

# African Journal for the Psychological Studies of Social Issues

Volume 12 Numbers 1 & 2, April and September, 2009 Edition

Founding Editor - in - Chief: Professor Denis C. E. Ugwuegbu,  
(Retired Professor of Department of Psychology,  
University of Ibadan)

Editor - in - Chief: Professor Shyngle K. Balogun,  
Department of Psychology, University of Ibadan.

Associate Editor: Prof. Benjamin O. Ehigie  
Department of Psychology, University of Ibadan

## EDITORIAL ADVISORY BOARD

Professor S. N. Madu	University of Limpapo, South Africa
Professor S. E. Idemudia	University of Limpapo, South Africa
Professor Tope Akinnawo	Adekunle Ajasin University of Nigeria
Professor C. O. Ajila	Obafemi Awolowo University of Nigeria
Professor O. O. Olowu	Obafemi Awolowo University of Nigeria
Prof. P. N. Ibeagba	University of Ibadan, Nigeria
Prof. A. M. Sunmola	University of Ibadan, Nigeria
Dr. O. J. Osiki	University of Ibadan, Nigeria
Dr. K. O. Taiwo	University of Ibadan, Nigeria
Dr. D. O. Adebayo	University of Ibadan, Nigeria

Journal of the African Society for THE PSYCHOLOGICAL STUDY OF  
SOCIAL ISSUES C/O Dept of Psychology, University Of Ibadan, Nigeria

AFRICAN JOURNAL FOR THE PSYCHOLOGICAL STUDY  
OF SOCIAL ISSUES VOL. 12 (1) 2009

CONTENTS

PAGE

1. COPING WITH URBAN POVERTY: EXAMINING  
MULTIPLE INCOME GENERATION PRACTICE  
AMONG CASUAL WORKERS IN IBADAN, NIGERIA. ----- 3  
*Ajani O A.*
2. POLITICAL CORRUPTION AND POVERTY IN NIGERIA ----- 14  
*Faloore, O O*
3. GENDER, POWER AND POLITICAL LEADERSHIP  
IN NIGERIA: PROBLEMS AND PROSPECTS ----- 25  
*Agbalajobi D.T*
4. FUNCTIONAL DEMOCRACY IN NIGERIA:  
A PHILOSOPHICAL EVALUATION OF  
DEMOCRATIC ETHICS ----- 41  
*Izibili ,M.A., Osezua, E.M. and Eribo M. N.*
5. VALIDATION OF PERCEIVED WORK-FAMILY  
FACILITATION SCALE USING PARTICIPANTS  
FROM NIGERIA ----- 52  
*Amah, O.E.*
6. WOMEN TRAFFICKING AND THE RISK OF  
CONTRACTING HIV/AIDS AMONG THE  
TRAFFICKED IN EDO STATE, NIGERIA ----- 68  
*Jerome, P.A. and Owumi, B.*
7. HOME ACCIDENTS EFFECTS ON THE PHYSICAL  
AND SOCIAL WELL-BEING OF THE AGED IN OGUN  
STATE, NIGERIA ----- 85  
*Olaleye, Y. L.*
8. RELATIONSHIP OF CORE JOB CHARACTERISTICS  
TO JOB SATISFACTION AND JOB INVOLVEMENT  
OF CONSTRUCTION WORKERS IN LAGOS METROPOLIS ----- 98  
*Oluwafemi, O. J.*

9.	EXPLORING THE BENEFITS OF STAFF RETENTION STRATEGIES AND PERFORMANCE IN THE NIGERIAN BREWERY INDUSTRY -----	114
	<i>Gberevbie, D.E.</i>	
10.	ANALYSIS OF ENTREPRENEURIAL ATTRIBUTES AS PREDICTORS OF ENTREPRENEURIAL ACTIONS AMONG STUDENTS -----	136
	<i>Okafor, C.</i>	
11.	HELPING PATIENTS WITH PHYSICAL ILLNESS COPE WITH HOSPITALIZATION: IMPLICATION FOR THE NURSES AND MEDICAL SOCIAL WORKERS IN MEETING THE PHYSICAL AND PSYCHO-SOCIAL NEEDS OF THE PATIENTS -----	150
	<i>Mojoyinola, J.K. and Ayangunna, J.A.</i>	
12.	PERCEIVED ROLE OF DIETARY FACTORS IN CANCER CAUSATION AND PREVENTION AMONG UNIVERSITY UNDERGRADUATES -----	165
	<i>Adejumo, P.O., Adejumo., J.O. and Anisu, D.F.</i>	
13.	AMORAL POLITICS, THE FOURTH REPUBLIC AND THE FUTURE OF NIGERIA'S DEMOCRATIC PROJECT -----	179
	<i>Ilufoye Sarafa Ogundiya</i>	

economy. This is because between 2001 and 2005, the sector contributed a total 17.34 percent to Nigeria's Gross Domestic Product (GDP) (CBN, 2005). The first brewery company, Nigerian Breweries Plc was incorporated in 1946, and produced its first beer – Star Lager Beer in Lagos, Nigeria in 1949 (NBplc. Online, 2006). Since then, other seven breweries have been established in Nigeria.

The present study focuses on Nigerian Breweries Plc, the foremost brewery organization in Nigeria. The justification for Nigerian Breweries Plc., is based on the fact that the organization is reputed to be the pioneer and largest brewing company in Nigeria with a total turnover in the year 2005 put at =N= 80.2 billion and operating profit for the same year put at =N= 15.4 billion (NBplc online, 2006; Gberevbie, 2008).

### **Significance of the Study**

*The significance of this study lies in the fact that it will:*

1. Serve as a basis for further studies in the area of staff retention strategies for organizational performance. Furthermore, it will be helpful to policy makers in organizations particularly in terms of staff acquisition, and the human resource department in terms of implementation of human resource policies and practice that will retain their competent workforce toward achieving the goals of the organization.
2. Enable organizations to appreciate the usefulness of the provision of appropriate reward systems as retention strategies for staff performance. In addition, it will enable them to realize that reward systems need to be meaningful in terms of quality, equitable in terms of hard work, fair in terms of measurable criteria to achieve and just in terms of disparity of volume to be given out to staff as basis for staff performance.
3. Be relevant for organizations to realize that proper implementation of employee retention strategies that are in line with employees' preferences serve to keep competent workforce in the employment of organizations for performance.

