

Innovations

Labour Turnover and Organizational Performance: A Study of Alo Aluminum Enugu, Enugu State, Nigeria

¹ Melletus Uchechukwu Agbo Ph.D; ² Moses Sunday Okebaram Ph.D;

³ David Nnameka Okereke

^{1,2,3} Department Of Business Administration, College Of Management Sciences,
Michael Okpara University Of Agriculture, Umudike, Abia State, Nigeria

Abstract: *This study examined the labour turnover and organizational performance with respect to Alo Aluminum Enugu state. Having analyzed the distributed 90 questionnaires to staff of Alo Aluminum Enugu state, descriptive survey approach was adopted and analyzed using regressions with the help of SPSS version 23.0. The study revealed that retrenchment significantly influences organizational growth. The study also found that employee training and development significantly influences organizational profitability. This finding implies that when employees are motivated through retrenchment and training/development, the rate of their turnover will reduce but when they are not motivated, high rate of labour turnover will be experienced. Therefore, in order to improve organizational performance, employees need to be motivated in order to reduce high rate of employee turnover, Employee pay dissatisfaction has significant effect on effectiveness of Alo Aluminum Enugu state, and Job insecurity has significant effect on performance of Alo Aluminum Enugu state. The study therefore concludes that there is a significant relationship between labour turnover and organizational performance of Alo Aluminum Enugu state. Based on the findings, the study recommends that: Employees' salary should be increased regularly to reflect current economic realities in order to reduce the incidence of labour turnover in organizations. Similarly, training and development should be provided to employees in order to encourage them to stay in the organization.*

Key Words: *Organization Performance, Productivity, Profitability, Effectiveness and Efficiency*

Introduction

1.1. Background to the Study

Labour turnover can be defined as the flow of manpower into and out of an organization. In this definition, one could reduce the flow of manpower to mean (replacement and new hire) while outflow to mean (separation, lay off, discharge, quits, retirement, leave, absence or death etc.). This inflow and outflow will continue to attract the attention of human resource practitioners on finding the cause: and

possible solution for an organization. Since personnel/human resource managers are the custodians of the entire workforce in any organization. The role they perform determine to a great extent the inflow and outflow of workers in an organization (Akinruwa, Ajayi & Akeke, 2023).

Therefore, among all business resources (human, financial, material and information), human resource is the most important. If they are nurtured, cared for, and supported they will provide valuable contribution to the enterprise (Akindele, (2017). This explains why companies of various size and scope invest lot of resources to make them efficient and effective for improved performance. However, firms are finding it difficult today to retain their employees, and this leaves a soaring experience which firms must bear to find a replacement (Akindele, 2017).

Consequently, labour turnover issue was being generating heat discussion in the literature for the past decades due to Psychological dimension on organizational significant and economic dimensions on nations (Long, Perumal & Ajagbe, 2012). The manufacturing organization provide heavily rely on the bulk of the employees to achieve competitive advantage. To this respect, they invest so much to train personnel in order to update their knowledge, skills, and abilities. Therefore, it is important for the employers of labor to keep and retain the workforce they have invested much to avoid being attracted or enticed by competitors.

According to Tadeyi (2019), labour turnover occurs when an employee: leaves the service of an organization. Therefore, the resultant effect of the movement of workers/labour from one place to another in search of comfort is tagged "labour turnover". Thus, the fund of human resource management is one of the most dynamic and challenging areas for managers across the globe in the turbulent business climate, caused by increased global price competitiveness, changing technology, changing employment legislation, and changing workforce composition is challenging managers to utilize their employees more effective to gain competitive; advantage.

One major reason of investing much on employees is to improve their skills and competencies this is consistent with the findings of Dwomoh & Korankye (2012) which stated that in most cases, employees could not match their skills against the skill demanded by the job. Hence, they advocate that the mechanisms of reducing the rate of turnover in a company rests on the managers through measuring, controlling and minimizing employee separation at all costs since man was considered as the only occupant driver seat of any organizations. On this note, there is need to develop holistic understanding of effects of labour turnover on performance of Manufacturing sectors in Nigeria and to minimize obstacles preventing the organization from gaining competitive advantage.

Looking at the manufacturing industries in which Alo Aluminum Enugu from the researchers point of view, it is obvious that the rate of labour turnover is becoming worrisome and this had brought great negative effect on the company as this decreases the profit volume of the firm, this also brought about salaries reduction that affect workers warfare. Most workers are laid off either openly or secretly on

daily basis and the high level of turnover poses a serious problem for the industry especially if the separation is voluntary by relatively high profile numbers of human capital value (WeiBo, Kaur and Zhi 2010). Labour turnover is costly, lowers productivity, kills morale, losses customers to competitors and tends to get worse if it is not urgently addressed, hence, constitutes challenges. Management must strategies in order to ensure that concerted efforts are geared towards minimizing or totally eradicating.

