

**THE EFFECT OF RETENTION STRATEGIES ON LABOUR TURNOVER IN THE  
WOOD PROCESSING INDUSTRY**

**(A CASE STUDY OF HANMAX VENEER AND PLYWOOD COMPANY AND  
LOGS AND LUMBER LIMITED)**

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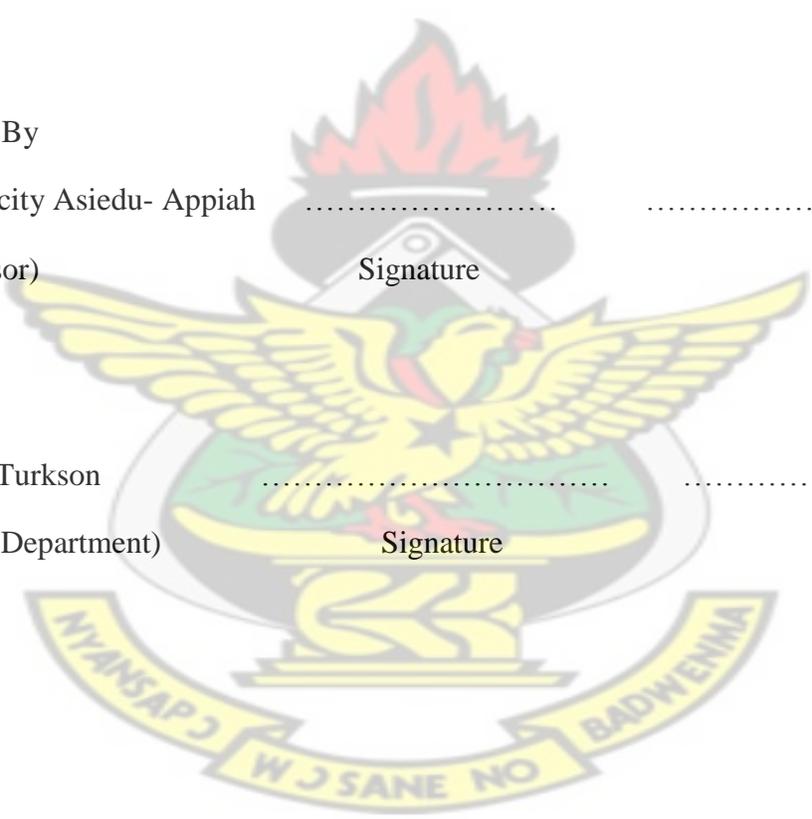
**DECLARATION**

I, Vera Ankrah-Kusi, hereby declare that the work in this thesis is my own original work, all sources used or referred to have been documented and recognised; and this thesis has not been previously submitted in full or partial fulfillment of the requirements for an equivalent or higher qualification at any other recognised educational institution.”

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## ABSTRACT

The purpose of this study was to identify the effect of retention strategies on labour turnover. The study therefore sought to identify the causes and effects of labour turnover at Hanmax Veneer and Plywood Company Limited and Logs and Lumber Limited, the current retention practices at both firms, an assessment of the effectiveness of the retention strategies at the selected firms and to make recommendations. To achieve this goal, the broad theoretical explanation of staff turnover, the consequences of turnover and the measurement of staff turnover were investigated and identified; the current labour turnover experienced in the timber industry was also explored. A literature study was also conducted, focusing on the job, organizational and environmental factors that influence staff turnover and also strategies that managers can utilize to reduce staff turnover with the administration of questionnaire to 116 respondents at Logs and Lumber Limited and 84 respondents at Hanmax Veneer and Plywood Company Limited. Interviews were also granted by the General Managers and five other employees each from Hanmax Veneer and Plywood Company and Logs and Lumber Limited. The effectiveness of retention strategies that were utilized by both firms to retain employees was also investigated and it was observed that the retention strategies in both firms were not effective enough to retain staff. It was therefore recommended that employees are trained to improve upon their skills because it is through training that the competence of employees could be maximized and retained in the organization to give off their very best to increase productivity. It was also recommended that Management should establish or set up a recognition program for its employees to recognize their contributions.



## DEDICATION

This work is dedicated to the Almighty God for His protection and guidance throughout my academic life.

It is also dedicated to my parents, Mr. and Mrs. Ankrah-Kusi for their motivation, encouragement and moral support.

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## CHAPTER ONE

### INTRODUCTION

#### 1.0 Background of the study

The Ghanaian exporting timber industry is dominated by approximately five powerful multinational mills and twenty-five medium sized mills. Next to these big and medium size mills, there were seventy- five registered small scale companies active on the export market in 2008. Some of these small companies are now inactive due to tightening raw material supply and liquidity problems (Paulus, 2009).

Hanmax Veneer and Plywood Company Limited is a large medium-size company, situated at the Kaase industrial area, a suburb of Kumasi. The company was established in 1985 as a joint venture until 1998, when it became a wholly-owned venture. The company is dedicated to high quality, excellence and profitable downstream processing of wood into finished and semi-finished products for both the local and international market since its inception. Hanmax Veneer and Plywood Company Limited has a mission of providing quality, fit for purpose wood products, mainly for export and also to support the Construction and Furniture Manufacturing Industries locally. It therefore has the vision of becoming a center for excellence in downstream processing of wood into value added wood products for both the local and foreign markets. Its establishment and operation in 1985 has resulted in the creation of jobs for the youth especially Senior High School and Junior High School leavers as well as the National Vocation and Training Institute (NVTI) Certificate Holders. (Employee handbook).

Logs & Lumber Limited was incorporated as a Private Limited Liability Company on 17<sup>th</sup> June 1967 and commenced business on 10<sup>th</sup> July 1967. It was a sawmill, purchased from Messrs. Anglo African Tim. The company provides gainful employment for Expatriates and Ghanaians through its activities of operations with a current labour force of 1, 500 all over the country with a labour force of 200 at its Kumasi location, the study area. Usually, the company provides numerous job opportunities for a wide range of professionals across the globe and thus making the company a blend of multicultural professionals. Logs and Lumber Limited also provide opportunities for students from tertiary institutions both local and international to sharpen their skills and tailor them into the job market. (www. llghana.com).

For any business to function it needs a reliable and consistent source of labour, every trained person becomes an asset of considerable value and presents management with the challenge of keeping him or her satisfied and settled. Excessive turnover is costly, disruptive and self-perpetuating.

Staff turnover can be described as the total movement of employees in and out of an organization (Grobler et al. 2006). Benefits accrue, for example, if a new hire is more effective than the one replaced. However, the replacement of one worker is bound to disturb the rhythm and harmony of teamwork that plays a crucial role in the attainment of efficiency and productivity in the organization. Turnover that hurts the organization is known as dysfunctional turnover.

Turnover is measured for individual companies and for their industry as a whole. If an employer is said to have a high turnover relative to its competitors, it means that employees of that company have a shorter average tenure than those of other companies in the same

industry. High turnover may be harmful to a company's productivity if skilled workers are often leaving and the worker population contains a high percentage of novice workers.

The impact of turnover has received considerable attention by Senior Management, Human Resources Professionals and Industrial Psychologists. It has proven to be one of the most costly and seemingly intractable human resource challenges confronting organizations. Nevertheless, in today's environment, it becomes very important for organizations to retain their employees because of the negative implications labour turnover has on the attainment of organizational objectives and the cost that comes with the replacement of staff who leave (Stigma, 2007).

A number of factors have been attributed to the increase level of employee turnover worldwide. The way people are paid, recognized and achieve salary advancement are critical factors in attracting, retaining, and motivating employees. An organization also invests time and money in grooming an individual and makes him ready to work and understand the corporate culture; a new employee is completely fresh and the management really has to work hard to train him for his overall development. It is a complete wastage of time and money therefore, when an individual leaves an organization all of a sudden, hence the need for effective employee retention strategies. (African Journal of Business Management).

The challenge for most organizations today however is the formulation of an effective employee retention strategy that will help in retaining high performing employees that are considered critical to the attainment of organizational goals. If an organization can identify that much of its voluntary turnover is unavoidable, it may profit better from initiatives that

seek to manage turnover after the event rather than expend resources on implementing preventative measures.

On the other hand, if the bulk of turnover is avoidable, this offers the potential for targeted intervention. However, if managers assume the turnover problem to be largely unavoidable, they may fail to recognize turnover as a symptom of underlying problems within the organization.