### **Literature Review**

#### **Concept of Organizational Performance**

Organizational performance refers to the record of achievement of an organization over a period of time (Armstrong, 2001). Boyne, Farrell, Law, Powell and Walker (2003) posit that information on organizational performance is very important to management of any organization. It helps management to ascertain whether the organization is improving, deteriorating or stagnant. In addition, it enables organizations to adjust with a view to improving on its services for the enhancement of its survival and growth. However, there is the problem of evaluating criteria for

# EXPLORING THE BENEFITS OF STAFF RETENTION STRATEGIES AND PERFORMANCE IN THE NIGERIAN BREWERY INDUSTRY

GBEREVBIE, D.E

*Department of Political Science (Public Administration)*

*Covenant University*

*Ota, Ogun – State, Nigeria*

*phone: +234 – 8077659463, +234 – 8023628562*

*e-mail: [dgberevbie@yahoo.com](mailto:dgberevbie@yahoo.com)*

## ABSTRACT

*Growth in the Nigerian brewery industry has thrown-up challenges on how to retain scarce and competent workforce for the realization of organizational goals. This study empirically explores the benefits of staff retention strategies for organizational performance. To achieve the objectives of the study, 120 copies of questionnaires were administered to respondents and structured interview carried out with members of staff of the Nigerian Breweries Plc located at Abebe village, Iganmu – Lagos. The study adopted the chi-square analytical technique to analyze the variables. The findings showed that there is a significant relationship between staff retention strategies (rewards) and organizational performance. Further findings showed that there is a significant relationship between staff participation in decision making, frequent staff turnover and organizational performance. Furthermore, the study found that organizations have a lot to benefit from proper implementation of staff retention strategies in the area of competent employee retention, job satisfaction amongst staff, highly motivated workforce and enhanced organizational performance. These strategies include good and regular monthly remuneration packages, workers participation in decision-making, policies that bothered on job security and provision of appropriate incentives that favoured welfare of employees' families. The study recommended that for organizations to have in their employment highly motivated workforce and retention of competent employees for performance there is the need for proper implementation of staff retention strategies.*

*Key words: Frequent Staff Turnover, Staff Retention Strategies, Staff Motivation Job Security, Job Satisfaction and Organizational Performance*

## INTRODUCTION

Researchers have posited that no organization can achieve its goals without the human resource. This is because the human resource of any organization is its most valuable asset (Ejiofor and Mbachu, 2001; Olowu and Adamolekun, 2005). The human factor is therefore fundamental to the achievement of organizational goals and objectives. When this vital asset is not properly planned for in terms of

the strategies to be put in place to retain them; meeting organizational goals becomes a mirage. As Ejiolor and Mbachu rightly noted:

*...without human resource, organizations are no more than mere assemblages of buildings, plants and equipment. No other factor is as important as human resource in maintaining corporate stability, development and profitability of an enterprise whether in the long or short-run (Ejiolor and Mbachu, 2001).*

For organizations to achieve their goals, they need the inputs of their competent staff. The problem facing some organizations however is on how to retain these competent staff for organizational performance. This problem has deprived many organizations of having in their employment capable workforce needed to achieve their desired goals and objectives (Cascio, 2003; Heneman and Judge, 2003).

In order to overcome the problem of frequent staff turnover arising from non-provision of appropriate staff retention strategies, organizations put in place incentives to retain their competent staff. This is to enable them to contribute towards the achievement of organizational goals. One of the reasons that informed this study is to highlight the unique role undertaken by competent staff in bringing about the realization of the goals and objectives of organizations. In so far as competent employees are necessary for organizational performance, there is the need therefore to examine the benefits of staff retention strategies for the achievement of the goals and objectives of organizations. The objective of this study therefore is to empirically explore the benefits of staff retention strategies and performance in Nigerian Breweries Plc.

### **Research Hypotheses**

In order to achieve the objective of the study the following hypotheses stated in null form were tested:

- Ho. 1:** There is no significant relationship between the views of respondents on rewards and performance in Nigerian Breweries Plc.
- Ho. 2:** There is no significant relationship between the views of respondents on staff participation in decision making, frequent labour turnover and performance in Nigerian Breweries Plc.

### **Scope of the Study**

The scope of this study is defined in terms of industry and time-frame. The study focuses on benefits of staff retention strategies and performance in the Nigerian brewery industry. The brewery industry is a formidable sector in the Nigerian

economy. This is because between 2001 and 2005, the sector contributed a total 17.34 percent to Nigeria's Gross Domestic Product (GDP) (CBN, 2005). The first brewery company, Nigerian Breweries Plc was incorporated in 1946, and produced its first beer – Star Lager Beer in Lagos, Nigeria in 1949 (NBplc. Online, 2006). Since then, other seven breweries have been established in Nigeria.

The present study focuses on Nigerian Breweries Plc, the foremost brewery organization in Nigeria. The justification for Nigerian Breweries Plc., is based on the fact that the organization is reputed to be the pioneer and largest brewing company in Nigeria with a total turnover in the year 2005 put at =N= 80.2 billion and operating profit for the same year put at =N= 15.4 billion (NBplc online, 2006; Gberevbie, 2008).

### **Significance of the Study**

*The significance of this study lies in the fact that it will:*

1. Serve as a basis for further studies in the area of staff retention strategies for organizational performance. Furthermore, it will be helpful to policy makers in organizations particularly in terms of staff acquisition, and the human resource department in terms of implementation of human resource policies and practice that will retain their competent workforce toward achieving the goals of the organization.
2. Enable organizations to appreciate the usefulness of the provision of appropriate reward systems as retention strategies for staff performance. In addition, it will enable them to realize that reward systems need to be meaningful in terms of quality, equitable in terms of hard work, fair in terms of measurable criteria to achieve and just in terms of disparity of volume to be given out to staff as basis for staff performance.
3. Be relevant for organizations to realize that proper implementation of employee retention strategies that are in line with employees' preferences serve to keep competent workforce in the employment of organizations for performance.