Many studies have been conducted on labour turnover and organizational performance using different variables. Molefakgotla et al (2014) used 3 variables, Akinruwa, Ajayi, & Akeke, (2014) used 8 variables, Mabindisa, (2013) used 5 variables. These studies reported conflicting findings on the causes of labour turnover. Mabindisa concluded that salary was the major cause of turnover while Benedict, Josiah, Ogungbenle & Akpeti, (2012) concluded that reduced production had the foremost effect on labour turnover as it significantly affects output and profit. These controversies from the findings of most studies on employee turnover and organizational performance make it imperative for further studies. These studies were carried out in different sectors banking, electricity, manufacturing firms, telecommunication, and education or research institute. None was carried out in Alo Aluminum Enugu State hence the motivation for the present research on Alo Aluminum Enugu State.

1.3. Objectives of the Study

The main objective of this study is to examine the effect of Labour Turnover on Organizational Performance with respect to Alo Aluminum Enugu state. Hence, in order to achieve the objective stated above, the following specific objectives shall be our guide to;

- Determine the effect of retrenchment on growth of Alo Aluminum Enugu state.
- Evaluate the effect of training and development on profitability of Alo Aluminum Enugu state.
- Ascertain the effect of employee pay dissatisfaction on effectiveness of Alo Aluminum Enugu state.

1.4. Research Questions

In order to achieve the objectives of the study identify above, the following are the research questions of this study.

- What is the effect of retrenchment on growth of Alo Aluminum Enugu state?
- What is the effect of training and development on profitability of Alo Aluminum Enugu state?
- What is the effect of employee pay dissatisfaction on effectiveness of Alo Aluminum Enugu state?

1.5. Research Hypotheses

H0₁: Retrenchment have no significant effect on growth of Alo Aluminum Enugu state.

H0₂: Training and development have no significant effect on profitability of Alo Aluminum Enugu state.

H0₃: Employee pay dissatisfaction have no significant effect on effectiveness of Alo Aluminum Enugu state.

Review of Related Literature

2.1. Conceptual Framework

2.1.1. Labour Turnover

Price, (2019) sees labour turnover as the rate of organizational staff who exited during the time being considered to the average numerical organizational strength during the period. Papohunda, (2010) coins labour turnover as the flow of human resources in and out of an organization. The inflow of human resources relates to accession and the outflow as disengagement. Disengagement could be in the form of quits, lay-offs, retirement, leave of absence, or even death. Accession on the contrary relates to new hires and replacements. Labour turnover as defined by Harkins, (2018) is the “entrance of new employees into the organizations and the departure of existing staff from the organizations”. Employee turnover relates to how many new hires were employed to replace disengaged employees. Mowday, (2010) defines labour turnover as free will withdrawal of membership of an organization by staff of that organization. Nel, et al, (2011) suggests that employee turnover is the rotation of employees within the labour market, among several organizations, and also between states of employment and unemployment. In organizations, labour turnover could be seen as the end of a staff's intra-organizational career, which includes a sequence of changes in employment from job entry to exit (NSDC, 2010). Yankeelov, et al (2018) see labour turnover as a situation whereby employees leave organization willingly for other causes and thereby influencing the organization negatively in relation to costs; and the capacity to foster the minimum services necessary. Mara (2010) opines that labour turnover has a significant importance for most researchers and those in the academic due to its negative outcome as turnover. Mathematically, labour turnover is the rate of the number of organizational staff that exited to the average number of staff in that organization.

2.1.2. Classification of Labour Turnover

According to Armstrong, (2010) labour turnover is often classified as voluntary or involuntary. Voluntary turnover occurs when an employee leaves by choice and can be caused by many factors while involuntary stems from management action or nature. Causes include lack of challenge, better opportunity elsewhere, pay, supervision, geographical location and pressure, death and retirements.

Armstrong further asserts that persistent labour turnover rates are costly both to individual organizations and the economy as a whole and adversely affect efficiency,

productivity, profitability and morale. Gomez-Mejia, Balkin & Cardy, (2002), states that turnover can be categorized into three components namely; employer controlled, employee controlled and involuntary labour turnover.

Employer controlled: dismissals, redundancies, retrenchment and early retirements. Gomez-Mejia et al (2002) assert that this type of labour turnover is determined by the employer; the employee is not a chooser here but is forced to leave by the situation. Sometimes employee action or behavior at work will cause the employer to decide on terminating the contract for example poor performance by the employee may lead to dismissal. Employer controlled turnover is normally vital for the health of an organization. In the dynamic business environment characterized by complexities, there is greater need to respond to the changes occurring every now and then. This condition therefore necessitates the need for this type of turnover. Thus Leopold (2001) state that employer controlled turnover is an advantage since it helps by shedding off ageing workforce, which is normally associated with resistance to change as well as getting rid of poor performers.

