

DIVERSITY MANAGEMENT PRACTICES AND TURNOVER INTENTIONS IN COMMERCIAL BANKS IN RIVERS STATE

Henry, Chibor Evelyn
Department of Management,
Faculty of Management Sciences,
University of Port Harcourt,
Nigeria

ABSTRACT

This study sought after the nexus between diversity management practices and turnover intentions in commercial banks in Rivers State. A sample size of 165 was gotten from the population size of 290 using the Krejcie & Morgan table for the ten commercial banks in Rivers State that was studied. A total of 155 copies of the survey instrument were retrieved and analyzed. Spearman's Rank order correlation coefficient was used to scrutinize the three null hypotheses. Statistical Package for Social Sciences was used for the analysis at 5% level of significance. It was recommended that the management of commercial banks in Rivers State should create policies with workplace design management, and develop various but suitable approaches to resolving issues connected with turnover intention issues in a bid to enhance stability in the organization. The management of commercial banks in Rivers State should institutionalize grievance management technique and efforts should be made by the management to organize workshops on managing grievance and how it eliminates turnover intentions within the firm. Commercial banks in Rivers State through diversity management practice should increasingly enhance strategies contributing to decrease turnover intentions and bring about new opportunities for stabilizing institutional memory.

Keywords: Diversity Management Practices, Turnover Intentions, and Commercial Banks.

1.1 Introduction

Certain aspects of organizational life can be disadvantageous to the satisfaction one gets from their job, such as mistrust between workforce and their management, and between colleagues, etc. This may result in high turnover in most organizations.

It is necessary that a firm retain its workforce because it affects the performance of both (i.e. workforce and the firm). In many firms however, an employee's performance is measured by the amount of inputs that he or she has puts in daily.

Dess and Shaw (2001) pointed out that personnel may leave firms for reasons such as perceived unfair treatment (citing workforce diversity) when promotions are not merit-based, or if they are necessary to carry out work that is against their values. Such instances tend to create hindrance and tend to result in personnel wanting to leave their jobs, leading to turnover.

Conversely, the idea of diversity includes recognition, gratitude, acceptance and admiration; which means conscientiously that each individual is distinctive, and recognizes our individual dissimilarities. These come along the lines of proportions in terms of race, origin (culture or ethnicity), sexual characteristics (or category), sexual orientation (bearing), socioeconomic prominence, age, physical/mental abilities, religious beliefs/orientation, political orientation/beliefs, or other philosophies or dogmas. It is the exploration of these dissimilarities in a safe, positive, and fostering environment (Devoe, 1999); as it is about accepting each other and moving beyond simple patience to embracing and celebrating the gorgeous measurements of diversity contained within each individual.

Flagg (2002) revealed that diversity tend to represent a set of conscious activities that may encompass appreciating or raising the value of interaction of humanity, cultural backgrounds, and the natural environment; practicing reciprocal respect for what it takes and understandings that are different from our own; being empathetic that diversity take account of so many things not only ways of being but also ways of knowing, while recognizing that personal, cultural, and entrenched discrimination tend to create and sustains civil liberties for some while creating and sustaining difficulties for others; and building alliances across dissimilarities so that we can work together to stamp out all forms of discrimination.

Founded on preceding literature, numerous strand of research (Devoe, 1999), have been steered toward surmounting the problems connected with turnover intentions. Not much has been done on how effective diversity management practice reduces turnover intentions of commercial banks especially in Rivers State. Given the identified knowledge gap, our point of parting from earlier investigation is to empirically fill this void that has been perceived. Hence, we intend to scrutinize any link existing between diversity management practice and turnover intentions in the banking sector, especially in Rivers State.

1.2 Statement of the Problem

Turnover intents are the apprehension for employees, managers, and firms nowadays, as employee intended turnover remains a precarious issue for managements of commercial banks because of its negative implications for such an organization.

Although, it is predictable that several factors are involved to accelerate this course by focusing on these influences turnover intents could be abridged as empirically focused by several researchers on different factors in this regard of workforce diversity and diversity management - a major focus is on employee turnover because it can be cause of loss in terms of economic and recognized memory (Wu & Polsaram, 2013). Most importantly, it raises diversity problems of the services/products delivered, thus tarnishing the image of the business.