### **Literature Review**

#### **Concept of Organizational Performance**

Organizational performance refers to the record of achievement of an organization over a period of time (Armstrong, 2001). Boyne, Farrell, Law, Powell and Walker (2003) posit that information on organizational performance is very important to management of any organization. It helps management to ascertain whether the organization is improving, deteriorating or stagnant. In addition, it enables organizations to adjust with a view to improving on its services for the enhancement of its survival and growth. However, there is the problem of evaluating criteria for

causes of labour turnover to include job dissatisfaction, lack of organizational commitment, intention to quit and comparison of alternatives. Griffeth et al observed a relationship between pay, performance and staff turnover in an organization. The study examined the relationship between pay, a person's performance and turnover and concluded that when high performers are insufficiently rewarded, they are most likely to leave the organization to seek employment elsewhere.

In the same vein, Kirschenbaum and Weisberg (2002) observed that the influence of co-workers intention to leave their organization to seek employment elsewhere has a major influence on staff resignation from the workplace. According to the study, the more positive the perception of their co-workers desire to leave the employment of their organization, the more employees themselves would want to leave. The study concludes that a feeling about co-workers' intention to change jobs acts as a form of social pressure or justification on the employee to make a similar move.

Also, Taplin, Winterton and Winterton (2003), identified two main factors as significant reasons for employees leaving their organization to seek employment elsewhere. These factors are: low level of wage rates and industry or organization's image. According to the study, where staff perceived the level of their wage rate to be low or low rating of the industry/organization in terms of lack of future prospect they are likely to achieve for working for the organization, employees are more likely to leave their organization and seek employment elsewhere. What the above implies is that staff are more likely to remain in the employment of an organization when they perceive that staff retention strategies as put in place by the organization would be beneficial to them in terms of present or future prospect and the enhanced image of the organization they work for.

### **Organizational Strategies for Staff Retention**

Ansoff (1984) refers to strategy as a set of decision-making behaviour in an organization for the purpose of achieving a pre-determined objective. According to Thompson, Gamble and Strickland (2004), strategy is a game plan which management of an organization adopts to stake out market position, attract competent employees and please customers, compete successfully, conduct operations and achieve organizational goals. From the foregoing, strategy could be referred to as a means by which a particular goal of an individual or organization is attained. What the above implies is that for any organization to achieve its goals there is the need to devise certain strategies to facilitate it. Organizations put in place strategies to achieve their goals including the one involving staff retention. Staff retention strategies therefore are means, plan or set of decision-making behaviour put in place by organizations to retain their competent workforce for enhanced performance.

### **Participative Decision Making Strategy and Organizational Performance**

Riordan, Vandenberg and Richardson (2005), refer to participative decision making as the perception among staff that they have control or say in decision that affect their work. Iyayi (2002), observes that workers are more willing to support the decisions they are involved in making than the one imposed on them by management without their input. A study by Jike (2003) shows that Workers are more likely to be motivated to contribute towards the attainment of organizational goals where they are accepted by management to participate in decision making than when they are not involved in decision making in the organization. This implies that the decision of an organization not to involve staff in decision making on issues affecting them is likely to de-motivate staff for performance. Therefore, there is a relationship between participative decision making strategy and organizational performance.

### **Rewards Strategy and Organizational Performance**

Studies have shown that appropriate reward system is one of the strategies organizations adopts to retain staff in their employment. It helps to motivate and retain competent staff for performance (Okoh, 1998; Gomez-Mejia and Balkin, 1992). However, Heneman and Judge (2003) argue that for rewards to serve as strategy for staff retention, the following must be present:

1. **Rewards must be meaningful:** Organizations must provide rewards that are large and unique such that the difference could be noticeable for it to motivate staff for performance. Any reward that is not meaningful in terms of volume and attraction is not likely to motivate staff and retain them in the employment of an organization.
2. **Organizations must keep to the rewards promised its employees:** If employees must be motivated by rewards, the organization itself must keep to the rewards it promised. Failure to do so will create crisis of confidence between the employees and the organization in terms of its inability to make them believe in whatever it says in the future. Once workers realize that whatever the organization says is different from what it actually carries out, the tendency is for them to want to look elsewhere for another employment.
3. **Organization's rewards must be fair and just:** Once employees of an organization recognize that the rewards put in place by the organization is fair and just, the tendency is for them to want to work hard to earn the rewards. If on the other hand the staff observes that the organization's reward system is not fair and just, discouragement may set in, and could even lead to sudden resignation of some from the employment of the organization.

Heneman and Judge (2003), further argue that for organization to retain its employees for enhanced performance, it must match its reward system to employees'

preferences. The match between rewards desired by employees and offered by the organization is what leads to job satisfaction. And job satisfaction in turns guarantees employee retention for organizational performance. The above implies that there is a relationship between rewards as employee retention strategy and organizational performance.

### **Theoretical Framework**

This study adopts the decision making and equity theories as its analytical framework. Decision making theory finds its early manifestation in the works of Simon (1945; 1960); Weber (1947); Mintzberg (1973); Iyayi (2002); Miller, Hickson and Wilson (2003). The equity theory on the other hand is associated with the works of Adams (1963); Mowday (1991); Donovan (2001); Wade and Schneberger (2006).

One of the major assumptions of decision making in an organization according to these scholars is that organizational decisions are rational, and that these rational decisions are necessary to facilitate the smooth running of organizations in their quest to achieve enhanced performance (Miller et al, 2003). Another major assumption is that the whole concept and purpose of organizations revolve around decision-making (Tonwe, 1994). This implies that decision making is at the very heart of business success of any organization. Furthermore, it implies that the success and failure of any organization at any point in time is considered to be a function of the decisions taken by the management team as it affects a particular or whole aspect of that organization (Gberevbie, 2008).

On the other hand, equity theory focuses upon a person's perceptions of fairness with respect to a relationship. It describes the relationship between how fairly an employee perceives the way he/she is treated and how hard they are motivated to work for the realization of organizational goals (Wade and Schneberger, 2006). The main argument of equity theory is that workers in an attempt to balance the effort they put into their jobs and what they get from it in terms incentives makes them to unconsciously assign values to their contributions for the overall goals of the organization. It is the individual employee perception of fairness in rewards that determines to a greater extent as to whether he/she will remain in the employment of the organization or not.