Employee controlled: Gomez-Mejia et al (2002) asserts that employee controlled turnover occurs at the employees' free will. Reasons for this type of separation usually stem from dissatisfaction. Employees resign for many different reasons. Gomez-Mejia et al further argue that for more ambitious employees the job may not be challenging enough so they leave to find one which gives them the challenge they want. Sometimes it is the attraction of a new job or the prospect of a period outside the workforce which 'pulls' them. On other occasions they are 'pushed' (due to dissatisfaction in their present jobs) to seek alternative employment. Thus according to Torrington and Hall, employee turnover is a result of both „pull“ and „push“ factors. Another reason for voluntary turnover according to Leopold (2001) is a change in domestic circumstances outside the control of any employer, as is the case when someone relocates with their spouse or partner.

Employer and employee uncontrolled: long term sickness, normal retirement and death in service. This type of labour turnover occurs and is determined by nature. No one is able to control it but can occur whether both the employer employee wants or does not want.

2.1.3. Labour Turnover: Causes, Effects and Cost of Labour Turnover

Causes of Labour Turnover:

Labour turnover if not well controlled by top management personnel may impose grave consequences in the productivity of an organization. Firstly, Neo et al (2006) reveal that when the quest for labour in an organization is high, the chances of switching from one job to the other become inevitable. Harrison and Kessel (2004) were also of the same opinion that labour turnover is influenced by environmental factors such as “local labour markets” in the retail industry. Secondly, because take-

home pay of most organizations varies, salaries earned vary from one organization to the other. As a result of this; employees are tempted to drift to organizations where salaries are high.

The various causes of labour turnover can be classified under the following three heads:

1. Personal causes
2. Unavoidable causes
3. Avoidable causes

1. Personal Causes:

Workers may leave the organization purely on personal grounds, e.g.

- a. Domestic troubles and family responsibilities.
- b. Retirement due to old age.
- c. Accident making workers permanently incapable of doing work.
- d. Women workers may leave after marriage in order to take up household duties.
- e. Dislike for the job or place.
- f. Death.
- g. Workers finding better jobs at some other places.
- h. Workers may leave just because of their roving nature.
- i. Cases involving moral turpitude.

In all such cases, labour turnover is unavoidable and the employer can practically do nothing to reduce the labour turnover.

2. Unavoidable Causes:

In certain circumstances it becomes necessary for the management to ask some of the workers to leave the organization.

These circumstances may be as follows:

- a. Workers may be discharged due to insubordination or inefficiency.
- b. Workers may be discharged due to continued or long absence.
- c. Workers may be retrenched due to shortage of work.

3. Avoidable Causes:

(a) Low wages and allowances may induce workers to leave the factory and join other factories where higher wages and allowances are paid.

(b) Unsatisfactory working conditions e.g., bad environment, inadequate ventilation etc. leading to strained relations with the employer.

(c) Job dissatisfaction on account of wrong placement of workers may become a cause of leaving the organization.

(j) Unsympathetic attitude of the management may force the workers to leave (Akinruwa, Ajayi & Akeke, 2023).

2.1.4. Determinants of Labour Turnover

Retrenchment: This is one of the ways through which organization can separate workers either to break new ground of market or intention to improve performance. At times, it is necessary for an organization to periodically review and adjust their business plans and processes Good Practice. Retrenchment in some organization may be the only last result to move the firm forward which can cover a wide range of dismissals that do not essentially relate to the conduct or capability of the worker. Hence, it has been established that there is no alternative than to retrench in order for the firm to find it feet in the competitive market. Meanwhile, the process must be carefully carried out which according to Good Practice (Note, 2005) must be based on transparency, fairness, applied consistently and it should contains an appeal or grievance procedure.

2.2. Theoretical Framework

Equity Theory (Adams, 1965) and Resource-based Theory of Strategic Human Resource Management (Vroom, 1964). However, the study is anchored on Equity Theory. One thing that is common for humans is to compare themselves with others.

2.2.1. The Equity theory developed by Adams. (1965) is based on the idea that employees basically expect a fair balance between their inputs and outputs. This implies that the employees are likely to be de-motivated in relation to their employer and the job if they happen to believe that their inputs (efforts, loyalty, hard work, commitment, ability, adaptability, tolerance, flexibility, skills) are greater than their outputs (salary benefits, recognition, reputation responsibility, sense of achievement, sense of advancement/growth, job satisfaction).The Equity theory of employee motivation describes the relationship between how fairly an employee perceives how he is treated and how hard he is motivated. Equity theory focuses on determining whether the distribution of resources is fair to both relational partners. Equity is measured by comparing the ratio of contribution, (or cost) and benefits (or rewards) for each person (Guervero, Peter and Walid, 2014). Adams (1965) through this theory asserted that employees seek to maintain equity between inputs that they bring to a job and the outcomes that they receive from it against the perceived inputs and out puts. The belief is that people value fair treatment that causes them to be motivated to keep fairness maintained within relationships of their co-workers and the organization (Gill and Stone, 2010). The structure of equity in the work place is based on the ratio of inputs to outcomes. Inputs are the contributions made by the employee for the organization.

