

# Relationship Between Human Resource Management Practices And Employee's Turnover Intention Among Registered Nurses In Nigerian Public Hospitals: The Mediating Role Of Organisational Trust

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## Abstract

While a growing body of empirical research has indicated that employee's perception regarding human resources management practices play significant role in explaining turnover intention, however, the mechanism behind this relationship remains unclear. This study investigated the mediating effect of organisational trust on training and development - turnover intention relationship as well as the relationship between compensation practices and turnover intention. Data were collected from 175 Registered Nurses in Nigerian public hospitals. Using bootstrap resampling technique for testing an indirect effect, training and development and compensation practices were found to be the antecedents of organisational trust, which in turn mediates their relationships with employee's turnover intention. The theoretical and practical implications of the results have been discussed.

*Keywords:* Turnover intention, organisational trust, HRM practices, training and development, compensation practices

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## 1.0 INTRODUCTION

Employee turnover is defined as the ratio of the number of organizational members who had left, either voluntarily or involuntarily during the period under consideration, to the total number of people in that organization during the period (Price, 1977). Employee turnover is prevalence and has become a major concern of every organization. For example, In the United States of America (U.S.A.), about 7.7% of the full time faculty members from various universities and colleges had left their posts for other institutions in 1997/1998 academic session. Of these faculty members, only 29% were retirees, while the remaining 71% have left their institutions for variety of reasons (Sanderson, Phua, & Herda, 2000). In Nigeria, a recent estimates have shown that that in the year 2012, more than 20,000 professionals, including medical personnel, teaching staff from various universities and colleges leave African continent annually to look for a greener pastures in Western countries such as United States, Canada, Germany and United kingdom, among others (Agency Reporter, 2012).

Because of its prevalence and detrimental effects to both individuals and organisations, several factors have been suggested to understand the reasons why employees may decide to leave their organisations. (Beecroft, Dorey, & Wenten, 2008; Grissom, Nicholson-Crotty, & Keiser, 2012; Poon, 2004). For example, research has demonstrated that human resource management practices can affect employee's turnover intention (Qurehi & Rasli, 2014, Agarwala, 2003; Fiorito, Bozeman, Young, & Meurs, 2007; Kooij, Jansen, Dijkers, & De Lange, 2010; Şendoğdu, Kocabacak, & Güven, 2013; Shafiq, Khan, Bhatti, & Khan, 2014). Despite the theoretical support regarding the effect of human resource management practices on employee's turnover intention, to date, little empirical research has been conducted on the process through which human resource management practices may exert significant influence on employee's turnover intention. To fill this theoretical gap, the present study extend prior research by examining organisational trust as a fundamental mechanism through which human resource management practices may be related to employee's turnover intention. Organisational trust is defined as "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party" (Mayer, Davis, & Schoorman, 1995, p. 712).

The potential role of organisational trust as a mediating variable on the relationship between human resource management practices and employee's turnover intention can be supported by social exchange theory (Blau, 1964), which postulates that employees' attitudes and behaviours are significantly influenced by perceptions of organizational trust. Thus, drawing on social exchange theory, it is argued that when individuals perceived that they are in a good social exchange relationship with their organisations, they are less likely to quit their jobs. Additionally, when individuals developed positive perception in terms of the components of human resource management practices (HRM practices), including compensation practices, training and development, performance appraisal and promotion practices, they will reciprocate by remaining on their present job (Qureshi et al. 2013, Altman, 1973; Blau, 1964; Gouldner, 1960). Therefore, on the basis of theoretical and empirical supports, it seems reasonable to hypothesize that organisational trust might mediate the relationship between human resource management practices and employee's turnover intention Registered Nurses in Nigerian public hospitals.

## ■2.0 METHOD

### 2.1 Participants

One hundred and seventy five Registered Nurses from Nigerian public hospitals (47 males and 128 females) participated in this study. The target participants were between 21-30 years old (11.43%), 62 of them were between 31-40 years old (35.43%). Majority of the respondents were between 41-50 years old (42.86%), and the remaining 18 of the target participants' age were 51 years and above (10.29%). Of 175 participants, 2.29% identified as Assistant Director of Nursing Service, 8% identified as Chief Nursing Officers, 11.43% were classified as Assistant Chief Nursing Officers, 22.29% identified as Principal Nursing Officers, 35.43% identified themselves as Senior Nursing Officers, 12% identified as Nursing Officers I, and the remaining 8.57% identified as Nursing Officers II.

### 2.2 Measures

A self-administered questionnaire was designed to collect data from the participants, including information regarding the demographic variables. Specifically, Turnover Intention Scale, Organisational Trust Scale, and HRM Practices Scale were all anchored on a five-point scale ranging from 1 = “*strongly disagree*” to 5 = “*strongly agree*.”

#### 2.2.1 Turnover Intention

Turnover intention ( $\alpha = .87$ ) was assessed using 3-item from prior research (e.g., Aryee & Yue Wah, 2001; Lam, Chen, & Takeuchi, 2009). Participants were asked to indicate the extent to which they agreed with each statement. Sample items include, “there any likelihood that you would resign from the hospital and “there is likelihood that you would not continue to be a staff of the hospital during your tenure of employment with your present hospital.”