However, the major criticism of decision making theory is basically on the argument of some scholars that the assumptions of rationality in human behaviour as this relates with decision making are highly contentious. Human beings including administrators and management team take decisions on their subjective views of a particular problem. Another weakness of the theory is the fact that it is almost impossible to identify and evaluate all possible alternatives open for a particular action before decisions are taken. Furthermore, time and resources may be a

constraint in identifying and evaluating all possible options for decisions (Tonwe, 1994; Simon, 1960 and 1945). While the major criticism of equity theory is based on the fact that it could not account for different variables like environmental, educational qualifications, skills and experience that could affect individual's relationship with others in terms of equity and fairness in rewards. Despite the weaknesses of decision making and equity theories in the study of organizational behaviour as identified above, it is worthy to state that the decision making and equity theories are adopted for this study because they identified the importance of decisions and the need for organizations to adopt equitable staff retention strategies as basis for organizational performance. Also, the theories serve as catalysts in the desire of organizations to realize their goals of enhanced performance in the area of who to employ and how to retain them through equitable staff retention strategies for performance.

## **Research Methodology**

### **Sample Size and Sampling Technique**

The study is based on a sample size of 120 respondents. The study adopted the systematic random sampling technique. The justification for this technique is based on the fact that it enables every subject in the sampling frame to have equal opportunity to be selected without bias in a systematic manner (Ogbeide, 1997). The sampling frame of the study was drawn from the staff list of 215 in the Nigerian Breweries Plc Abebe Village location, Iganmu – Lagos. The Abebe Village factory of the Nigerian Breweries Plc was selected for this study because it is the headquarters of the organization nationwide.

### **Techniques for Data Collection**

In this study five-point Likert-style rating scale method of questionnaire is employed to obtain information from respondents. The Likert-style rating method of questionnaire design enables researchers to ask respondents on how strongly they agree or disagree with a statement or series of statements on a five point scale, e.g. 5 – Strongly Agree, 4 - Agree, 3 – Undecided, 2 - Disagree, 1 – Strongly Disagree.

In addition, data for the study were obtained through structured interview with staff of Nigerian Breweries Plc is carried out with a view to eliciting information on benefits of staff retention strategies as it affects organizational performance. A total of 30 staff from the Department of Human Resource Management made-up of 10 senior and 20 intermediate staff were interviewed on the subject. The results of the interview formed part of the basis for this study. Four structured questions were used as interview guide. The questions asked the respondents are: (1) *what are staff retention strategies in organizations?* (2) *What are the benefits of staff retention strategies to employees and the organization?* (3) *What are the effects of frequent labour turnover on organizational performance?* (4) *What are the measures put*

*in place by your organization to prevent frequent labour turnover and bring about job satisfaction amongst staff?* Furthermore, the study adopted secondary data obtained from relevant journals, books, company records and the internet for the section of literature review and organizational performance.

### **Return Rate of Questionnaires**

Out of the 120 copies of questionnaire administered to respondents at Nigerian Breweries Plc Abebe Village factory, Iganmu – Lagos, 105 were received, which represents 87.5 percent of the total questionnaire administered. However, out of the 105 questionnaires returned, three or 2.85 percent were not analyzed due to improper completion. Consequently, data analysis of this study is based on 102 or 85 percent of the total administered questionnaire.

### **Data Presentation**

*Table I: Sample characteristics of respondents.*

	<b>Sample Characteristics (Percentage)</b>
Gender	68% respondents are male 31.37% respondents are female
Education	23.53% respondents had WASC/OND/NCE 65.69% respondents had HND/B.Sc Degrees 8.82% respondents had Masters Degree. 1.96% respondents had professional certificate
Annual Income	15% respondents earned between ₦500,000 and below per annum. 85% respondents earned between ₦501,000 and above per annum.
Years of Service	21.57% respondents served between 0 – 10 years. 52.94% respondents served between 11 – 20 years 25.49% respondents served between 21 years – above.
Job Status	70.59% respondents are senior staff. 29.41% respondents are junior staff.

**Source:** *Fieldwork (2006)*

The table above shows that 68.63 percent of respondents were male, while 31.37 percent were female. The reason for the large number of male in this study is based on the fact that the organization is male dominated because it is a manufacturing establishment. On the other hand, 21.57 percent of respondents were those who served the organization between 10 years and below, 52.94 percent served between 11 and 20 years, while 25.49 percent served for 21 years and above. Also the table indicates that 23.53 percent of respondents were WASC/OND/NCE holders, 65.69 percent were HND/B.Sc Degree holders, and 8.82 percent were Masters Degree

holders, while 1.96 percent of respondents were holders of other professional certificates. This shows that most of the respondents in this study were highly educated. Furthermore, the table shows that 70.59 percent of respondents were senior staff, while 29.41 percent of the respondents were junior staff. This indicates that more of the respondents in this study were senior staff. In addition, 15 percent of the respondents earned between ₦500,000 and below per annum, while 85 percent of the respondents earned between ₦501,000 and above per annum. This indicates that more of the respondents earn higher income per annum

### **Instrument for Data Analysis**

The Chi-square ( $\chi^2$ ) analytical technique is used to test for significant relationship between variables. Chi-square ( $\chi^2$ )

$$\text{formula: } \chi^2 = \frac{(f_o - f_e)^2}{f_e}$$

Where  $f_o$  = observed frequencies  
 $f_e$  = expected frequencies

### **Staff Retention Strategies in Nigerian Breweries Plc**

This section looks at staff retention strategies in Nigerian Breweries Plc to the workforce and the organization. To get the views of staff on the issue, the following questions were put forward to them: *what are staff retention strategies in organizations?* Eighty percent of those interviewed identified the following as staff retention strategies: maternity leave with full pay and allowance for female staff; housing and car loan facilities for staff; provision of free meal at work and staff buses; good salary structure; quality medical attention free of charge to staff and their family members; outstanding performance awards to staff; outstation allowance; annual increment of salaries based on performance appraisal; provision of free drinks to staff on a monthly basis; profit sharing; provision of children education scholarship scheme to staff wards; health insurance scheme; and long service awards. *On the benefits of staff retention strategies to employees and the organization*, 90 percent of those interviewed identified competent employee retention, job satisfaction amongst staff, highly motivated workforce and enhanced organizational performance as benefits for proper implementation of staff retention strategies to both staff and the organization (Interview, 2006).