The basic idea behind the Equity theory is that employees in an attempt to balance what they put into their jobs and what they get from them will unconsciously assign values to each of the various contributions. In addition to their time, employees contribute their experience, their gratifications, and their capability plus their personal strengths such as acumen and ambition. An employee reflects on how much effort he has expended and compares this to what he has got from it as pay.

After this individual evaluation of this input-output ratio, the employee will compare his ratio to the input- output ratios of others especially peers. If the employee considers his input-output ratio to be equal to ratios of other relevant employees, a state of equity exists (Muogho, 2013) and the employee becomes satisfied with his job. When the employee is satisfied with his pay for instance, absenteeism is reduced and his tendency to withdraw from the job is minimized. When the employee is satisfied, he will have a feeling that he is treated fairly. In this situation of equity, the employee is seemingly content and will not act to in-balance the conditions (Spector, 2011).

Naturally, when an employee perceives unequal ratios between him and his counterparts, there will be a state of inequity and dissatisfaction. The equity theory is concluded for the study because it is interesting to see how employees compare themselves to each other. These comparisons can lead to labour turnover when some employees perceive not to be treated fairly. When this happens, the employee may take some turnover actions which may impact on the organizational performance. Important thing about equity theory is that it shows that believes, perceptions and attitudes influence the employee's motivation and job satisfaction. When the comparison is fair the employee will reach satisfaction, and if not, he will be dissatisfied (Muogbo, 2013). As a consequence, the employee may exhibit some turnover attitudes such as absenteeism, tardiness and eventual withdrawal from the organization.

2.3. Empirical Review

Glebbeek and Bax, (2024), study revealed the relationship between labour turnover and the economic performance of the firm is bell-shaped: a turnover level too low has a negative effect and likewise does a level too high. Our analysis is based on economic performance data of 110 offices of a temp agency. Since these offices vary highly in labour turnover but are similar in product and operational management, the data enabled us to control for a number of important intervening variables. From a regression analysis it could be shown that labour turnover indeed is related to office performance in a curvilinear way, indicating that it is especially excessive turnover that matters. This result proved robust for both performance level and change of performance as the dependent variables.

Akinruwa, Ajayi and Akeke, (2023), research examined 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. The current key officers were used to ascertain if the determinant factors have influence on the banks performance. On the other hand, ex-employees were used to know if any of the determinant factors used in the study had caused the employees to leave the banks. Purposive and convenient sampling techniques were used respectively to select the respondents while

questionnaire was used to collect the data. Regression was used to analyze 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 organization hangs on each determinant factors working together as a system. This indicates that a single determinant factor cannot give banks a desirable performance. The value of R^2 80.1% shows the good fit of the result.

Mohammed, Ndulue and Nwaiwu, (2015), work examines the impact of labour turnover on organizational performance using Comprehensive Institute of Management and Technology (CIMTECH), Abuja as a case study. The study used survey research design. Questionnaires were distributed and retrieved from staff of Comprehensive Institute of Management and Technology (Innovation Polytechnic), Kubwa, Abuja. The study also made use of secondary data obtained from textbooks, journals and the internet. The research made use of a combination of frequency and percentages for its analysis; while chi-square was used for testing its hypotheses. The sample size adopted for the study was 87; while stratified random sampling was the procedure for sampling. The major finding shows that there is a negative relationship between high labour turnover and organizational performance in Nigeria; and that labour turnover does not promote organizational efficiency in Nigeria.

Molefakgotla, Moroke and Tlholoe, (2014), made a research and established the effect of staff turnover on performance of employees in the North West Provincial Department of South Africa. Questionnaires and document analysis were blended to capture authenticity and exhaustiveness of the data. Participants included the 70 employees in the said department who all filled and returned the questionnaire. Both inferential and descriptive statistics were used to present the results. A chi-square analysis was used as a method for data analysis in this study. Descriptive statistics were also used to describe the profiles of employees. The findings showed that the majority of employees are dissatisfied due many reasons and this causes lots of voluntary resignations among employees. Low productivity in the department is as a result of employee dissatisfaction borne as a result of management's ignorance. The study recommends that the department should improve on mechanisms of getting feedback from its staff members regarding problems that have been identified as causes of high staff turnover rates. In addition, staff taking over duties performed by those who exited must be given proper orientation and recognition for going an extra mile.

Methodology

3.1 Research Design

This study used survey research design in analyzing the data collected from the questionnaire distributed to the staff of Alo Aluminum Enugu.

3.2 Sources of Data

Data collected for this study were sourced from both primary and secondary sources.

