expansion = 0.418 + 0.201 Voluntary resignation

The empirical result showed that the coefficient of voluntary resignation has negative effect on physical expansion; it means that storage and material handling has negative and indirect effect on physical expansion. The results of the t – statistics denoted that the coefficient of voluntary resignation was statistically significance. This was because observed values of t – statistics (-11.826) was greater than its P-values (0.000). The results of the F – statistical test showed that the overall regression of the hypothesis three was statistically significance. This was because observed value of the F – statistics (9.184) was greater than its P-value (0.000). Again, our empirical result showed that the Pearson product moment correlation analysis (r) was 0.931. The strength of relationship between the two variables was high. However, we rejected the null hypothesis and concluded that voluntary resignation has negative and significant effect on physical expansion of manufacturing firms in Enugu Metropolis.

Discussion of Findings

Effect of employee downsizing on operational safety of manufacturing firms in Enugu Metropolis.

The findings of the study revealed that employee downsizing has negative and significant effect on operational safety of manufacturing firms in Enugu Metropolis since high turnover rate damages company's reputation because customers perceive the company as unprofessional. The outcome of the study is in line with the study of Odunayo, (2023) [12] that investigated effect of employee turnover on organization performance in the telecommunication industry in Nigeria. Specifically, the study sought to investigate the effect of work environment and employee autonomy on organizational performance. This study was carried at MTN Nigeria across five states. The population of the study comprised of 235 staff of MTN Nigeria operating in Oyo State; Kano state; Enugu state; River's state and Ogun state. The method of data analysis was regression test. The results show that employee turnover measures have significant effects on organisational performance. Besides this, all the independent variables have significant contributions in organisational performance. However, the most significant variable is the employee autonomy (0.641 contributions) due to which employees intend to quit a job.

Effect of voluntary resignation on physical expansion of manufacturing firms in Enugu Metropolis.

The findings of the study revealed that voluntary resignation has negative and significant effect on physical expansion of manufacturing firms in Enugu Metropolis since high turnover increases labor costs because organization pay more in overtime or hire temporary workers. The outcome of the study is not in line with the study of Welle and Koffi, (2023) [16] that examined the effect of employee retention on organizational performance in selected manufacturing companies in Calabar, Cross River State, Nigeria. Specifically, the study sought to examine effective work environments, compensation and benefits, and training and development. Findings revealed that an effective work environment relates to organizational performance ($r = .354$ (35.4%), $n = 322$, $p > 0.05$). The second hypothesis shows compensation and benefit relates to organizational performance ($r = .577$ (57.7%), $n = 322$, $p > 0.05$). The findings on the third hypothesis reveal that training and development relate to organizational performance ($r = .743$ (74.3%), $n = 322$, $p > 0.05$). The study concludes that improved organizational performance significantly depends on HR policies and practices to retain the workforce in a volatile and knowledge-driven environment.

Summary of Findings

The following are the major findings of the study

1. The study thereby revealed that employee downsizing has negative and significant effect on operational safety of manufacturing firms in Enugu Metropolis since high turnover rate damages company's reputation because customers perceive the company as unprofessional (t-statistic; -6.446; P-value; 0.000 < Sig-value; 0.05)..
2. The study thereby revealed that voluntary resignation has negative and significant effect on physical expansion of manufacturing firms in Enugu Metropolis since high turnover increases labor costs because organization pay more in overtime or hire temporary workers (t-statistic; -11.826; P-value; 0.000 < Sig-value; 0.05)...

Conclusion

The study concluded that employee turnover has negative and significant effect on performance of manufacturing firms in Enugu Metropolis. Employee downsizing makes it difficult to retain top talent to promote operational safety, employee downsizing increases cost of train new employees constantly therefore reduce operational safety, high turnover rate makes it difficult to maintain organizational quality control in order to improve operational safety, high turnover leads to lower morale and employee burnout among employees therefore reduce physical expansion, High turnover increases labor costs because organization pay more in overtime or hire temporary workers, and high turnover rate leads to a decline in customer service which in turn reduces physical expansion. High turnover most invariably leads to major drops in productivity and reduction in cost effectiveness n reduces physical expansion, high turnover rate can damage employer branding because of constantly hiring and firing employees, High turnover rate bring about loss of knowledge and experience which in turn reduces cost effectiveness, high turnover rate bring about loss of knowledge and experience which in turn reduces cost effectiveness.

5.3. Recommendations

Based on the findings of this study, the following recommendations were made.

1. Management of the Manufacturing Firms in Nigeria should introduce policies that would address issues or factors that could cause labour turnover in their organizations. Also, employees should be adequately motivated so that their services can be retained over a reasonable period of time.
2. Management of the Manufacturing Firms in Nigeria should improve the stability of their firms by having strategic plans that will cover a longer period of time and also take into cognizance the voice of the employees. This will help ensure that the employees are heard more and by doing so the employees will feel that they are a part of the firm and increase their performance.

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