In reaction to the question on those interviewed about *the measures put in place by Nigerian Breweries Plc to prevent frequent labour turnover and bring about job satisfaction amongst staff*, 82 percent of respondents listed the following as measures put in place to prevent frequent staff turnover to include: proper working

environment and good condition of service; constant appreciation of staff for a job well done in form of incentives; prompt payment of gratuity and pension to disengaged staff; confirmation of staff appointment in one year after successful confirmation interview; encouragement of staff unionism; and prompt fulfillment of promises to staff by management (Interview, 2006).

**Staff Remuneration in Nigerian Breweries Plc. (2004 & 2005)**

**Table II: Salary Range (per annum) (Excluding Directors) in Nigerian Breweries Plc. (2004 and 2005)**

S/n.	Salary Range (₦)	2005 (Number)	2004 (Number)
1.	240,001 – 250,000	42	189
2.	250,001 – 260,000	2	41
3.	260,001 – 270,000	18	8
4.	270,001 – 280,000	8	4
5.	280,001 – 290,000	3	22
6.	290,001 – 300,000	45	98
7.	300,001 – 310,000	48	10
8.	310,001 – 320,000	17	17
9.	320,001 – 330,000	36	21
10.	330,001 – 340,000	7	10
11.	340,001 – 350,000	13	26
12.	350,001 – 360,000	17	143
13.	360,001 – 370,000	103	74
14.	370,001 – 380,000	51	66
15.	380,001 – 390,000	46	122
16.	390,001 – 400,000	38	86
17.	400,001 – 410,000	46	88
18.	410,001 – 420,000	34	128
19.	420,001 – 430,000	52	102
20.	430,001 – 440,000	96	96
21.	440,001 – 450,000	46	96
22.	450,001 – 460,000	90	74
23.	460,001 – 470,000	50	51
24.	470,001 – 480,000	40	60
25.	480,001 – 490,000	45	53
26.	490,001 – 500,000	32	72
27.	500,001 – 550,000	177	168
28.	550,001 – 600,000	108	146
29.	600,001 – 650,000	94	130
30.	650,001 – 700,000	159	34

S/n.	Salary Range (₦)	2005 (Number)	2004 (Number)
31.	700,001 – 750,000	26	20
32.	750,001 – 800,000	15	34
33.	800,001 – 850,000	25	34
34.	850,001 – 900,000	25	31
35.	900,001 – 950,000	25	26
36.	950,001 – 1,000,000	18	17
37.	1,000,001 – 1,050,000	14	10
38.	1,050,001 – 1,100,000	9	4
39.	1,100,001 – 1,200,000	5	1
40.	1,200,001 – 1,500,000	47	89
41.	1,500,001 – 2,000,000	57	31
42.	2,000,001 – 3,000,000	78	117
43.	3,000,001 – 4,000,000	68	71
44.	4,000,001 – 6,000,000	43	41
45.	6,000,001 – 8,000,000	6	7
46.	8,000,001 – 10,000,000	10	9
47.	10,000,001 and above	5	4
<b>Total Staff</b>		<b>2,039</b>	<b>2,781</b>

**Source:** NBFRA (2005)

Table II above shows the ranges of amount of monthly salaries Nigerian Breweries Plc. paid to its staff excluding directors. The table shows that the least paid category of workers – cleaners and messengers, 42 of them in 2005 and 189 of them in 2004, received maximum amount of ₦20,833.33 per month. The highest paid category of staff from the table – senior and management staff, 21 of them in 2005 and 20 of them in 2004 received ₦833,333.33 and above per month (NBFRA, 2005).

**Organizational Performance – Nigerian Breweries Plc**

In order to enhance its performance in terms of higher dividends to its shareholders, and retain motivated workforce for performance (benefits of staff retention strategies), Nigerian Breweries Plc put in place such rewards as good salary structure; quality medical attention free of charge to staff and their family members; outstanding performance awards to staff: outstation allowance; annual increment of salaries based on performance appraisal, proper working environment and good condition of service; constant appreciation of staff for a job well done in form of incentives; prompt payment of gratuity and pension to disengaged staff; confirmation of staff appointment in one year after successful confirmation interview; encouragement of staff unionism; and prompt fulfillment of promises to staff by management. These strategies made it possible for the company to have competent workforce in its

employment, which resulted into enhanced organizational performance in form of higher dividends of 105 kobo per share to its shareholders in 2005 financial year (NBFRA, 2005; Interview, 2006).

The company has consistently enjoyed increases in its profit after tax in the past years resulting from the competent workforce in its employment. For instance, while the profit after tax of the company stood at ₦1.369 billion in 1994, it rose to all time high of ₦8.2 billion in 2005. And in 2004, the company paid a total sum of ₦4.06 billion as company tax to the government, and the amount rose to ₦4.6 billion in 2005. No doubt this is an indication of enhanced performance of Nigerian Breweries Plc. (NBFRA, 2005). The performance of Nigerian Breweries Plc. between 2001 and 2005 is presented in table III – V below:

**Table III: Nigerian Breweries Plc – Organizational Performance**

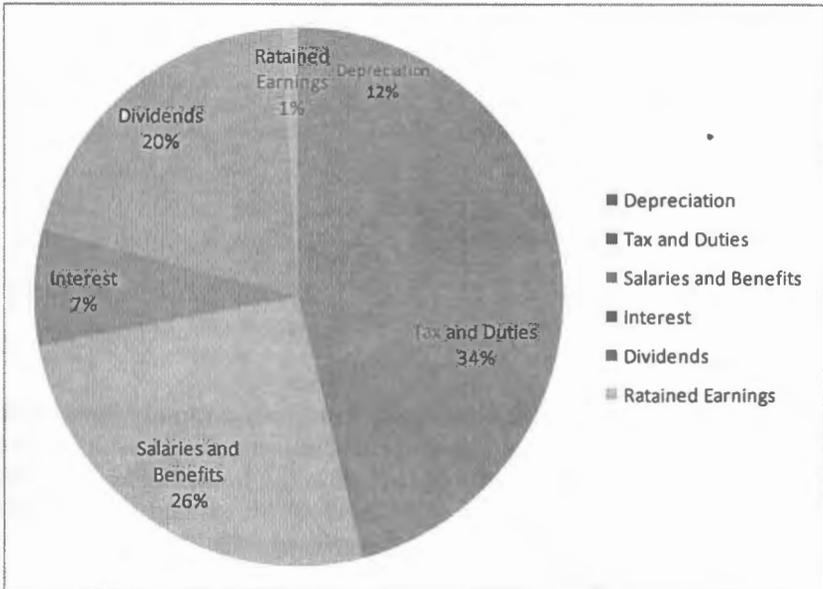
Organizational Performance						
Year	Profit Before Tax (N '000)	Percentage Improvement(%)	Taxation (N '000) (%)	Percentage Improvement	Profit After Tax (N '000) (%)	Percentage Improvement
2001	7,489,351		2,954,307		4,535,044	
2002	10,382,429	<b>38.6</b>	3,085,983	<b>4.45</b>	7,296,446	<b>61</b>
2003	10,992,037	<b>5.87</b>	3,639,750	<b>18</b>	7,352,287	<b>0.77</b>
2004	9,148,138	<b>(16.77)</b>	4,061,735	<b>11.6</b>	5,086,403	<b>(30.8)</b>
2005	12,897,746	<b>40.98</b>	4,643,189	<b>14.3</b>	8,254,557	<b>69.3</b>

Source: NBFRA (2005)

Nigerian Breweries Plc could be said to have experienced enhanced performance in its operations between the year 2001 and 2005. This position could be supported based on the fact that the company's turnover that was at ₦39.09 billion in 2001, rose to ₦80.23 billion in 2005. The company's operating profit that was at ₦10.03 billion in 2001, rose to ₦15.45 billion in 2005. The company's gross profit that was at ₦7.48 billion in 2001, rose to ₦12.89 billion in 2005. The company's net or after tax that was ₦4.53 billion in 2001, rose to ₦8.25 billion in 2005. The company's market capitalization that was at ₦66 billion in 2001, rose to ₦293 billion in 2005. Finally, the company's total dividend earnings to its shareholders that was at ₦4.25 billion in 2001, rose to ₦7.94 billion in 2005 (NBFRA, 2005). The performance of the organization could be attributed to the availability of competent workforce arising from the implementation of staff retention strategies by Nigerian Breweries Plc. The interviews with members of staff attest to this fact. Ninety percent of those

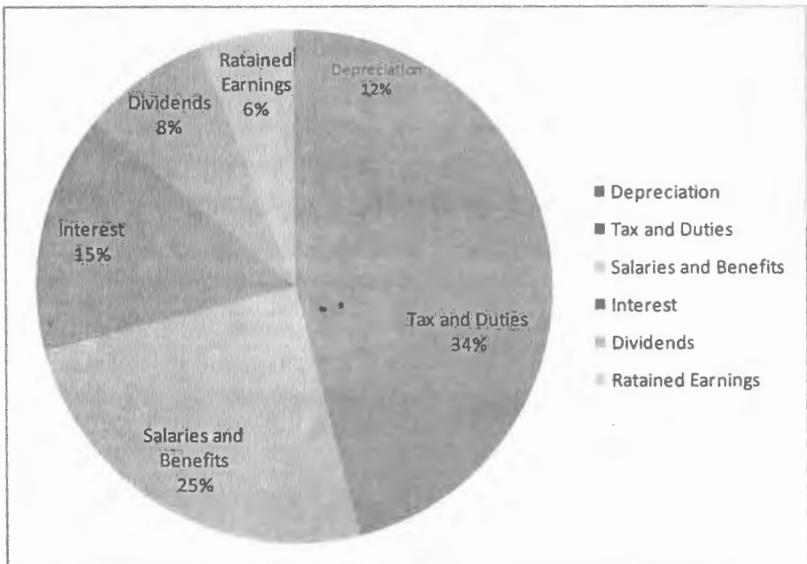
interviewed identified competent employee retention, job satisfaction amongst staff, highly motivated workforce and enhanced organizational performance as the benefits for proper implementation of staff retention strategies to both staff and the organization (Interview, 2006). Below are the pie charts showing in percentages, the total breakdown of Nigerian Breweries Plc's earnings for the year 2004 - 2005.

**Pie Chart I: Nigerian Breweries Plc's Earnings for 2005**



**Source: NBFRA (2005)**

**Pie Chart II: Nigerian Breweries Plc's Earnings for 2004**



**Source: NBFRA (2005)**

Nigerian Breweries Plc. took welfare of its staff seriously because of its realization that without them, the company could not achieve its desired goals of enhanced performance in terms of higher returns on investment to its shareholders (Interview, 2006). As a result, the company spent the sum of ₦10.454 billion or 26 percent of company's total earnings on salaries, wages and benefits for its staff in 2005 alone excluding the directors (NBFRA, 2005).

**Table IV: Performance of Nigerian Breweries Plc. in the year 2004 and 2005 at a glance**

S/no.	Item	2005 (N000)	2004 (N000)
1.	Turnover	80,235,361	73,594,134
2.	Profit before Taxation	12,897,746	9,148,138
3.	Profit after Taxation	8,254,557	5,086,403
4.	Dividends	7,940,691	3,025,025
5.	Share Capital	3,781,282	3,781,282
6.	Shareholders' Funds	28,674,191	28,253,944

**Source: NBFRA (2005).**

**Table V: per 50 kobo Share Data for 2004 and 2005**

S/no.	Item	2005	2004
1.	Market Capitalization	293 billion	324 billion
2.	Earning per share	109 kobo	67 kobo
3.	Dividend per share	105 kobo	40 kobo
4.	Net worth per share	379 kobo	374 kobo
5.	Dividend cover (times)	1.04	1.68
6.	Stock Exchange Quotation 31 December	₦38.80	₦42.80

**Source: NBFRA (2005).**

Tables III, IV and V above show the performance of Nigerian Breweries Plc. up to 31<sup>st</sup> December 2005 in a glance. From the tables, no doubt remarkable improvements could be noticed in the performance of the organization in 2005 over the past years in the area of dividends to shareholders, tax to government, company turnover, profit before and after tax, and net worth per share, and these are attributable to the competent workforce available to the organization to carry out its goals (NBFRA, 2005; Interview, 2006).