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### **1.1 Statement of the problem**

Labour turnover has been a major problem with firms and the wood processing industry is no exception. Companies lose high potential workers to competitors and even companies outside their industries. Labour turnover affects both workers and firms. Workers experience disruption, the need to learn new job-specific skills and find different career prospects.

Firms, on the other hand, lose job-specific skills, suffer disruption in production and incur the costs of hiring and training new workers Staw (1980). This could be due to either the loss of the firm-specific human capital that resides in departing employees Becker (1962) or the loss of the social capital embedded in workers' relationships to each other and the organization (Leana and Van Buren 1999). A second source of indirect costs is the demoralization of employees who remain with a firm (Staw 1980; Steers and Mowday 1981; Mobley 1982). This demoralization may be due to the loss of a respected colleague or the fact that turnover may require additional work to be absorbed by remaining employees whose capacity is already stretched.

This study sought to research on the effect of retention strategies on labour turnover by assessing the individual, job, organizational and environmental factors impact on staff turnover. This sought the study to compare and integrate the various theoretical approaches that highlight the factors that contribute to staff turnover.

## **1.2 Research objectives**

The general objective of the study was aimed at examining the effect of retention strategies on employee turnover within the timber industry. Specifically, the study sought to;

1. Identify the causes of employee turnover at Hanmax Veneer and Plywood and Logs and Lumber Limited.
2. Examine the current retention practices at Hanmax Veneer and Plywood and Logs and Lumber Limited.
3. Assess the effectiveness of the retention strategies at Hanmax Veneer and Plywood and Logs and Lumber Limited.
4. Make recommendations for the reduction of employee turnover rate at Hanmax Veneer and Plywood and Logs and Lumber Limited.

## **1.3 Research Questions**

The following questions were therefore analysed in assessing the effect of retention strategies on labour turnover.

1. What are the causes and effects of labour turnover on Hanmax Veneer and Plywood Company and Logs and Lumber Limited?

2. What are the current retention practices at Hanmax Veneer and Plywood Company and Logs and Lumber Limited?
3. How effective are the retention strategies at Hanmax Veneer and Plywood Company and Logs and Lumber Limited?
4. Which retention methods can be put in place to address the phenomenon at Hanmax Veneer and Plywood Company and Logs and Lumber Limited?

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#### **1.4 Relevance of the study**

The study at Hanmax Veneer and Plywood Company and Logs and Lumber Limited sought to assess whether labour turnover is prevalent in the timber industry, to assess the effectiveness of retention strategies at Hanmax Veneer and Plywood Company and Logs and Lumber Limited and to recommend long term solutions to help curb the problem of employee turnover as a means of ensuring organizational development to foster the socio-economic development of Ghana.

The study would help in ascertaining some significant effects of retention strategies on labour turnover on organizations and to make recommendations, to that effect.

Finally, the study would serve as a useful reference material for future usage by organizations to adopt most effective retention strategies to run their businesses.

#### **1.5 Overview of the Research Methodology**

The study employed both primary and secondary data sources in the forms of questionnaire administration and personal interviews of the General Managers of Hanmax Veneer and

Plywood Company and Logs and Lumber Limited. The methodology was grouped into two categories, data collection and data analysis.

### **1.5.1 Data Collection and Data Analysis**

The research was based on two categories of data collection; primary and secondary. The Primary data collection was based on personal interviews and the administration of questionnaires to employees of Hanmax Veneer and Plywood Company and Logs and Lumber Limited. The Secondary data source was gathered from previous works done on the topic such as books and materials on the internet. The Statistical Package for Social Sciences (SPSS) was used to analyze gathered data. Moreover, there was geographical interpretation of the findings. Tables and bar charts were used to give a pictorial representation of the findings to allow for comparison, aside its simplicity. All ideas gathered were summed up and inferences were drawn from them to arrive at a generalized conclusion.

### **1.6 Scope of study**

The scope of the study was limited to the timber industry. Hanmax Veneer and Plywood Company and Logs and Lumber Limited were used as the case study.

### **1.7 Limitation of the Study**

The main problem experienced by the researcher was the refusal of some respondents to complete the questionnaire. Some respondents were not willing to cooperate even after they were shown a letter that gave permission to the researcher to conduct the study at their firms. The process of collecting the questionnaire proved to be challenging because some

respondents failed to complete the questionnaire on time and the researcher spent a considerable amount of time visiting the firms to follow up on the collection of the questionnaires. Regardless of this, an adequate number of questionnaires were returned to make the study valid. Time constraints were also a limitation to the study because the researcher had to combine official duties at the workplace to conducting this study.

### **1.8 Organization of the study**

The main body of the study was structured from chapter one to five. Chapter one introduced the background of the study, stated the research problem, objectives of study, research questions, relevance of the study, an overview of the research methodology, scope of the study, limitations of the study and organization of the study, chapter two reviewed existing literature on labour turnover, the types and methods of labour turnover, its causes and effects on the organization, as well as on retention strategies and retention methods, chapter three focused on the research methodology and the organizational profile, chapter four also analyzed data collected on the effect of retention strategies on labour turnover at Hanmax Veneer and Plywood Company and Logs and Lumber Limited while Chapter five looked at the summary of findings, conclusion and recommendations.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

Nel et al. (2008) define staff turnover as the movement of employees in and out of the boundaries of the organization. Considering this definition, transfers to a different branch or plant would not be considered as staff turnover. Staff turnover is perceived as a final and permanent act.

Organizations invest a lot in their employees in terms of induction and training, developing, maintaining and retaining them in their organization. Therefore, managers at all costs must minimize employee's turnover. Although, there is no standard framework for understanding the employees' turnover process as a whole, a wide range of factors have been found useful in interpreting employee turnover Kevin et al (2004).

#### 2.1 Types of Labour Turnover

##### 2.1.1 Internal versus External turnover

Like recruitment, turnover can be classified as internal or external. Internal turnover involves employees leaving their current positions and taking new positions within the same organization. This has positive as well as negative attributes. The positive attributes include increased morale from the change of task and supervisor. The negative implication includes project or relational disruption, or the Peter Principle. As a result of this, it may be equally important to monitor this form of turnover as it is to monitor its external counterpart. Internal turnover might be moderated and controlled by typical Human Resource

mechanisms, such as an internal recruitment policy or formal succession planning. (Allen 2002).

External factors that may affect labour turnover within a business would include the state of the labour market. If there is an increase in the availability of jobs that the business's employees find more attractive, they may leave for another job. How attractive a job is to an employee is determined by a number of factors. These factors may include better pay, better working conditions, improved training, the location of the job and whether the job would be more interesting or satisfying.

### **2.1.2 Skilled versus unskilled turnover**

High turnover rates of skilled professionals can pose as a risk to the business or organization, due to the human capital such as skills, training, and knowledge lost. Notably, given the natural specialization of skilled professionals, these employees are likely to be re-employed within the same industry by a competitor. Therefore, turnover of these individuals incurs both replacement costs to the organization, as well as resulting in a competitive disadvantage to the business.

Unskilled positions often have high turnover, and employees can generally be replaced without the organization or business incurring any loss of performance. The ease of replacing these employees provides little incentive to employers to offer generous employment contracts; conversely, contracts may strongly favour the employer and lead to increased turnover as employees seek, and eventually find, more favorable employment.

(Allen, 2002).

### **2.1.3 Voluntary versus involuntary turnover**

Nel et al. (2008) distinguish between controllable and uncontrollable turnover. Controllable turnover refers to turnover that can be managed. Controllable turnover includes both voluntary resignations and dismissals. Voluntary resignations are controllable because management can offer better wages, working conditions and opportunities to retain employees; dismissals are also controllable because management can use more constructive strategies, such as training, unambiguous policies on discipline and coaching, to shape an employee's behavior to a desired level rather than dismissing the employee. Dismissal can also be avoided if due attention is given to the selection of suitable persons and to the encouragement of stable groups through careful induction procedures and proper socialization. Uncontrollable staff turnover refers to turnover which is outside the control of management, such as turnover as a result of death, retrenchments and incapacity.

Other factors have been classed as involuntary turnover in the past, such as the need to provide care for children or aged relatives. Today, such factors should not be seen as involuntary turnover as both government regulation and company policies create the chance for such staff to come back to work, or to continue to work on a more flexible basis Simon et al. (2007).

Schultz and Schultz (2006) state that retrenchment due to cost-cutting measures can be regarded as involuntary turnover. Though they do not make an explicit comparison between involuntary and voluntary turnover, the implication is that when an employee makes the decision to leave the organization, it is considered as voluntary turnover. Nel et al. (2008), as stated above, distinguish between voluntary resignations and dismissals, but consider both as controllable staff turnover. Swanepoel et al. (2003) also distinguish between voluntary

(resignations) and involuntary (dismissals) staff turnover and mention that both these types of staff turnover should be measured.