Primary Data: Primary data are original data collected basically for the purpose of the research or study. The primary sources of data for this research include questionnaires, etc.

Secondary Data: Secondary data are both published and unpublished works. The published were obtained from library, textbooks, journals, Internets, articles publications. The researcher therefore adopted this source of data in order to obtain the information needed.

3.3 Population of the Study

A population is made up of all conceivable elements or observations relating to a particular phenomenon of interest of the research subject or element. The population of this study comprised of two hundred and thirty (230) staff of Alo Aluminum Enugu.

3.4 Sample Size Determination

For the purpose of this study, the researcher derived the sample size statically by using Taro Yamani as follows;

Using the formula;

$$n = \frac{N}{1+N(e)^2} \text{Where;}$$

n = Sample size

N = Population (116)

e = Margin of error (0.05) Thus, the sample size is:

$$n = \frac{116}{1+116(0.05)^2}$$

$$n = \frac{116}{1+116(0.0025)}$$

$$n = \frac{116}{1+0.29}$$

$$n = \frac{116}{1.29}$$

$$= 89.9$$

$$n = 90 \text{ staff}$$

Therefore, the sample size for this study is 90 staff of Alo Aluminum Enugu State.

3.5 Sampling Technique

Simple random sampling technique was used by the researcher in obtaining information for the research. The sampling technique provide employees the same and known chances of being nominated.

3.6 Methods of Data Analyses

Data for the study were analyzed using frequency distribution table, and percentages were used to analyses the data from the questionnaire. Also, hypothesis

was tested Pearson Product Moment Correlation Coefficients, ANOVA and Regression models with the aid of Statistical Packages for Social Sciences version 22.0, which was designed to investigate the agreement of a set of observed frequencies expected or an assumption of the theoretical pattern of the phenomena being studied.

Data Presentation, Analysis and Discussion

4.0. Introduction

This chapter focuses on the evaluation and discussion of result from the analysis upon which the model specified in the previous chapter is based.

4.1. Demographic Variables

4.1.1. Distribution of questionnaire to staff of Alo Aluminum Enugu and response rate

Total copies of questionnaire	Respondents	Percentage (%)
Number returned	72	80.00
Invalid returned	5	5.56
Number not returned	13	14.44
Total	90	100

Source: Field survey, 2025

Table 4.1.1 above, shows the distribution of questionnaire to respondents. From the table it can be seen that out of the total 90 questionnaires distributed only 72 were actually completed and returned constituting 80.00%, while a total of 5 and 13 were either returned not completed or not returned at all constituting 5.56% and 14.44% respectively. The researcher based his analysis from the 72 questionnaire correctly filled and returned questionnaires which formed about 80.00% of respondents who co-operated with the researcher. The high percentage of those who co-operated with the researcher meant they were familiar with the topic under consideration.

Table 4.1.2 Distribution of respondent by sex

Sex	Frequency	Percentage (%)
Male	47	65.28
Female	25	34.72
Total	72	100

Source: Field Survey, 2025

Table 4.1.2 shows the number of male staffs as 47 which makes up 65.28% of the total number of respondents and 25 females which makes up the remaining 34.72%. This indicates the population is more of female respondent than male.

Table 4.1.3 Distribution of respondent by educational qualification

Qualification	Frequency	Percentage (%)
SSCE, GCE	11	15.28
OND, HND	30	41.67
B.Sc., ACA	18	25.00
M.Sc., MBA	8	11.11
Ph.D.	5	6.94
Total	72	100

Source: Field survey, 2025

Table 4.1.3 reveals the qualification of the respondents. 15.28% has the SSCE and GCE, 40.67% has OND and HND, 25.00% has BSC and ACA, 11.11% has MSC and MBA and while 6.94% has PHD. This shows that the respondents have knowledge of the variables used for this study.

Table 4.1.4 Distribution of respondent by position

Poistion	Frequency	Percentage (%)
Top Management	6	8.33
Middle-Level Management	11	15.27
Lower-Level Management	20	27.78
Other Staff	35	48.61
Total	72	100

Source: Field survey, 2025

Table 4.1.4 shows the current position of the respondents which include 6 top managers i.e. 8.33% of the total respondents, 11 middle level management which makes up 15.27%, 20 lower-level management which makes up (27.78%) and 35 other staff which makes up 48.61% of the total respondents.

4.2 Data Presentation

Table 4.2.1. What is the effect of retrenchment on growth of Alo Aluminum Enugu state?

Retrenchment					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agreed	47	65.3	65.3	100.0
	Agreed	15	20.8	20.8	34.7
	Undecided	3	4.2	4.2	13.9
	Disagreed	5	6.9	6.9	9.7
	Strongly Disagreed	2	2.8	2.8	2.8
	Total	72	100.0	100.0	

Source: Field survey 2025.