**Hypotheses Testing**

Two hypotheses earlier stated in the work are tested to achieve the objectives of the study. The objective of the study is to find out the relationship between the views of respondents on benefits of staff retention strategies and performance in Nigerian Breweries Plc.

**Hypothesis One**

**Ho:** There is no significant relationship between the views of respondents on rewards and performance in Nigerian Breweries Plc. The table VI below shows the reaction of respondents to the question raised.

**Table VI: Chi-square test of association between the views of respondents on rewards, their job status and performance**

Reponses	Senior Staff	Junior Staff	Total
Strongly Agree	30	22	52
Agree	20	4	24
Undecided	12	1	13
Disagree	6	2	8
Strongly Disagree	4	1	5
<b>Total</b>	<b>72</b>	<b>30</b>	<b>102</b>

**Source: Fieldwork (2006)**

**Question:** Staff rewards (retention strategies) adopted by my organization have helped to retain competent workforce for enhanced performance.

**Research Decision**

Calculated  $\chi^2 = 9.26$

Critical or table  $\chi^2 = 7.78$

Degree of freedom (d/f) = 4

Alpha ( $\alpha$ ) = 0.05 percent

**Research Result:** Calculated  $\chi^2$  of 9.26 is greater than the critical or table  $\chi^2$  of 7.78 at alpha ( $\alpha$ ) level of 0.05 percent. This means that data are statistically significant. The result is to reject the null hypothesis ( $H_0$ ) and accept the research hypothesis ( $H_r$ ), which states that there is a significant relationship between rewards and performance in Nigerian Breweries Plc.

**Interpretation:** Data are statistically significant because calculated ( $\chi^2$ ) of 9.26 is greater than critical  $\chi^2$  of 7.78 at alpha ( $\alpha$ ) level of 0.05 percent. What it means is that there is enough evidence to prove that job status of respondents significantly affected their views on rewards as provided by Nigerian Breweries Plc and its performance. This view could be further supported by the fact that of the 102 respondents sampled in this study, 50 or 49.01 percent of the senior staff and 26 or 25.49 percent of the junior staff agree that rewards as provided by Nigerian Breweries Plc enhanced its performance.

**Hypothesis Two**

**H<sub>0</sub>:** There is no significant relationship between the views of respondents on staff participation in decision making, frequent labour turnover and performance in Nigerian Breweries Plc. The table VII below shows the reaction of respondents to the question raised.

**Table VII: Chi-square test of association between respondents' years of service and their views on staff participation in decision making, frequent labour turnover and performance**

Responses	0-10 Years	11-20 years	21Years & Above	Total
Strongly Agree	12	26	18	56
Agree	4	15	5	24
Undecided	1	5	1	7
Disagree	2	5	1	8
Strongly Disagree	3	3	1	7
Total	22	54	26	102

Source: *Fieldwork (2006)*

**Question:** Do you agree with the view that staff participation in decision making brings about a sense of belonging in the workforce, which prevent frequent staff turnover and leads to enhanced performance in your organization?

### **Research Decision**

Calculated  $x^2 = 5.9$

Critical or table  $x^2 = 13.36$

Degree of freedom (d/f) = 8

Alpha ( $\alpha$ ) = 0.05 percent

**Research Result:** Calculated  $x^2$  of 5.9 is less than the critical or table  $x^2$  of 13.36 at alpha ( $\alpha$ ) level of 0.05 percent. This means that data are not statistically significant. The result is to reject the research hypothesis ( $H_r$ ) and accept null hypothesis ( $H_o$ ), which states that there is no significant relationship between respondents' years of service and their views on staff participation in decision making, frequent labour turnover and performance in Nigerian Breweries Plc.

**Interpretation:** Data are not statistically significant because critical ( $x^2$ ) of 13.36 is greater than calculated  $x^2$  of 5.9 at alpha ( $\alpha$ ) level of 0.05 percent. What it means is that there is no enough evidence to prove that respondents' years of service affected their views on staff participation in decision making, frequent staff turnover and performance in Nigerian Breweries Plc. However, out of the 102 respondents sampled in this study, 80 or 78.43 percent agree that staff participation in decision making brought about a sense of belonging in the workforce, which helped to prevent frequent staff turnover and led to performance in Nigerian Breweries Plc.

### **Summary, Findings and Conclusion**

This study empirically examined the benefits of staff retention strategies and performance in Nigerian Breweries Plc. To achieve the purpose of the study, two hypotheses were formulated and tested using the chi-square ( $x^2$ ) analytical technique. The result of the first test showed that there is a significant relationship between respondents' job status and their views on rewards and performance in Nigerian Breweries Plc. This view could be further supported by the fact that of the 102 respondents sampled in this study, 50 or 49.01 percent of the senior staff and 26 or 25.49 percent of the junior staff agree that rewards as provided by Nigerian Breweries Plc enhanced its performance.

The second test showed that there is no significant relationship between respondents' years of service and their views on staff participation in decision making, frequent staff turnover and performance in Nigerian Breweries Plc. However, out of the 102 respondents sampled in this study, 80 or 78.43 percent agree that staff participation in decision making brought about a sense of belonging in the workforce,

which helped to prevent frequent staff turnover and led to enhanced performance in Nigerian Breweries Plc. Further findings revealed that organizations have a lot to benefit from proper implementation of staff retention strategies in the area of competent employee retention, job satisfaction amongst staff, highly motivated workforce and enhanced organizational performance.

Based on the findings of this study, the following staff retention strategies are hereby recommended to enable organizations to enjoy the benefits of having in their employment highly motivated workforce, competent employees and enhanced organizational performance. These staff retention strategies are: maternity leave with full pay and allowance for female staff; housing and car loan facilities for staff; provision of free meal at work and staff buses; good salary structure; quality medical attention free of charge to staff and their family members; outstanding performance awards to staff; outstation allowance; annual increment of salaries based on performance appraisal; provision of free drinks to staff on a monthly basis; profit sharing; provision of children education scholarship scheme to staff wards; health insurance scheme; and long service awards. Others are: proper working environment and good condition of service; constant appreciation of staff for a job well done in form of incentives; prompt payment of gratuity and pension to disengaged staff; confirmation of staff appointment in one year after successful confirmation interview; encouragement of staff unionism; and prompt fulfillment of promises to staff by management.