## **2.2 Factors Impacting on Labour Turnover**

Staff turnover is a complex issue, with many conditions acting together to influence it (Shiels& Ward, 2001). Various authors (Grobler et al, 2006,; Nel et al, 2003; Van Der Merwe and Miller 1993) give an overview of factors that impact on staff turnover. These factors can be divided into individual, job, organizational and environmental factors.

### **2.2.1 Job related factors**

There are several reasons why people quit from one organization to another or why people leave organizations. The experience of job related stress, the range of factors that lead to job related stressors, lack of commitment in the organization; and job dissatisfaction make employees to quit Firth et al. (2004). This clearly indicates that these are individual decisions which make one to quit. There are other factors like personal agency, which refers to concepts such as a sense of powerlessness, locus of control and personal control. Locus of control refers to the extent to which people believe the external factors such as chance and powerful others are in control of the events which influence their lives Firth et al. (2004). Manu et al. (2004) argue that employees quit from organizations due to economic reasons. Using the economic model, they showed that people quit from organizations due to economic reasons and these can be used to predict the labour turnover in the market. Good local labour market conditions improve organizational stability Schervish (1983).

Trevor (2001) argues that local unemployment rates interact with job satisfaction to predict turnover in the market. Role stressors also lead to employees' turnover. Role ambiguity refers to the difference between what people expect of us on the job and what we feel we should do. This causes uncertainty about what our role should be.

It can be a result of misunderstanding what is expected, how to meet the expectations, or the employee thinking, the job should be different Kahn et al., (1990). Insufficient information on how to perform the job adequately, unclear expectations of peers and supervisors, ambiguity of performance evaluation methods, extensive job pressures, and lack of consensus on job functions or duties may cause employees to feel less involved and less satisfied with their jobs and careers, less committed to their organizations and eventually display a propensity to leave the organization Tor et al., (1997).

Griffeth et al. (2000) noted pay and pay-related variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person's performance and turnover. They concluded that when high performers are insufficiently rewarded, they leave. They cited findings from Milkovich and Newman (1999) that where collective reward programs replace individual incentives, their introduction may lead to higher turnover among high performers.

### **2.2.2 Organizational factors**

Organizational instability has been shown to have a high degree of high turnover. Indications are that employees are more likely to stay when there is a predictable work environment and vice versa (Zuber, 2001). In organizations where there was a high level of

inefficiency there was also a high level of staff turnover Alexander et al., (1994). Therefore, in situations where organizations are not stable, employees tend to quit and look for stable organizations because with stable organizations they would be able to predict their career advancement.

Employees have a strong need to be informed. Organizations with strong communication systems enjoyed lower turnover of staff (Labov, 1997). Employees feel comfortable to stay longer, in positions where they are involved in some level of the decision-making process. That is, employees should fully understand about issues that affect their working atmosphere Magner et al (1996). But in the absence of openness in sharing information and employee empowerment, the chances of continuity of employees are minimal. Costly et al (1987) points out that a high labour turnover may mean poor personnel policies, poor recruitment policies, poor supervisory practices, poor grievance procedures, or lack of motivation.

All these factors contribute to high employee turnover in the sense that there is no proper management practices and policies on personnel matters hence employees are not recruited scientifically, promotions of employees are not based on spelled out policies, no grievance procedures in place and thus employees decides to quit.

If jobs provide adequate financial incentives, the more likely employees remain with organizations and vice versa. There are also other factors which make employees to quit from organizations and these are poor hiring practices, managerial style, lack of recognition, lack of competitive compensation system in the organization and toxic workplace environment Abassi et al (2000).

### **2.2.3 Environmental Factors**

Environmental factors that have an effect on staff turnover are geographical location, environmental turbulence, and metropolitan area size, competition in the market place, economic conditions and support organisations. However, these factors are rarely under the control of the organisation (QuaEnoo, 2001; Grobler et al, 2006).

### **2.3 Causes of High and Low Turnover**

If jobs provide adequate financial incentives, the more likely employees remain with organizations and vice versa. There are also other factors which make employees to quit from organizations and these are poor hiring practices, managerial style, lack of recognition, lack of competitive compensation system in the organization and toxic workplace environment Abassi et al (2000). Low turnover is an indication that employees are satisfied, healthy and safe, and their performance is satisfactory to the employer. However, the predictors of low turnover may sometimes differ than those of high turnover. Aside from the fore-mentioned career opportunities, salary, corporate culture, management's recognition, a comfortable workplace seems to impact employees' decision to stay with their employer.

When a high rate of employee turnover exists, most of the workforce is at an entry level stage of production. A very high cost is associated with large numbers of employees who have not reached full productivity. This cycle continues with very few employees performing at maximum productivity.

## 2.4 Measuring Labour Turnover

Recruitment, hiring and induction are costly exercises to any organization, especially to those experiencing high staff turnover. When measuring the rate of turnover, the organization wants to know how many people are leaving, who are leaving, and for what reasons. Various measures can be used to determine the extent and nature of staff turnover. The most important measures, which must be read together to get a more comprehensive picture of staff turnover in the organization, are the staff turnover rate (LTR), median length of service (MLOS) and percentage voluntary turnover (%V). Only voluntary resignations and dismissals are included in the measurement of staff turnover, as these forms of turnover are considered as controlled.

### 2.4.1 The staff turnover rate (LTR)

According to Nel et al. (2003), the most commonly used measure for staff turnover is the staff turnover rate (LTR). The LTR gives an indication of the percentage of employees that leave the organisation over a period of time.

The LTR is calculated by the means of the following formula:

$$\frac{\text{Number of leavers during a period (V + D)}}{\text{Average of number in employment during period}} \times 100$$

It should be noted that the monthly LTR may fluctuate considerably and therefore the calculation of quarterly or yearly rates are recommended as being more reliable. For comparative purpose, rates should always be expressed on a per annum basis, irrespective of

the period over which they are calculated. In other words, if a monthly LTR is calculated, it should be multiplied by 12 months, if a quarterly LTR is calculated, it should be multiplied by four (terms). Staff turnover of 25 percent per year is considered respectable in a moderately large organisation. A turnover rate of between 30 to 35 per cent indicates that the company is most likely incurring huge costs in the hiring and recruitment of employees who will probably leave the organisation after some time Beardwell and Holden (1994). Some industries experience more staff turnover than others due to the nature of the business. Furthermore, the economic situation and availability of alternative jobs also impact on staff turnover. It therefore makes sense to compare the staff turnover rate with those of similar organisations.

### **2.5 Effects of Employee Turnover**

The reason so much attention has been paid to the issue of turnover is because turnover has some significant effects on organizations (DeMicco & Giridharan, 1987; Dyke & Strick, 1990; Cantrell & Saranakhsh, 1991; Denvir & McMahon, 1992). Many researchers argue that high turnover rates might have negative effects on the profitability of organizations if not managed properly (Hogan, 1992; Wasmuth & Davis, 1993; Barrows, 1990).

Employee turnover is expensive from the view of the organization. Voluntary quits which represents an exodus of human capital investment from organizations and the subsequent replacement process entails manifold costs to the organizations Fair (1992). These replacement costs include for example, search of the external labour market for a possible substitute, selection between competing substitutes, induction of the chosen substitute, and formal and informal training of the substitute until he or she attains performance levels

equivalent to the individual who quit John (2000). In addition to these replacement costs, output would be affected to some extent or output would be maintained at the cost of overtime payment.

On the other hand, turnover effects on customer service and satisfaction Kemal et al (2002). Catherine (2002) argue that turnover include other costs, such as lost productivity, lost sales, and management's time, estimate the turnover costs of an hourly and if it's not managed properly it would have the negative effect on the profit.

Research estimates indicate that hiring and training a replacement worker for a lost employee costs approximately 50 percent of the worker's annual salary Johnson et al. (2000) but the costs do not stop there. Each time an employee leaves the firm, we presume that productivity drops due to the learning curve involved in understanding the job and the organization.

Furthermore, the loss of intellectual capital adds to this cost, since not only do organizations lose the human capital and relational capital of the departing employee, but also competitors are potentially gaining these assets Meaghan et al (2002). Therefore, if employee turnover is not managed properly it would affect the organization adversely in terms of personnel costs and in the long run it would affect its liquidity position.