From table 4.2.1 above it could be seen that 47 respondents representing 65.3% strongly agreed that there is effect of retrenchment on growth of Alo Aluminum Enugu state, 15 respondents representing 20.8% agreed the same, 3 respondents were undecided, and 5 respondents disagreed, while 2 respondents strongly disagreed that there is effect of retrenchment on growth of Alo Aluminum Enugu state.

Table 4.2.2. What is the effect of training and development on profitability of Alo Aluminum Enugu state?

Training and development					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agreed	40	55.6	55.6	100.0
	Agreed	22	30.6	30.6	44.4
	Undecided	6	8.3	8.3	13.9
	Disagreed	3	4.2	4.2	5.6
	Strongly Disagreed	1	1.4	1.4	1.4
	Total	72	100.0	100.0	

Source: Field survey 2025.

From table 4.2.2 above it could be seen that 40 respondents representing 55.6% strongly agreed that there is effect of training and development on profitability of Alo Aluminum Enugu state, 22 respondents representing 30.6% agreed the same, 6 respondents were undecided, and 3 respondents disagreed, while 1 respondent strongly disagreed that there is effect of training and development on profitability of Alo Aluminum Enugu state.

Table 4.2.3 What is the effect of employee pay dissatisfaction on effectiveness of Alo Aluminum Enugu state?

Employee pay dissatisfaction					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agreed	51	70.8	70.8	100.0
	Agreed	11	15.3	15.3	29.2
	Undecided	4	5.6	5.6	13.9
	Disagreed	4	5.6	5.6	8.3
	Strongly Disagreed	2	2.8	2.8	2.8
	Total	72	100.0	100.0	

Source: Field survey 2025.

From table 4.2.3 above it could be seen that 51 respondents representing 70.8% strongly agreed that there is effect of employee pay dissatisfaction on effectiveness of Alo Aluminum Enugu state, 11 respondents representing 15.3% agreed the same, 4 respondents were undecided, and 4 respondents disagreed, while 2 respondents strongly disagreed that there is effect of employee pay dissatisfaction on effectiveness of Alo Aluminum Enugu state.

4.3. Test of Hypotheses

Table 3.2 Pearson Product moment correlation coefficient result showing the effect of retrenchment on growth of Alo Aluminum Enugu state.

Correlations			
		Growth	Retrenchment
Growth	Pearson Correlation	1	.929**
	Sig. (2-tailed)		.002
	N	72	72
Retrenchment	Pearson Correlation	.929**	1
	Sig. (2-tailed)	.002	
	N	72	72
**. Correlation is significant at the 0.01 level (2-tailed).			

The result present in table 3.2 shows the significant effect of retrenchment on growth of Alo Aluminum Enugu state. The result reveals that there is significant relationship between retrenchments on growth of Alo Aluminum Enugu state. The coefficient of the correlation is 0.929, with a significance. value of 0.000 at an acceptable 0.01 significance level.

Hypothesis one

H₀₁: Retrenchment have no significant effect on growth of Alo Aluminum Enugu state.

Sequel to table 4.3.3; Using Pearson correlation the hypothesis was tested and the summary of the result shown on the table below.

The significant value between Retrenchment have no significant effect on growth of Alo Aluminum is 0.002 which is less than 0.01, we therefore, reject null hypothesis and accept alternative hypothesis and conclude that, retrenchment has significant effect on growth of Alo Aluminum Enugu state.

Table 4.3.2 Regression result showing the effect of training and development on profitability of Alo Aluminum Enugu state

Model Summary^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.959 ^a	.919	.918	.27934	1.318
a. Predictors: (Constant), training and development					
b. Dependent Variable: profitability					

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	61.857	1	61.857	792.713	.000 ^b
	Residual	5.462	70	.078		
	Total	67.319	71			
a. Dependent Variable: profitability						
b. Predictors: (Constant), training and development						

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.551	.141		3.913	.000
	training and development	.895	.032	.959	28.155	.000
a. Dependent Variable: profitability						

Source: SPSS V-23.0 Significance level at 0.05% level

The regression results showed that the estimated coefficient of the regression parameters have positive sign and thus conform to our a priori expectation. This means that an increase in the independent variables will bring about credibility in the dependent variable.

The coefficient of determination R-square of 0.919 implied that 91.9% of the sample variation in the dependent variable is explained or caused by the explanatory variable while 8.1% is unexplained. This remaining could be caused by other factors or variables not built into the model. The high value of R-square is an indication of a good relationship between the dependent and independent variables.

The value of the adjusted R^2 is 0.918 this shows that the regression line captures more than 91.8% of variation in the explanatory variables in the model of equation

while the remaining 8.2% accounts for the stochastic error term. A standard error of estimate of about 0.27934, F-Statistics of 792.713 measures the goodness of fit of the model which is greater than 2.5 rule of thumbs. Durbin Watson Statistic of 1.318 show the degree of no autocorrelation of variables in the region or partition curve. The t-Statistic is 28.155 at ($df_1 = 1$ & $df_2 = 71$).