## REFERENCES

- Adams, J. S. (1965)., Inequity in Social Exchange. In L. Berkowitz (ed) *Advances in Experimental Social Psychology* (Vol. 2). New York: Academic Press.
- Ansoff, H. I. (1984).; *Implanting Strategic Management*. Englewood Cliffs: Prentice – Hall international.
- Armstrong, M. (2001)., *A Hand Book of Human Resource Management Practice* (8<sup>th</sup> edition). London: Kogan Page Ltd.
- Boyne, G. A., C. Farrell, J. Law, M. Powell and R. M. Walker (2003).; *Managing the Public Services: Evaluating Public Management Reforms*. Buckingham: Open University Press.
- Cascio, W. F. (2003).; *Managing Human Resources: Productivity, Quality of Work Life, and Profits* (6<sup>th</sup> edition). Boston: McGraw-Hill, Irwin.
- Central Bank of Nigeria (CBN) (2005).; *Statistical Bulletin*. Vol. 16. December.
- Chartered Institute of Personnel and Development (CIPD) (2006).; “Employee Turnover and Retention.” Retrieved on 14 November 2006 from the website: ([www.cipd.co.uk/subjects/recruitment/retention/](http://www.cipd.co.uk/subjects/recruitment/retention/))
- Donovan, J. J. (2001)., “Work Motivation.” In Neil Anderson, Deniz S. Ones, Handan Kepir Sinangil and Chockalingan Viswesvaran (eds) *Handbook of Industrial, Work and Organizational Psychology*. Vol. 2. London: Sage Publication.
- Ejiofor, P. N. O. and A. U. Mbachu (2001).; “Imperatives of Human Resource Practices in the New Millennium” *Journal of the Management Sciences*. Vol. 5. No. 1. January, 121 – 126.
- Fieldwork (2006).; “Results from Interview/Questionnaire with Staff of Nigerian Breweries Plc” November 7<sup>th</sup> – 10<sup>th</sup> Lagos – Nigeria.
- Gberevbie, D. E. (2008).; “Staff Recruitment, Retention Strategies and Performance of Selected Public and Private Organizations in Nigeria.” *Ph.D. Thesis*. College of Business and Social Sciences, Covenant University, Ota.
- Gomez-Mejia, L. R. and D. Balkin (1992).; *Compensation, Organization Strategy, and Firm Performance*. Cincinnati, OH: Southwestern.
- Griffeth, R. W., P. W. Hom and S. Gaertner (2000).; “A Meta-analysis of Antecedents and Correlates of Employee Turnover: Update, Moderator Tests, and Research Implication for Next Millennium.” *Journal of Management*. Vol. 26 (3), 463 – 488.

- Heneman, H. G. and T. A. Judge (2003); *Staffing Organization (4<sup>th</sup> edition)*. Boston: McGraw-Hill, Irwin.
- Iyayi, F. I. O. (2002); "Decision-Making in Underdeveloped Organizations: An Exploratory Investigation." *Nigeria Journal of Business Administration*. Vol. 4. No. 1. January, 1 – 22.
- Jike, V. T. (2003); "Organizational Behaviour and Negative Attitudes in Nigeria's Public Employment Sector: The Empirical Nexus." *The Abuja Management Review*. Vol. 1. No. 4. December, 11 – 28.
- Kirschenbaum, A and J. Weisberg (2002); "Employee's Turnover Intentions and Job Destination Choices." *Journal of Organizational Behaviour*. Vol. 23 (1), 109 – 125.
- Miller, S. J., Hickson, D. J. and Wilson, D. C. (2003); "Decision-Making in Organizations." In S. R. Clegg, C. Hardy and W. R. Nord (eds) *Handbook of Organization Studies*. London: Sage Publications.
- Mintzberg, H. (1973); *The nature of Managerial Work*. New York: Harper and Row.
- Nigerian Breweries Plc. (NBFRA) (2005); *Financial Reports and Accounts*. Lagos. Pp. 12-54.
- Nigerian Breweries Plc online (2006); "Nigerian Breweries, The Pioneer and Largest Brewing Company in Nigeria." Retrieved 17<sup>th</sup> Aug<sup>st</sup> 2006 from the website: (<http://www.nbplc.com>).
- Ogbeide, U. (1997); *Statistical Techniques for Social and Management Sciences*. Lagos: Amfitop Books.
- Okoh, A. O. (1998); *Personnel and Human Resources Management in Nigeria*. Lagos: Amfitop Books.
- Olowu, D. and L. Adamolekun (2005); "Human Resources Management." In L. Adamolekun (ed) *Public Administration in Africa: Main issues and Selected Country Studies*. Ibadan: Spectrum Books.
- Riordan, C. M., R. J. Vandenberg and H. A. Richardson (2005); "Employee Involvement Climate and Organizational Effectiveness." *Human Resource Management*. Vol. 44. No. 4, 471 – 488.
- Simon, H. A. (1960); *The New Science of Management Decisions*. New York: Harper and Row.

- Simon, H. A. (1945),; *Administrative Behaviour (2<sup>nd</sup> edition)*. New York: Free Press.
- Thompson, A. A., J. E. Gamble and A. J. Strickland (2004),; *Strategy: Winning in the Workplace*. Boston: McGraw-Hill, Irwin.
- Taplin, I. M., J. Winterton and R. Winterton (2003),; "Understanding Labour Turnover in a Labour Intensive Industry: Evidence from the British Clothing Industry." *Journal of Management Studies*. Vol. 40 (4), 1021 – 1046.
- Tonwe, D. A. (1994),; *Public Administration: An Introduction*. Ibadan: Amfitop Book Company.
- Wade, M. and S. Schneberger (2006),. Theories used in Research: Equity Theory. Retrieved on 29<sup>th</sup> November 2008, from the website: ([www.applachianstateuniversity.com](http://www.applachianstateuniversity.com))
- Weber, M. (1947),; *The Theory of Social and Economic Organization*, Translated by A. Henderson and T. Parsons. Glencoe, II: Free Press.