Voluntary turnover incurs significant cost, both in terms of direct costs such as replacement, recruitment and selection, temporary staff, management time and also perhaps more significantly in terms of indirect costs, such as morale, pressure on remaining staff, costs of learning, product and service quality, organizational memory and the loss of social capital Dess et al.(2001).Kay (2000) justifies such costs in "...advertising and recruiting expenses,

orientation and training of the new employee, decreased productivity until the new employee is up to speed, and loss of customers who were loyal to the departing employee” .

## **2.6 Retention Strategies**

One theoretical approach to understanding staff turnover is to highlight the reasons why employees prefer not to leave the organisation or, in other words, the factors that influence the retention of employees. These factors include commitment and the accumulative benefits derived from long service. Commitment has been defined as the strength of an individual identification and involvement with a particular organisation, which implies an acceptance of the organisation’s values and goals and the desire to remain a member of the organisation. Van der Merve and Miller (1993) believe that the psychological bond between the individual and the organisation could be described as psychological attachment, comprising compliance, identification and internalisation.

Length of services has been found to be the best single predictor of turnover (Mobley et al, 1978). The longer a person stays with an organisation the more likely it is that he will become committed to that organisation in several ways. Some Human Resource Managers are of the view that increased compensation and benefits should be the primary method to retain workers. However, such a strategy implies that the organization is in a position to increase its compensation. Managers must therefore consider retention strategies that do not rely on the organization’s ability to increase compensation expenses (Monster Report 2005). Brown (2004) argues that for retention strategies to be effective, they must focus on providing employees with opportunity to grow their careers in an organization with a solid business foundation. The following retention strategies have been suggested as best

practices for employers; Provide employees with career development opportunities (Walsh, & Taylor, 2007). This is because employees are more likely to invest in their jobs if they feel the company has invested in them. Communicating well with employees is also essential. This is because an informed employee is a connected employee at the work place and therefore will remain in their jobs (Brown, 2004; Walsh & Taylor, 2007). Implement the “Three Rs Rule”: Recognize, Reward, and Repeat. Employers must pat their employees on the back for every job well done to continually reinforce appreciation of their performance (Brown, 2004).

Extensive research has shown that the following categories of human capital management factors provides a core set of measures that senior management can use to increase the effectiveness of their investment in people and improve overall corporate performance of business; Employee engagement, the organization’s capacity to engage, retain, and optimize the value of its employees hinges on how well jobs are designed, how employees' time is used, and the commitment and support that is shown to employees by the management would motivate employees to stay in organization.

Fostering employee commitment can have a great impact on decreasing turnover rates. “Research shows commitment has a positive effect on productivity, turnover and employees willingness to help co-workers” Bishop (1997). In fact, increased employee commitment has been shown to improve team performance and productivity and decrease absenteeism, turnover, and intention to quit. However, companies can take action to ensure that these increasing trends are minimized within their own individual cultures. Therefore, a strong retention strategy must be implemented.

Byrnes (2002) notes that there are five essential steps for a company to develop an effective retention strategy. First, a corporate values system must be defined based upon the organization's values and vision. These values must guide the company and identify those employees desiring to move in the same direction. Next, trust must be established within all parts of the business. "Security comes from trust and trust comes from honesty and communication. The bottom line is that employees want to know their employer will be straight forward with them, establish a process for sharing important information related to your business with your employees" (Byrnes, 2002). Third, assess employee priorities through surveying. The answers will allow an organization to structure effective reward programs, thus increasing employee satisfaction. Fourth, Byrnes recommends doing industry homework. Companies need to understand competitors' compensation and benefit programs. A clearer understanding of what is expected by employees within the industry provides the company the opportunity to increase satisfaction. Finally, the creation of a compensation and benefit package, supportive of company values and employee needs, is essential.

Employees, he concludes, have increased responsibility. Superiors empowering subordinates by delegating responsibilities to them leads to subordinates who are more satisfied with their leaders and consider them to be fair and in turn to perform up to the superior's expectations (Keller and Dansereau, 1995). All these makes employees to be committed to the organization and chances of quitting are minimal.

Employee retention practices help support an organization's productivity. Recruiting and training new employees takes time. An unfilled position means work is not getting done. Even if a position is filled, there is still a learning curve most employees must overcome

before their work becomes profitable. Taking the necessary steps to keep current workers satisfied with their roles will ensure productivity is not interrupted.

External trainings which help the employees to learn something extra apart from their routine work and also to make them participate in extracurricular activities important for their overall development and to encourage them to interact with each other so that the comfort level increases.

Retention strategies must be designed to suit individual employees. This therefore requires individual employee's participation in designing retention strategies (Jackson et al, 2004).

Strategies on how to minimize employee turnover, confronted with problems of employee turnover, management has several policy options by way of changing or improving existing policies towards recruitment, selection, induction, training, and job design and wage payment. Policy choice, however, must be appropriate to the precise diagnosis of the problem. Employee turnover attributable to poor selection procedures, for example, is unlikely to improve were the policy modification to focus exclusively on the induction process. Equally, employee turnover attributable to wage rates which produce earnings that are not competitive with other firms in the local labour market is unlikely to decrease were the policy adjustment merely to enhance the organization's provision of on-the job training opportunities.

## **2.7 Types and Methods of Employee Retention**

A high turnover rate among workers is costly for employers due to the expenses associated with recruiting new employees and training them. Productivity also suffers because it takes new workers time to get up to speed and match the output of experienced employees. That is

why it is worthwhile for employers to focus on ways to retain workers before they decide to look for new employees (Yazinski, 2009).

### **2.7.1 Recruitment**

The effort to retain the best personnel begins with recruiting. Attracting and retaining the best people are not two different things, but are the same thing. Both require creating and maintaining a positive reputation, internally as well as externally. Employers must be honest with the recruit about the beliefs, expectations, organizational culture, demands, and opportunities within the organization. By representing the organization realistically, a department will attract those who will be content working within the culture (Marx, 1995). Denton (1992) follows this up by stating that, “the better the match between recruits and the organization the more likely you are to retain them.” Lynn (1997) believes that you must take time during the hiring process to make wise decisions. The employer must be candid about the working conditions, responsibilities, opportunities and other details to reduce the chances of making hiring mistakes. Taylor and Cosenza (1997) strengthen this thought by noting that it is imperative that companies give prospective employees a true picture of the organization, if they hope to match the personality type with the climate and culture of the organization. The literature was clear in pointing out that if departments want to increase retention they must start with a solid recruiting process.

### **2.7.2 Communications**

Carney (1998) believes that the key to employee retention is quite simple: communicate, Communicate, communicate. Communication with the employees must begin early on in the relationship. He believes that the imprinting period of a new employee is probably less than

two employers must engage the employee early on by sharing how important the job they do is. Lynn (1997) follows this up by stating that early on an atmosphere of fairness and openness must be created by clearly laying out company policies. Taylor and Consenza (1997) indicate that it is important to communicate the values of the organization to its employees in order to increase their level of consent, participation, and motivation. Lynn (1997) echoes this thought by pointing out that the vision of the organization must be shared with the employee as well as the importance the employees play in helping fulfill it. Lack of communication may result in gaps between management's perceptions of quality employment and the employees desired and perceived quality of employment (Taylor & Consenza, 1997). There must be a common purpose and trust among employees. People want to feel as if they are a vital piece of something larger (Carney, 1998). As Denton (1992) points out, managers must make sure employees know what they should do and why it is important.

Lynn (1997) notes that communications must be a two way street to be effective. Employers must listen to what employees have to say. An atmosphere must be created in which employees feel comfortable making suggestions and trying out new ideas. The literature revealed that communication must begin early in the employer-employee relationship. Organizational values and culture must be made clear to all employees and their importance within the organization must be continually emphasized.

### **2.7.3 Training**

As was noted earlier it is important that the employee feel like a valued member of the organization. Training helps underscore this message. Training personnel is a way to show

you respect them and want them to grow. The department is making an investment in the employee by offering training (Marx, 1995). Good training can de-emphasize salaries and benefits, in part by building a positive work environment and by giving employees advancement opportunities (Lynn, 1997). Lynn goes on to say that training helps strengthen employee loyalty. Training can help revitalize personnel. For an increasing number of people, the chance to learn new skills is a significant personal goal for both the career opportunities education can provide and for the chance to do something a little different (Mendonsa, 1998). Training emphasizes to the employee that they are valued and respected. This in turn to increase loyalty and retention.