Hypothesis two

H₀₂: Training and development have no significant effect on profitability of Alo Aluminum Enugu state.

With reference to Table 4.3.2, calculated t-statistics of 28.155 is greater than the critical value (i.e. 2.000). The null hypothesis is rejected and the alternative accepted. This means that, training and development has significant effect on profitability of Alo Aluminum Enugu state.

Table 4.3.3 ANOVA result showing the relationship between strategic planning and organizational performance of Alo Aluminum Enugu state

Employee pay dissatisfaction			ANOVA		
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	66.449	4	16.612	120.928	.000
Within Groups	9.204	67	.137		
Total	75.653	71			

Source: SPSS version 23.0 (0.05% significance level)

From table 4.3.2 the ANOVA table showed the effect of employee pay dissatisfaction has significant effect on effectiveness of Alo Aluminum Enugu. This is shown by the large F-statistics of 120.928 and coefficient of 0.137 coupled with a significant value of 0.000 at 95% confidence interval.

Hypothesis three

H₀₃: Employee pay dissatisfaction have no significant effect on effectiveness of Alo Aluminum Enugu state.

Sequel to Table 4.3.2, Accept null hypothesis when significant value or p-value is greater than 0.05 otherwise reject the null hypothesis and accept alternative hypothesis.

Decision rule: Since significant value 0.000 is less than 0.05, we reject null hypothesis and accept alternative hypothesis and conclude that employee pay dissatisfaction has significant effect on effectiveness of Alo Aluminum Enugu

4.4 Discussions of Findings

In hypothesis retrenchment has significant effect on growth of Alo Aluminum Enugu state. This supports the findings of Glebbeek and Bax, (2024), who study revealed

the relationship between labour turnover and the economic performance of the firm is bell-shaped: a turnover level too low has a negative effect and likewise does a level too high. Our analysis is based on economic performance data of 110 offices of a temp agency. Since these offices vary highly in labour turnover but are similar in product and operational management, the data enabled us to control for a number of important intervening variables. From a regression analysis it could be shown that labour turnover indeed is related to office performance in a curvilinear way, indicating that it is especially excessive turnover that matters. This result proved robust for both performance level and change of performance as the dependent variables.

In hypothesis two, training and development has significant effect on profitability of Alo Aluminum Enugu state. This is also in line with the work of Akinruwa, Ajayi and Akeke, (2023), who research examined 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 analyze the data using Statistical Package for Social Sciences (SPSS). The finding shows that unrealistic target and training 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 organization hangs on each determinant factors working together as a system. This indicates that a single determinant factor cannot give banks a desirable performance. The value of R^2 80.1% shows the good fit of the result.

In the third hypothesis, employee pay dissatisfaction has significant effect on effectiveness of Alo Aluminum Enugu state. This align with the investigation of Molefakgotla, Moroke and Tlholoe, (2014), made a research and established the effect of staff turnover on performance of employees in the North West Provincial Department of South Africa. Questionnaires and document analysis were blended to capture authenticity and exhaustiveness of the data. Participants included the 70 employees in the said department who all filled and returned the questionnaire. Both inferential and descriptive statistics were used to present the results. A chi-square analysis was used as a method for data analysis in this study. Descriptive statistics were also used to describe the profiles of employees. The findings showed that the majority of employees are satisfied in most aspects.

In the fourth hypothesis, job insecurity has significant effect on performance of Alo Aluminum Enugu state. This also correlate with the analysis of Okeke, Ethel and Okeke, (2018), who statistically analyzed the relationship between labour turnover and organizational performance in elected plastic manufacturing companies in Anambra State. It adopted survey research design. Data were collected from primary sources. Primary data were collected with item structured questionnaire based on five point Likert scale. Six (6) plastic manufacturing firms selected

randomly from the three (3) senatorial zones of Anambra State were studied. The population of the study was one thousand two hundred and eighty-five (285) employees of the companies under study. A sample size of two hundred and forty-six (305) was determined with Taro Yamane (1964) formula. The instrument was subjected to face and content validity and its reliability was determined through test-retest Method. Data generated were presented with tables, percentages and frequencies. Data were analyzed with chi-square statistical tool. Major findings indicated that there were significant positive relationships between dependent and independent variables. The study revealed that pay (salary) dissatisfaction, employee training and development, employee absenteeism and employee motivation significantly affect organizational performance. The study concluded that there is significant positive relationship between labour turnover and organizational performance in the selected plastic manufacturing companies in Anambra State.