In an attempt to redress issues regarding turnover intentions in commercial banks in Rivers State, this strand of research work tends to look at the ideal ways in which proper diversity management practice could reduce turnover intentions of employees of these banks and what factors are necessary for effective diversity management practice to succeed and completely eliminate turnover intentions of commercial banks in Rivers State.

1.3 Aim and Objectives of the Study

General purpose and objectives are as follows: The general drive is to examine if there exist any link between diversity management practice and turnover intentions. Precisely, the objectives are:

- i. To examine the relationship between workplace design and turnover intentions of commercial banks in Rivers State.
- ii. To ascertain the relationship between managing grievance and turnover intentions of commercial banks in Rivers State.

1.4 Research Questions

In an attempt to realize the drive for this study, the research question below will be adopted.

- i. What is the relationship between workplace design and turnover intentions of commercial banks in Rivers State?
- ii. What is the relationship between managing grievance and turnover intentions of commercial banks in Rivers State?

1.5 Research Hypotheses

To derive answer to the research questions that are stated above, this research work is guided by the following propositions stated in a null form:

H₀₁: There is no significant relationship between workplace design and turnover intentions of commercial banks in Rivers State?

H₀₂: There is no significant relationship between managing grievance and turnover intentions of commercial banks in Rivers State?

1.6 Significance of the Study

This work is substantial because of numerous reasons listed below:

- i. This strand of research will be of interest to human resources management professional in organization.
- ii. It will help organizations; especially recruiting organizations to sustain and enhance workable benefits in today's highly competitive business environment.
- iii. It will aid researchers in carrying out their assignment as it would provide sufficient insight of the relevance of the knowledge of diversity management practice and how it influences turnover intentions.
- iv. This element of research would highlight the relevance of diversity management practice in stimulating turnover intentions which will enhance profitability of such organizations.
- v. It is understood that the study will contribute to existing literature on diversity management practice and turnover intentions in organizations as it would enhance theoretical and methodological building in this context.

2.0 Literature Review

The theoretical foundation of this study is founded on equity theory. This is because most empirical studies have relied heavily on this theory as the baseline theory when discussing diversity management practices and Turnover Intention (e.g. Adams, 1965). Adams (1965) implied that equity theory is established on ability to regulate the circulation of economic benefits of the firm is fair, just, and impartial to all the individuals who contribute their efforts to the success of the firm irrespective of the diversity that may exist among employees.

2.1 Concept of Diversity Management Practices

Roosevelt (2001) noted that managing diversity of the workforce entails an all-inclusive process for creating a work friendly environment that includes everyone. Diversity in the perspective of work represents the variation of differences between individuals within the firm. That however sounds simple, but diversity encompasses race, gender, ethnic group, age, persona, cognitive style, tenure, organizational purpose, education, contextual, and all. Diversity involves not only how people (in this case employee) perceive (see) themselves but also how they perceive (see) others, which affect their collaborations and/or connections.

Operational managers are conscious of the fact that certain abilities are necessary for creating fruitful, prolific, and diverse personnel as managers must comprehend discrimination and its values as well as be on familiar terms with their own cultural biases and preconceptions (Koonce, 2001). Diversity is not about differences among assemblages, but rather about

differences among individuals. Each individual is unique and does not characterize or speak for a particular group. In conclusion, managers must be keen to change the organization if required (Koonce, 2001). Organizations need to learn how to manage diversity in the workplace to be efficacious in the future (Flagg, 2002).

2.1.1 Workplace Design

Because workplaces are increasingly becoming more diverse; it has a duty to be premeditated in such a way that it can accommodate all that is part of it. In essence, its climate should be created in such a way that the employees can accept and accommodate all the dissimilarities in the employees and blending them into an organizational culture (Roosevelt, 2001).

When creating a prosperous diverse workforce, an operational manager should focus on personal consciousness. Both managers and allies need to be aware of their particular biases. Therefore, organizations need to advance, implement, and continue ongoing training because a one-day period of physical, mental, and emotional activity will not change people's behaviours (Koonce, 2001).