#### 2.2.2 Organisational Trust

Organisational trust ( $\alpha = .90$ ) was assessed using the 6-item organisational trust subscale developed and validated by Cook and Wall (1980). Sample items include, “management of my hospital can be trusted to make sensible decisions for the hospital's future” and “management of my hospital would be quite prepared to gain advantage by deceiving the workers.”

#### 2.2.3 HRM Practices

Six items were used from HRM Practices Scale developed by Lam, Chen and Takeuchi (2009) to measure HRM Practices ( $\alpha = .88$ ). Sample items include, “the amount and duration of training programmes offered in my hospital are satisfactory” and “salary and fringe benefits are fairly determined in my hospital.”

### 2.3 Statistical Procedure

Prior testing the simple mediator model, several assumptions of multiple regressions were met. Specifically, No missing data was found. Five multivariate outliers were detected using Mahalanobis distance. None of these five outliers detected were deleted because removal of outliers does not produce a significant change in the mean differences between two groups (i.e., before removal of outliers, and after removal of outliers) (see Osborne & Overbay, 2004). All items in the dataset were screened to ensure that normality assumption was not violated. The results of the normality test show that only one item was found to violate the normality assumption, hence, the item was transformed using cumulative distribution function (CDFNorm). Furthermore, in order to test our hypotheses, Preacher and Hayes' (2008; 2004) bootstrapping technique of estimating indirect effects in simple mediation model was used in the present study. This technique of estimating indirect effects was used in this study because they are most suitable for mediation analyses with small sample size (Preacher & Hayes, 2008; 2004) and is currently recommended as best practice in 21st century mediation analysis (Hair, Hult, Ringle, & Sarstedt, 2014; Hayes, 2009, 2013).

## ■3.0 RESULTS

A standard bootstrapping procedure with a number of 5000 bootstrap samples was used to assess significance of the path coefficients. The total effect, direct effect, total indirect, effect, and bias corrected 95% confidence interval derived from the bootstrapping techniques are reported in Table 1.

**Table 1** Mediation effect of organizational trust on HRM practices - turnover intention relationship

Independent variable	Total effect	Direct effect	Total indirect effect		
			Point Estimate	BC 95% CI	
				Lower	Upper
HRM Practices	-0.6323	-0.6651	0.0327	0.0012	0.0865

Notes. BC = bias corrected; CI, confidence interval

As can be seen in Table 2, results show that the total and direct effects of HRM Practices on turnover intention are  $-0.6323$ ,  $p < .01$ , and  $-0.6651$ ,  $p < .01$ , respectively. The difference between the total and direct effects is the total indirect effect through the mediator variable (i.e., organizational trust), with a point estimate of  $.0327$  with a 95% bias corrected confidence interval of  $[0.0012; 0.0865]$ , which is different from zero. Hence, the results suggest that organizational trust mediated the relationship between HRM Practices and turnover intention.

#### 4.0 DISCUSSION

Despite a growing body of empirical research that attests to the role of human resources management practices in explaining turnover intention, relatively little is known about the mechanism behind this relationship. The goal of this study was to test a simple mediation model with organizational trust as a mediator variable to explain the relationship between HRM Practices and turnover intention among Registered Nurses in Nigerian public hospitals. To achieve this goal, we used Preacher and Hayes' (2008; 2004) bootstrapping technique of estimating indirect effects in simple mediation model to test the research hypotheses. The mediator analysis revealed that that organizational trust plays a significant role in the relationship between HRM Practices and turnover intention. Specifically, the present study confirms previous research (e.g., Agarwala, 2003; Fiorito, et al., 2007; Kooij, et al., 2010; Şendoğdu, et al., 2013) showing that human resource management practices play a significant role in explaining turnover intention (Khan, Yusoff, & Khan, 2014; Khan., Yusoff, & Azam, 2014). A plausible explanation for this finding is that organisation trust is the fundamental reason why HRM practices predict employee's turnover intention. This line of argument is consistent with social exchange theory (Blau, 1964), which suggests that that when individuals perceived that they are in a good social exchange relationship with their organisations, they are less likely to quit their jobs.

While the present study has provided support for all hypothesized relationships, however, several of its limitations need to be recognized and discussed. First, although, this study adopted a cross-sectional design, it is not possible to draw conclusion from the population as the data for this research was collected at one point in time. Therefore, in view of this methodological limitation, future research could extend this study by adopting a longitudinal design, so that data will be collected at different points in time to enable researchers draw conclusion from the population. Finally, it was noted that participants in the present study were mainly Registered Nurses from public hospitals located in Kaduna, Nigeria, which makes it impossible for generalizing these findings. Therefore, this study recommends future research to be conducted by collecting data from diverse populations, including Registered Nurses from private hospitals to allow comparisons to be made with prior research as well as to generalize the findings. In conclusion, in line with previous research, significant negative relationship between HRM Practices and turnover intention were found in the present study. Findings also suggest that organisational trust mediate the relationships between HRM Practices and turnover intention. Findings provide support for the social exchange theory principle.

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