#### **2.7.4 Job Satisfaction**

While an organization must be competitive in terms of compensation and benefits, it is the relationship with the supervisor that is often a crucial factor in determining whether a person stays or goes (Mendonsa, 1998). Employees want more interaction with management, more self-satisfaction on the job, more responsibility and more control over decisions affecting them. They want their work to make a difference and want to be part of something that matters (Taylor, 1997). Departments should encourage innovation by soliciting the advice and input of their staff members, followed by responses to ideas, complaints or questions (Taylor, 1997). It is difficult to keep people on the job if they have no say in how to do it (Spragins, 1992). People need to be recognized for their accomplishments in the workplace. In most organizations the feeling of under-recognition is the most pervasive feeling in the workplace (Mendonsa, 1998). Provide a great deal of personal and team recognition (Carney, 1998). Recognize achievements with memos, mentions in staff meetings or articles

in the newspapers (Lynn, 1997). To retain employees, departments must offer career advancement opportunities. Departments failing to offer employees career opportunities, room for advancement and enhancement of skills and knowledge may find it difficult to retain qualified employees (Taylor, 1997). Marx (1995) concludes this by pointing out that promoting from within is one of the proven methods of employee retention.

### **2.7.5 Pay and Benefits**

In general, people think that money and benefits or lack thereof, are the main reasons people leave their jobs, but this is not the case. While compensation and benefits may be a key factor in the final decision-making process, a money shortage is usually not what causes people to look in the first place (Mendonsa, 1998). Money may be the reason they give when they resign, but it's like "white noise". They are conscious of it for a while but if they are bored on the job, money alone is not going to keep them there, Branch (1998). Although traditional benefits such as vacation and health are still important, today's workers are also looking for more non-traditional benefits. Benefits such as flexible work hours, availability of childcare, tuition assistance and discounts on services now top the list of desired benefits (Denton, 1992).

### **2.8 Challenges of employee retention**

Every organization has a salary budget for every employee, which can be raised to some extent but not beyond a certain limit. Retention becomes a problem when an employee quotes an exceptionally high figure beyond the budget of the organization and is just not willing to compromise. The organization needs to take care of the interests of the other

employees as well and can't afford to make them angry. The salaries of the individuals working at the same level should be more or less similar to avoid major disputes amongst employees. If an individual becomes adamant on a particular amount to be paid, it becomes difficult for the organization to retain him.

Every organization tries its level best to hire employees from the competitors and thus provide lucrative opportunities to attract them. Employees become greedy for money and position and thus look forward to changing the present job and join the competitors. No amount of counseling helps in such cases and retaining employees become a nightmare.

Again, employee may not be proficient in branding but would simply say a yes to impress the recruiter during interview, to grab the job. It is only later do people realize that there has been a mismatch and thus look for a change. Problems arise whenever a right person is into a wrong profile. An individual loses interest in work whenever he does something out of compulsion. The human resource department should be very careful while recruiting new employees. It is really important to get the reference check done for better reliability and avoid confusions later.

Some individuals have a tendency to get bored within a short span of time and they might find a job really interesting in the beginning but soon find it monotonous and look for a change. The management finds it difficult to convince the employees in such cases. Individuals must also understand that every organization has some or the other problem and adjustment is required everywhere, so why not in the present organization? It becomes really difficult for the Human Resource Department to find out what exactly is going on in the minds of the individual

Unrealistic expectations from the job also lead to employees looking for a change. There is actually no solution to unrealistic expectations. An individual must be mature enough to understand that one can't get all the comforts at the workplace just like his home. Individuals from different backgrounds come together in an organization and minor misunderstandings might arise but one should not make an issue out of it. An individual must not look for a change due to small issues. One needs time to make his presence feel at the organization and must try his level best to stick to it for a good amount of time and ignore petty issues.

## **2.9 Role of the Human Resource Department in Employee Retention**

The Human Resource team plays an important role in employee retention. Whenever an employee resigns from his current assignments, it is the responsibility of the Human Resource Department to intervene immediately to find out the reasons which prompted the employee to resign. No one leaves an organization without a reason. There has to be one and the human resource team must probe into it. There can be innumerable reasons for an employee to leave his current job. The major ones being conflict with the superiors, lesser salary, lack of growth, negative ambience and so on.

It is the duty of the Human Resource Manager therefore to sit with the employee and discuss the various issues face to face. The Human Resource Manager should not focus on conducting exit interviews, rather more emphasis should be laid on retaining the employees, by trying to provide a solution to his problem.

The Human Resource person must again ensure that he is recruiting the right employee who actually fits into the role. A right person doing the wrong job would never find his job interesting and certainly look for a change. There is therefore the need to make sure every individual has been assigned responsibilities according to his specialization and interest.

Every individual works for money and the Human Resource Manager must quote a justified salary acceptable to the other person. He should not compel anyone to join at a lesser salary. An employee might join at that moment but would most likely quit after sometime upon getting a better offer. The hike should be on the present salary and must match the market trends and the expectations of the individual.

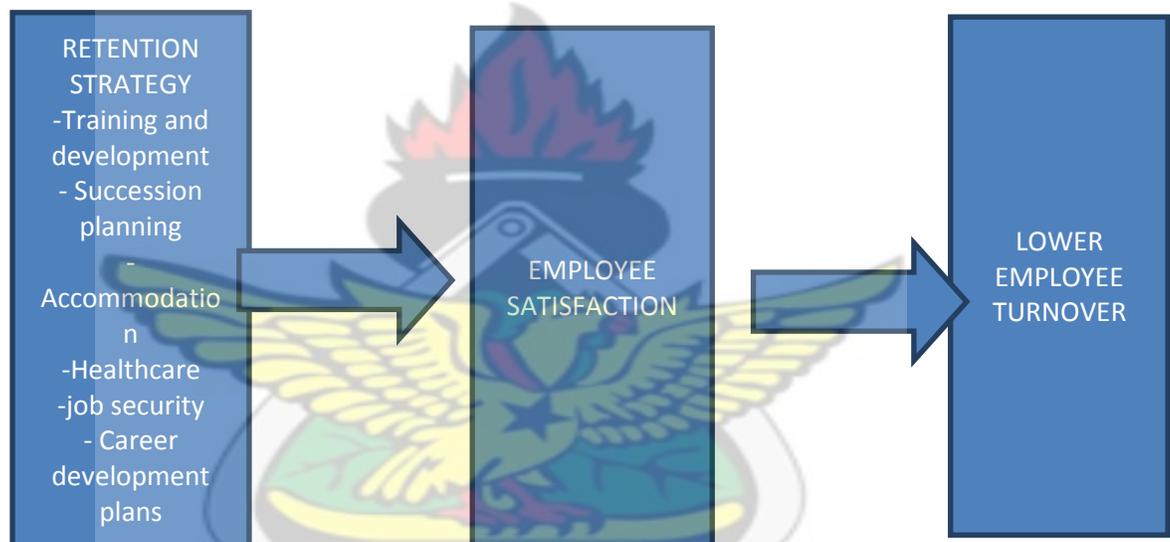
The human resource department as part of its retention strategy must conduct motivational activities at the workplace. This comes in the form of the organization of various internal as well as external trainings which help the employees to learn something extra apart from their routine work and also to make them participate in extra curricular activities important for their overall development and to encourage them to interact with each other so that the comfort level increases.

Performance reviews are a must and the Human Resource Manager along with the respective team leaders must monitor their team member's performance to ensure whether they are enjoying the work or not. The employees look for a change only when their job becomes monotonous and does not offer any growth or learning. Job rotation can be one of the effective ways to retain employees and the Human Resource professional must try his level best to motivate the employees, make them feel special in the organization so that they do not look for a change.

## 2.10 Conceptual Framework

The Researcher uses conceptual framework in answering research questions. The Researcher argues that retention strategies like training and development, succession planning, accommodation and job security among other lead to employee satisfaction which in turn contribute to employee satisfaction and hence, a lower employee turnover rate.

*Fig 2.10* A conceptual framework showing the relationship between retention strategies and employee turnover



Researcher's own construct, 2012

## CHAPTER THREE

### RESEARCH METHODOLOGY AND ORGANISATIONAL PROFILE

#### 3.0 Introduction

This chapter looked at the methodology adopted in this study and the organizational profiles of Hanmax Veneer and Plywood Company and Logs and Lumber Limited. Under the methodology section, population, sample size, sampling technique, data collection and data analysis were discussed. The organizational profiles of the selected firms were also discussed under the following headings; background of Hanmax Veneer and Plywood Company and Logs and Lumber Limited, their organizational profiles, as well as their products and services.