Summary of Findings, Conclusion and Recommendations

5.1 Summary of Findings

This study examined the effect of labour turnover on organizational performance with respect to Alo Aluminum Enugu state. Having analyzed the distributed 90 questionnaires to staff of Alo Aluminum Enugu state, descriptive survey approach was adopted and analyzed using regressions with the help of SPSS version 23.0. The following findings were made;

- Retrenchment has significant effect on growth of Alo Aluminum Enugu state
- Training and development has significant effect on profitability of Alo Aluminum Enugu state
- Employee pay dissatisfaction has significant effect on effectiveness of Alo Aluminum Enugu state

5.2 Conclusion

This work examined the relationship between labour turnover and organizational performance of Alo Aluminum Enugu state. Data were sourced from the employees of Alo Aluminum. The data generated were analyzed using simple percentage analysis, regression and correlation. The study revealed that retrenchment significantly influences organizational growth. The study also found that employee training and development significantly influences organizational profitability. This finding implies that when employees are motivated through retrenchment and training/development, the rate of their turnover will reduce but when they are not motivated, high rate of labour turnover will be experienced. Therefore, in order to improve organizational performance, employees need to be motivated in order to reduce high rate of employee turnover. The study therefore concludes that there is a significant relationship between labour turnover and organizational performance of Alo Aluminum Enugu state.

5.3. Recommendations

Based on the findings, the study recommends that:

- Employees' retrenchment should be regularly check to reflect current economic realities in order to reduce the incidence of labour turnover in organizations
- Similarly, training and development should be provided to employees in order to encourage them to stay in the organization
- Organizations should ensure that employees are effectively motivated in order to reduce the incidence of labour turnover

References

1. Adewole, O. D., (2024). *Labour Turnover and Productivity among Employees in Selected Brewing Firms in Southwestern Nigeria*. *International Journal of Small Business and Entrepreneurship Research*, 5(4), 17-28, ISSN 2053-5821(Print), ISSN 2053-583X(Online)
2. Akinruwa, T. E., Ajayi, S. O. & Akeke, N. I., (2023). *Effect of Labour Turnover on Performance in Nigerian Banking Industry (A Case of Ado-Ekiti Metropolis, Ekiti State)*.*European Journal of Business and Management*. 6(28), 125-132, ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online).
3. Glebbeek, A. C. & Bax, E. H., (2024). *Labour turnover and its effects on performance: an empirical test using firm data*, 2(1), 1-26
4. Makelemo. C., (2010). *Labour Turnover and Organizational Performance Case Study of Commercial Rural Development Bank. Tanzania. A Research Project Submitted to the School of Business and Management in Partial Fulfillment of Bachelor Degree in Human Resource Management of Kampala International University*.
5. Mawodzwa, R. C., (2014). *An assessment on the impacts of labour turnover on organizational productivity. The case of Zimbabwe German Graphite Mines (Pvt) Ltd*. R101775Q, Online Publication.
6. Mohammed, U. D., Ndulue I. T. & Nwaiwu N. B., (2015). *The Impact of Labour Turnover on Organizational Performance: A Study of Comprehensive Institute of Management and Technology, Abuja*. *Abuja Journal of Business and Management*, 1(3), 145-154
7. Molefakgotla, A. M., Moroke N. D. & Tlholoe, K., (2014). *The Impact of Staff Turnover on Performance: A Case of the North West Provincial Department of South Africa*, *Mediterranean Journal of Social Sciences*, 5(2), 117-125, ISSN 2039-2117 (online) ISSN 2039-9340 (print)
8. Nwachukwu, O., (2011). *The Impact of Labour Turnover on Survival of Small and Medium Scale Enterprises in Enugu State. Being a Project Submitted To Institute for Development Studies, University of Nigeria, Enugu Campus in Partial Fulfilment of the Requirements for the Award of the Master of Science Degree in Development Studies*.

9. Oginni, B. O., & Omoyele, S. O. (2018). *A Study of Labour Turnover and Organizational Productivity in the Cable Industry of Nigeria Manufacturing Sector. Advances in Social Sciences Research Journal*, 5(8) 294-305.
10. Ogony, S. M., (2017). *The effect of employee turnover on performance: A case study of the KwaZulu-Natal Department of Arts and Culture. A dissertation submitted in fulfilment of the requirements for the degree of Master of Commerce, College of Law and Management Studies School of Management, Information Technology and Governance.*
11. Okeke, M. C., Ethel, M. & Okeke, C. N., (2018). *Labour Turnover and Organizational Performance in Selected Plastic Manufacturing Firms in Anambra State. Asia Pacific Journal of Research in Business Management*. 9(10), 1-27, ISSN: (2229-4104), Impact Factor: 5.16.
12. Taye, D. & Getnet, B., (2020). *The Impact of Employee Turnover on Organizational Performance: A Case Study of Mada Walabu University, Bale Robe, Ethiopia. American Journal of Pure and Applied Biosciences*, 2(3), 51-63,
13. Vuyisile, M., (2013). *Impact of Staff Turnover on Organizational Effectiveness and Employee Performance at the Department of Home Affairs in the Eastern Cape Province. Online Thesis.*