2.1.2 Managing Grievance

Discovering apposite ways to tackle grievances and complaints is part of a healthy management process (Roosevelt, 2001). In any organization, it is important to address complaints effectively and in a timely fashion so as to ensure good dealings with all interested party as well as the effective running of the organization.

Grievance contrivance, processes, or procedure should address concerns on time and efficaciously, using an understandable and translucent process that is culturally appropriate and readily manageable to all segments of the pretentious official or familiar, at no cost and without retribution (Roosevelt, 2001).

Koonce (2001) noted that in managing grievance that is burn out of diversity in the workforce, the process should enhance full access of the parties involve to official or directorial preparations, as management will be responsible for a grievance procedure for employees to raise realistic workplace distresses. The management should inform the workers of the grievance machinery at the time of hiring, and make it effortlessly reachable to them. Within the context of diversity management practice(s), managing grievances, including avoiding and minimizing them, is an integral part of a thorough stakeholder commitment strategy which is needed for efficaciously carrying out a project.

2.2 Turnover Intentions

Turnover is defined as the movement of employees out of the organization. Turnover intention is normally the predecessor of the actual turnover. It is defined as mental decisions intervening between an individual's attitudes regarding a job and the stay or leave decision (Griffeth, Hom, & Gaertner, 2000). The occurrence of staff turnover in organization can be harmful to the organization in such that high employee turnover becomes very costly to the

organization because of monetary costs incurred in recruiting, training, low productivity, more accidents and disruptions in programmes and projects. Xu (2008) explored some determining factor of turnover intents. They recommended a model putting forward the existence of relationships between impartiality and appreciation and job dissatisfaction born out of workforce diversity are perceived in as positively related to the intent to quit. Not merely these two factors leading to turnover intentions however; at hand are many other factors that can lead to turnover plans as another study by Wu & Polsaram (2013) revealed substantial connotations between turnover intention and demographic variables of gender, age and tenure, marital status, education level, organizational tenure, positional tenure.

3.1 Population of the Study

The research population (i.e. well-defined collection of individuals) for this study involves all the employees of commercial banks in Rivers State, especially in Port Harcourt metropolis. Record from the human resources desk of the various firms shows a total of two hundred and seventy (270) management staff and subordinates among the ten (10) banks. The simple random sampling technique was used, in other to confirm that each associate of the subset has an equivalent probability of being selected (Alberts, 2007).

3.2 Sampling and Sample Size Determination

Krejcie & Morgan (1970) sample size determination table was used for this study which gave a sample size (S) of 165 employees of the population size (N) 290 of the ten in commercial banks selected. These commercial banks include the following: Access Bank PLC, Fidelity Bank PLC, Guarantee Trust Bank PLC, First City Monument Bank PLC, First Bank PLC, Heritage Bank PLC, Zenith Bank PLC, Sterling Bank PLC, and United Bank of Africa PLC, Wema Bank PLC, all in Port Harcourt. The instrument for this study was proportionately distributed according to the staff strength of the various Banks. The Statistical Package for Social Science (SPSS) was used to conduct the analyses.

4.0 Discussion

The study is aimed at examining the influence of diversity management practice on turnover Intentions in commercial banks in Rivers State.

The results of the correlation analysis involving all indicators of diversity management practice revealed positive correlation coefficient values among the variables. This indicates that they are appropriate dimensions of the variable. The results from the multiple regression analysis recorded the effect of diversity management practice on turnover intentions.

The two dimensions of diversity management practice: workplace design ($\beta = .565$, $P < 0.01$) and managing grievance ($\beta = .670$, $P < 0.01$) exhibited significant positive effect on growth within the organization.

The result provided support for the H_1 test result ($r=.000 < .05$) which indicated that there is a significant relationship between workplace design and turnover intentions. This is in agreement with Xu (2008) who noted the view that encouraging workers on align with the

workplace design because proper workplace design is very critical for the success of an organization; implying that workforce diversity could make them strive to achieve personal goals as well as organizational objectives.