#### 3.1 Sources of data

Two main approaches are used in gathering and analyzing data; the qualitative and quantitative methods. The method used in this study was a quantitative approach as the main problem was exploratory in nature. The research design for this study emerged from identifying the main problem and related sub-problems. Two categories of data collection were employed; primary and secondary data collection methods.

##### 3.1.1 Primary data source

Primary data may be defined as data that has not been previously published, thus the data is derived from a new or original research study and collected at the source, and information is obtained directly from first-hand sources by means of surveys, observation or experimentation.

In this study, the primary sources of data used were personal interviews of the General Managers and 5 other employees of Hanmax Veneer and Plywood Company and Logs and Lumber Limited. Questionnaires were also administered to the staff of Hanmax Veneer and Plywood Company and Logs and Lumber Limited. The type of questionnaire distributed and the interview questions administered were aimed at unraveling the research question as well as objectives of the study.

### **3.1.2 Secondary data source**

Secondary data is the data that have been already collected by and readily available from other sources. Such data are cheaper and more quickly obtainable than the primary data and also may be available when primary data is not. This method was employed because it is economical in terms of time and costs saving. Secondary data also helped the researcher to identify the gaps, deficiencies and what additional information needs to be collected on the study.

Secondary sources for the study were obtained from previous works done on the topic such as books, relevant articles and materials on the internet.

### **3.2 Study Population**

Population according to Saunders, (2007) is the full set of cases from which a sample is taken. The target population of this study is the employees of Hanmax Veneer and Plywood Company and Logs and Lumber Limited, including management. Hanmax Veneer and Plywood Company Limited has a total employee population of one hundred and twelve (112), whiles Logs and Lumber Limited has a total employee population of two hundred (200).

### 3.3 Sample size

The sample size used for the study at Hanmax Veneer and Plywood Company was eighty-four (84). This represented 75% of the entire employee population of one hundred and twelve (112). A sample size of one hundred and sixteen (116) was used for the study at Logs and Lumber Limited. This represented the total employee population of two hundred (200). These sample sizes were chosen because the total population could not be obtained due to the non-availability of the entire population at the time of the study. It is also costly and time consuming to collect data from the entire population from both firms.

The table below depicts the population and sample size employed for the study;

Table 3.3 Sample size distribution for two timber firms

<b>ORGANISATION</b>	<b>TOTAL POPULATION</b>	<b>NO. OF RESPONDENTS</b>
Hanmax Veneer and Plywood Company	112	84
Logs and Lumber Limited	200	116

### **3.4 Sampling Technique**

Convenience sampling was used to select the participants in the two selected timber firms. Convenience sampling involves selecting cases or units for observation as they become available to the researcher (Chepkilot, 2005). A convenience sampling technique was most appropriate for this study as it would not be possible to get access to all the employees of both firms. Wegner (2001) acknowledges that it is not always feasible to collect data on every possible observation in the population.

### **3.5 Data Collection tools**

The study made use of both primary and secondary data sources in the form of questionnaires administration to 116 employees at Logs and Lumber Limited, representing 58% of the total employee population. 84 employees at Hanmax Veneer and Plywood Company, representing 75% of the employee population were administered the questionnaire. Personal interviews were also granted by the 2 managers of Hanmax Veneer and Plywood and Logs and Lumber Limited. This ensured the acquisition of information on the turnover rates within the selected firms and easy analysis and interpretation of the findings.

### **3.6 Administering the questionnaire**

The purpose of administering a questionnaire was to gain access to the sample and to maximize the response rate (Saunders, 2003). The General Managers of Hanmax Veneer and Plywood Company and Logs and Lumber Limited were contacted for the pilot study.

A second appointment was arranged in order to distribute the questionnaires. The researcher personally distributed the questionnaires to both firms with the help of the General

Managers and line managers of both firms. The completed questionnaires were personally collected by the researcher. The entire process of administering and collecting data took the researcher three weeks. The design of a questionnaire contributes to its reliability and validity as a measuring instrument. The questionnaire for this study was therefore divided into six sections, namely, Section A, contained Biographical data, Section B comprised Job factors, Section C comprised Organizational factors, Section D, contained Environmental factors, while Section E contained Retention strategies.

### **3.7 Reliability of the Measuring Instrument**

Joseph et al. (2003) define reliability as the extent to which a survey instrument is considered reliable if its repeated application results in consistent scores. Reliability can be determined by means of a test-retest, internal consistency and alternative form. Saunders et al. (2003). The test-retest method states that a questionnaire needs to be administered twice to respondents. In this method it is difficult to persuade respondents to answer the same questionnaire twice. In this study, these problems were overcome by making use of a pilot study which served as a type of test-retest method. The responses received from the pilot study were compared to those received for the survey in order to make a judgment about the reliability of the questionnaire.

### **3.8 Validity of the Measuring Instrument**

Validity is the degree to which an instrument measures what it is intended to measure and whether it measures the concept accurately (Lobiondo-Wood and Haber, 2002.; Polit Hungler, 1999). In this study, a thorough theoretical study of staff turnover was conducted and factors that influence staff turnover were identified. These factors were then converted into test items and its validity.

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### **3.9 Data Analysis tools**

In conducting this study, questionnaires were administered to 116 employees at Logs and Lumber Limited and 84 respondents at Hanmax Veneer and Plywood Company Limited. Respondents were from the Finance, Administration and Production Department. The participants were requested to complete the questionnaire which was collected after two weeks. This enabled the researcher to gather required data, which were relevant to the objective of the research problem. Data gathered was analyzed by the use of the Statistical Package for Social Science (SPSS) and interpreted to present the actual situation on the ground.

### **3.10 Organizational profiles**

#### **3.10.1 Background**

Hanmax Veneer and Plywood Company Limited is a large medium-size company, situated at the Kaase industrial area, a suburb of Kumasi. The company was established in 1985 as a joint venture until 1998, when it became a wholly-owned venture. The company is dedicated to high quality, excellence and profitable downstream processing of wood into finished and

semi-finished products for both the local and international market since its inception. Hanmax Veneer and Plywood Company Limited has a mission of providing quality, fit for purpose wood products, mainly for export and also to support the Construction and Furniture Manufacturing Industries locally. It therefore has the vision of becoming a center for excellence in downstream processing of wood into value added wood products for both local and foreign markets.

Its establishment and operation in 1985 has resulted in the creation of jobs for the youth especially Senior High School and Junior High School leavers as well as the National Vocation and Training Institute (NVTI) Certificate Holders (Employee handbook).

Logs & Lumber Limited was incorporated as a Private Limited Liability Company on 17<sup>th</sup> June 1967 and commenced business on 10<sup>th</sup> July 1967. It was a sawmill, purchased from Messrs. Anglo African Tim. The company provides gainful employment for Expatriates and Ghanaians through its activities of operations with a current labour force of 1, 500 all over the country with a labour force of 200 at its Kumasi location, the study area. Usually, the company provides numerous job opportunities for a wide range of professionals across the globe and thus making the company a blend of multicultural professionals. Logs and Lumber Limited also provide opportunities for students from tertiary institutions both local and international to sharpen their skills and tailor them into the job market.

([www.llghana.com](http://www.llghana.com)).

## CHAPTER FOUR

### DATA PRESENTATION, DISCUSSION AND ANALYSES

#### 4.0 Introduction

This chapter presents analyses and discusses the data collected. Sections B to E of the questionnaire were designed according to a Likert-type scale and the respondents had to indicate whether they strongly agreed, agreed, unsure or disagreed to each of the statements. Numerical values, ranging from five (strongly agree) to one (strongly disagree), were used to enable the quantitative analysis of the results. Running from Section B to E, SA represents responses for Strongly Agreed, A represents Agreed, N represents unsure and D for Disagree. The Statistical Package for Social Science (SPSS) was used to present and analyze the data obtained from the survey.

The tables and figures below depict the results of the questionnaire administered to staff of Hanmax Veneer and Plywood and Logs and Lumber Limited. In all, two hundred (200) answered questionnaires were returned out of the two hundred (200) administered, representing a response rate of 100% although some questions were left unanswered by respondents.

#### 4.1 Section A: Demographic factors

As depicted in table 4.1 below, the number of respondents from Logs and Lumber Limited were 116, representing 58% of the total respondents whereas 84 respondents were from Hanmax Veneer and Plywood Company, representing 42% of the total respondents.

**Table 4.1 Response rate for two timber firms**

	Frequency	Percent	Valid percent	Cumulative percent
LLL	116	58.0	58.0	58.0
Hanmax	84	42.0	42.0	100.0
Total	200	100.0	100.0	

Researcher's field work, 2012

#### **4.2 Gender**

Table 4.2 reveals that 168 respondents were males whiles 28 respondents, representing 14% of the total number of respondents were females. This implies that the timber industry is dominated by males, who form the production team and the females belonging to the Administration and Finance Departments.

**Table 4.2 Responses with regard to gender**

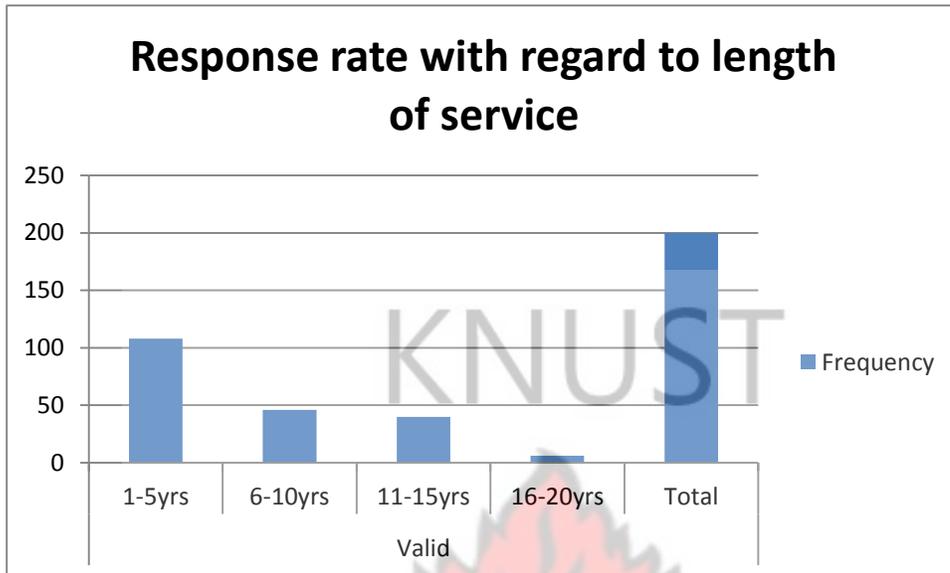
SEX	Frequency	Percent
M	168	84.0
F	28	14.0
Total	196	98.0
Missing System	4	2.0
Total	200	100.0

Researcher's field work, 2012

### **4.3 Length of service**

The results from fig. 4.1 indicate that 54% of the respondents were employed between one to five years. 23% were employed between six to 10 years, while 11 % were employed between 11 to 15 years. Between 16 and 20 years, a percentage of 3 respondents were employed. The results above suggest a relatively stable work force and this indicates that the timber industry is able to retain its staff.

Fig 4.1 Length of Service



Researcher's field work, 2012

#### 4.3.1 Section B Job factors

Section B of the questionnaire contained statements related to job factors that could potentially impact on staff turnover. Job factors that influence staff turnover include workload, meaningful work, working conditions, remuneration, and relationship with supervisor, relationship with co-workers, empowerment and autonomy (Luthans, 2002). The tables below represent descriptive analysis of the statistics gathered.

**Table 4.3 I am paid fairly for the work I perform**

					Total
Qualification	SA	A	N	D	
SSCE	1	7	4	4	16
Diploma	0	3	0	6	9
JSS	20	55	38	22	135
Nil	0	0	4	1	5
NVTI	14	16	5	0	35
<b>Total</b>	<b>35</b>	<b>81</b>	<b>51</b>	<b>33</b>	<b>200</b>

Researcher's field work, 2012

From Table 4.3, 116 employees, representing 58% of the total respondents agreed that they were paid fairly for their jobs, while 33 employees, representing 17% of the respondents also disagreed, with 51 respondents being unsure about whether or not they were fairly paid for their jobs. There is an indication from the data that higher responses were received from employees with lower educational qualifications and the reason given was that, if they compared their salaries to their colleagues in other wood processing firms engaged in the same function, comparatively, theirs were higher than them.

**Table 4.4 Manager discusses my performance with me**

					Total
Functional Area	SA	A	N	D	
Administration	4	3	0	9	16
Finance	0	3	3	3	9
Labourer	4	30	40	81	155
Chainsaw Operator	0	1	0	4	5
Technician	0	4	0	11	15
<b>Total</b>	<b>8</b>	<b>41</b>	<b>43</b>	<b>108</b>	<b>200</b>

Researcher's field work, 2012

Table 4.4 above depicts that 49 employees, representing 25% of the total respondents agreed that their managers discussed their performance with them, while 108 employees, representing 54% of the total respondents disagreed. 43 employees, representing 22% of the respondents also expressed uncertainty about whether or not their managers discuss their performance with them. The implication here is that employee performance is not monitored and there is therefore no feedback on employee performance. This would affect the employee efficiency and productivity may not be maximized.

**Table 4.5 Job provides me with the opportunity to develop my talent**

					Total
Functional Area	SA	A	N	D	
Administration	0	7	9	0	16
Finance	0	9	0	0	9
Labourer	3	88	47	17	155
Chainsaw Operator	0	1	0	4	5
Technician	0	8	7	0	15
<b>Total</b>	<b>3</b>	<b>113</b>	<b>63</b>	<b>21</b>	<b>200</b>

Researcher's field work, 2012

Table 4.5 indicates that 116 employees, representing 58% of the total respondents agreed that their jobs provided them with the opportunity to develop their talents while 21 employees, representing 11% of the total respondents disagreed. 63 employees, representing 32% of the total respondents were also unsure about whether their jobs provided them with the opportunity to develop their talents. The consequence of employee talent management on both firms is that, the competence and skills of employees would be fully exploited to the advantage of their respective firms in the long run and employees would be motivated because they get the opportunity to develop their in-born talents.

**Table 4.6 Manager motivates me to do a good job**

					Total
Functional Area	SA	A	N	D	
Administration	0	7	7	2	16
Finance	0	3	3	3	9
Labourer	3	44	39	69	155
Chainsaw Operator	0	1	4	0	5
Technician	0	0	0	15	15
<b>Total</b>	<b>3</b>	<b>55</b>	<b>53</b>	<b>89</b>	<b>200</b>

Researcher's field work, 2012

In Table 4.6, 58 employees, representing 29% of the total respondents agreed that their managers motivated them to do a good job and 89 respondents representing 45% of the total respondents disagreed. The lack of motivation of employees by their managers imply that employees would not offer their very best in the execution of their tasks because their morale would be lowered. This would have a dire consequence on the organizational output of their respective firms. Motivation here is not limited to monetary but also, recognition for a good work done and how employee shortcomings are communicated to them.

**Table 4.7 I am provided with the necessary resources to complete my task successfully**

Functional Area	A	N	D
Administration	11	4	1
Finance	9	0	0
Labourer	10	58	87
Chainsaw Operator	1	0	4
Technician	7	8	0
Total	38	70	92

Researcher's field work, 2012

Table 4.7 above depicts that, 38 employees, representing 19% of the total respondents agreed that their respective firms provided them with the necessary resources to complete their tasks successfully, with 92 employees, representing 46% of the total respondents in disagreement. 70 respondents, representing 35% of the total population were also unsure. If the necessary resources are not provided for employees, it would take a longer time for them to successfully accomplish their tasks. This would retard organizational growth because output would be affected in the long run since the desired quality would not be attained, as employees would try to accomplish tasks out of their own ingenuity.

**Table 4.8 The physical conditions are conducive to achievement**

					Total
Functional Area	SA	A	N	D	
Administration	4	3	6	3	16
Finance	0	6	3	0	9
Labourer	4	43	49	59	155
Chainsaw Operator	0	1	0	4	5
Technician	3	9	3	0	15
<b>Total</b>	<b>11</b>	<b>62</b>	<b>61</b>	<b>66</b>	<b>200</b>

Researcher's field work, 2012

Table 4.8 illustrates that 73 employees, representing 37% of the total respondents agreed that the physical conditions in their respective firms were conducive to achieve results while 66 respondents, representing 33% of the total respondents disagreed. 61 respondents, representing 31% of the total respondents also expressed uncertainty about whether their physical working conditions were conducive to achievement. In spite of 73 respondents in agreement to the statement, a fair idea is not represented because the gap between respondents who agreed, disagreed and unsure about the statement was very slim. The effect of not having a conducive environment to attain results is that, employees would not be motivated to stay in their respective firms, especially when they have the opportunity to satisfy that desire in other organizations. This is because the physical conditions of an organization in itself alone are an intrinsic motivation for most people.