The findings provided support for the result of H_2 ($r=.000 < .05$) which stated there is a significant relationship between managing grievances and turnover intentions. This is supported by Xu (2008) assertion that the profitability of the firm is a function of effective grievance management tied to the synergy of the similarities and differences of the employees that could make for increased revenue over cost if the turnover intentions of the employees are properly managed.

5.0 Conclusion

It is true that a diverse workforce represents a clear thinking of an ever changing world of business. This is because; dissimilar work teams tend to bring high value to the workplace. Valuing individual differences will always benefit the workplace by creating a viable advantage and accumulate work productivity. It is in the light of this that diversity management practices/activities tend to benefits the workforce by bringing about a fair and safe work-environment where all concerned may have access to opportunities accrue to them. Lastly, the tools in which management can bring about the proper management of a diverse workforce are to constantly educate all concerned– on issues relating to diversity, including laws, regulations, and codes to obey; this owing to the fact that most workplaces are filled up with people of diverse cultures and ethnicities, so firms has to adapt successful.

Based on the results obtained from the analyses, it was concluded that the elements of diversity management practice have significant influence on turnover intentions of commercial banks, especially those commercial banks located within Port Harcourt metropolis. In essence, diversity management practice consists of workplace design and managing grievance that tends to influences the successful reduction and eventual elimination of turnover intention amongst employees.

5.1 Recommendations

From the research analysis and conclusions above, the following recommendations were made to aid commercial banks in Rivers State:

- i. The management of commercial banks in Rivers State should create policies with workplace design strategy, and develop various but suitable approaches to resolving issues connected with turnover intention in a bid to enhance stability in the organization.
- ii. The management of commercial banks in Rivers State should institutionalize grievance management technique and efforts should be made by the management to organize workshops on managing grievance and how it eradicates turnover intentions from the minds of the employees.

- iii. Commercial banks in Rivers State through diversity management practice should increasingly enhance strategies contributing to decrease turnover intentions and bring about new opportunities for stabilizing institutional memory.

References

- Adams, J. S. (1965). Inequity in social exchange. In L. Berkowitz (Ed.), *Advances in experimental social psychology*. New York: Academic Press, 267-299.
- Alberts, N. F. (2007). Research methodology for post graduate students. *Unpublished notes for MBA students*: Turfloop Graduate School of Leadership, Polokwane.
- Devoe, D. (1999). Managing a diverse workforce. San Mateo, CA: InfoWorld Media Group.
- Dess G. G, & Shaw JD (2001). Voluntary turnover, social capital, and organizational performance. *Acad. Manage. Rev.*, 26: 466-456.
- Flagg, A. (2002). Managing diverse workgroups successfully. *United Behavioral Health*
- Griffeth, R., Hom, P. W., & Gaertner, S. (2000). A meta-analysis of antecedents and correlates of employee turnover: update, moderator, tests, and research implications for the next millennium. *Journal of Management*
- Huselid, M. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*, 38: 635–672.
- Roosevelt, T. R. (2001). Elements of a successful diversity process. *The American Institute for Managing Diversity*
- Krejcie, R. V. & Morgan, D.W. (1970). Determining sample size for research activities. *Educational and Psychological Measurement*.
- Koonce, R. (2001). Redefining diversity: It's not just the right thing to do; it also makes good business sense. *Training and Development*.
- Wu, X., & Polsaram, P. (2013). Factor influencing employee turnover intention: the case of retail industry in Bangkok, Thailand. *Journal of Finance, Investment, Marketing, Business Management*, 3(3), 127–142.
- Xu, Y. J. (2008). Gender disparity in stem disciplines: A study of faculty attrition and turnover intentions. *Research in Higher Education*, 49 (7), 607-624.

Appendix 1
Questionnaire

The questionnaire for this study was designed to obtain information on and evaluate the influence of diversity management practices on turnover intentions of commercial banks in Rivers State. Please tick the answers that are most appropriate to the questions or statement.

SECTION A

1. Name of organization.....
2. Gender of Respondent: Male: Female
3. Age Group:
4. Less than 25 years
 - i. 26-35 years
 - ii. 36-45 years
 - iii. 46 – 55 years
 - iv. 56 years and above
5. Marital status: Single Married
6. Educational Level and Qualification:
 - i. Primary School
 - ii. Secondary School Diploma/NCE
 - iii. HND/B.Sc.
 - iv. PGD/Masters.
 - v. PhD
7. Position in the organization
8. Duration under the employ of your organization.....
9. Your organization's years in operation:
 - i. 0-10
 - ii. 11-20
 - iii. 21-30
 - iv. 31-50
 - v. 51-Above

SECTION B

The statement items below describe diversity management practices of your firm in terms of workplace design, and managing grievances. Kindly read each statement carefully, and then show the extent to which you agree or disagree by indicating in the box beneath each on a scale from strongly disagree to strongly agree.

	ITEM					
S/N	Workplace Design	SD	D	U	A	SA
1.	My workplace is designed to empower employees by furnishing them with the right skills to harness individual differences.					
2.	Employees are involved in workplace design programmes; making them take task necessary to complete projects of the diversity management practices.					
3.	Workplace design strategies in my firm emphasizes employee commitment to meet the objectives of the diversity management practices.					
4.	The outline of workplace design programmes in my firm has put a lot of pressure on employees to see diversity as a resource.					
S/N	Managing Grievances	SD	D	U	A	SA
1.	Managing grievances is the hallmark of an effective diversity management practices that enhances quality service delivery.					
2.	Managing grievances of employees may be considered bridges to success as it aids the overall performance of the employees and solidifies diversity management practices.					
3.	Managing grievances is applied through the medium of training characterized by strong orientation and development of skills of the employees.					
4.	There is a direct relation between managing grievances, competitiveness, productivity and performance as it has increased the services offered and rendered by my firm.					

Scale: SD=Strongly Disagree, D=Disagree, U=Undecided, A=Agree & SA=Strongly Agree.

SECTION C

The statement items below describe turnover intentions of employees of your firm. Kindly read each statement carefully, and show the extent to which you agree or disagree by indicating in the box beneath each on a scale from strongly disagree to strongly agree.

	ITEM					
S/N	Turnover Intentions	SD	D	U	A	SA
1.	My workplace is structured to attend to employees needs that may arise due diversity by inducing them to stay with the firm.					
2.	My workplace design to discourage any turnover intentions by making employees take responsibilities required for personal growth – to manage diversity.					
3.	Managing employee grievances is necessary because it ensures that they stay in harmony and cultivate accommodating each other.					
4.	In managing grievances – any form of competitiveness among employees is eliminated as it could lead to increased turnover rate.					

Scale: SD=Strongly Disagree, D=Disagree, U=Undecided, A=Agree & SA=Strongly Agree.

Appendix 2
Case Processing Summary

		N	%
Cases	Valid	155	100.0
	Excluded ^a	0	.0
	Total	155	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.805	.812	2

Item Statistics

	Mean	Std. Deviation	N
Workplace Design	4.69	.565	155
Managing Grievances	4.23	.670	155

Inter-Item Correlation Matrix

	Workplace Design	Managing Grievances
Workplace Design	1.000	.684
Managing Grievances	.684	1.000

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
8.92	1.285	1.134	2

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Managing Grievances, Workplace Design ^b	.	Enter

a. Dependent Variable: Employee Turnover Intention

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.869 ^a	.756	.753	.623

a. Predictors: (Constant), Managing Grievances, Workplace Design

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	182.863	2	91.431	235.263	.000 ^b
	Residual	59.073	152	.389		
	Total	241.935	154			

a. Dependent Variable: Employee Turnover Intention

b. Predictors: (Constant), Managing Grievances, Workplace Design

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.174	.422		.411	.681
	Workplace Design	.934	.122	.421	7.662	.000
	Managing Grievances	.984	.103	.526	9.571	.000

a. Dependent Variable: Employee Turnover Intention

Descriptive Statistics

	Mean	Std. Deviation	N
Workplace Design	4.69	.565	155
Managing Grievances	4.23	.670	155

Correlations

		Workplace Design	Managing Grievances
Workplace Design	Pearson Correlation	1	.684**
	Sig. (2-tailed)		.000
	N	155	155
Managing Grievances	Pearson Correlation	.684**	1
	Sig. (2-tailed)	.000	
	N	155	155