### 4.3.2 Section C Organizational factors

Section C of the questionnaire contained statements related to organizational factors that could potentially impact on staff turnover. Organizational factors that can potentially impact on staff turnover include the organizational culture, organizational climate, communication, empowerment, promotional opportunities, corporate management, geographical location, training and development and organizational commitment (Newstrom& Davis, 1997; Jooste, 2003; Tappen, 2001; MacFarland, 2002; Fielding, 2001).

*Table 4.9 Managers encourage team work*

Functional Area	A	N	D
Administration	7	8	1
Finance	9	0	0
Labourer	100	36	19
Chainsaw	1	0	4
Technician	12	0	3
Total	129	44	27

Researcher's field work, 2012

Table 4.9 indicates that 129 employees, representing 64% of the total respondents agreed that their managers encouraged team work while 27 employees representing 14% of the total respondents disagreed. The encouragement of team work as depicted above by majority of employees means that productivity and profit maximization would be achieved because of the healthy working relationship attained through team work.

**Table 4.10 There is an open communication in the organization**

Functional Area	A	N	D
Administration	8	7	1
Finance	6	0	3
Labourer	82	12	18
Chainsaw Operator	35	1	4
Technician	20	3	0
Total	151	23	26

Researcher's field work,

Table 4.10 depicts that 151 employees, representing 76% of the total respondents agreed that there was an open communication in the organization, whereas 26 respondents disagreed. This shows that employees from both firms are involved in their organizational decision making. This is in agreement with the work of Taylor and Consenza (1997) that it is important to communicate the values of the organization to its employees in order to increase their level of consent, participation, and motivation.

*Table 4.11 There is a feeling of trust among colleagues*

					Total
Functional Area	SA	A	N	D	
Administration	4	1	10	1	16
Finance	0	3	3	3	9
Labourer	4	85	19	47	155
Chainsaw Operator	0	0	0	5	5
Technician	0	12	0	3	15
Total	8	101	32	59	200

Researcher's field work, 2012

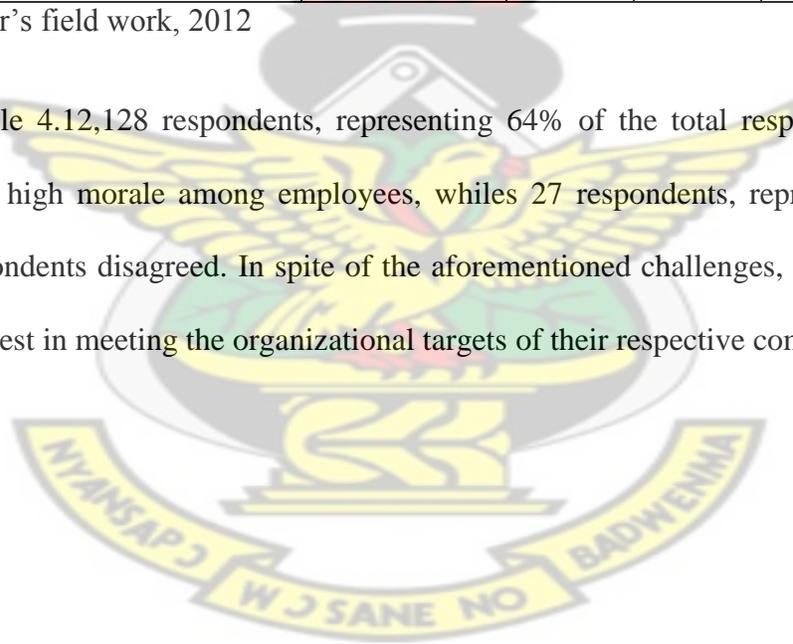
From Table 4.12, 109 employees, representing 55% of the total respondents agreed that there was a feeling of trust among employees, while 59 employees representing 30% of the total respondents disagreed. 32 employees, representing 16% of the total respondents were also unsure. When there is trust among employees as depicted above, communication among employees would be very effective, as well as an improved team work and commitment to each other. This would lead to increased output for the organization.

*Table 4.12 There is a high morale among members of the organization*

					Total
Functional Area	A	N	D	SD	
Administration	10	4	2	0	16
Finance	6	0	3	0	9
Labourers	104	33	12	6	155
Chainsaw Operators	0	4	1	0	5
Technician	8	4	3	0	15
Total	128	45	21	6	200

Researcher's field work, 2012

From Table 4.12, 128 respondents, representing 64% of the total respondents agreed that there was high morale among employees, while 27 respondents, representing 9% of the total respondents disagreed. In spite of the aforementioned challenges, employees still give out their best in meeting the organizational targets of their respective companies.



*Table 4.13 I believe management is doing their best to manage employees well*

Functional Area	A	N	D
Administration	9	7	0
Finance	0	0	9
Labour	76	47	32
Chainsaw	0	0	5
Technician	11	4	0
Total	96	58	46

Researcher's field work, 2012

Table 4.13 depicts that 96 employees, representing 48% of the total respondents agreed that management was doing their best to manage employees well, 46 employees, representing 23% of the total respondents also disagreed and 58 employees, representing 29% of the total respondents were unsure. The implication of management doing their best to manage employees would boost their morale, with the employees knowing the goodwill of management and steps being taken to address their concerns.

*Table 4.14 Job allows me to grow professionally*

					Total
Functional Area	SA	A	N	D	
Administration	0	10	6	0	16
Finance	3	3	3	0	9
Labour	0	70	61	24	155
Chainsaw	0	5	0	0	5
Technician	0	9	6	0	15
Total	3	97	76	24	200

Researcher's field work, 2012

From table 4.14, 100 employees, representing 50% of the total respondents agreed that their jobs allowed them to grow professionally while 24 employees, representing 12% the respondents disagreed, 76 employees, representing 38% of the respondents were unsure. The professional growth of employees is attributed to the talent management in place, which program, builds the competence and skills of employees for organizational growth in the long term.

#### **4.3.3 Section D Environmental factors**

Section E of the questionnaire contained statements related to environmental factors that could potentially impact on staff turnover. Environmental factors that have an effect on staff turnover are geographical location, environmental turbulence, and metropolitan area size, competition in the market place, economic conditions and support organizations (QuaEnoo, 2001; Grobler et al, 2006). Below are descriptive statistics for Section E.

**Table 4.15 I am considering applying for a new job elsewhere**

Functional Area					Total
Educational qualification	SA	A	N	D	
SSSCE	4	93	14	1	112
Diploma	1	4	0	1	6
JSS	2	25	1	0	28
Nil	3	31	5	2	41
NVTI	0	3	0	0	3
Total	10	156	20	4	190

Researcher's field work, 2012

From Table 4.15 above, 166 respondents representing 87% of the total respondents from Hanmax Veneer and Plywood and Logs and Lumber Limited agreed that they were considering applying for new jobs, 4 respondents, representing 2% also disagreed, while 20 respondents, representing 10% of the respondents were unsure. The implication is that, a high number of employees did not find themselves secured in their respective firms and therefore seeking other alternatives.

**Table 4.16 Employees stay in their job because it is hard to find another job**

					Total
Educational qualification	SA	A	N	D	
SSCE	11	59	14	22	106
Diploma	2	2	1	1	6
JSS	4	17	2	4	27
Nil	4	20	5	10	39
NVTI	2	0	1	1	4
Total	23	98	23	38	182

Researcher's field work, 2012

From Table 4.16, 121 employees, representing 61% of the total respondents agreed that employees stay in their jobs because it is hard to find another job with 38 employees representing 19% of the respondents disagreed with 23 employees, representing 12% of the respondents were unsure. This implies that, employees are limited in their career prospects due to their low educational background and this makes it difficult for them to explore other job opportunities.

**Table 4.17 Seeking other job opportunities**

	SA	A	N	D	SD
Educational qualification					
SSCE	19	76	9	7	2
Diploma	2	4	0	0	0
JSS	1	22	0	3	0
Nil	6	26	3	4	2
NVTI	0	2	1	1	0
Total	28	130	13	15	4

Researcher's field work, 2012

Table 4.17 depicts that 158 employees, representing 79% of the total respondents were seeking other job opportunities whereas 20 respondents were in disagreement that they were seeking other job opportunities, with 13 respondents unsure. 79% of the total respondents seeking other job opportunities show that the future of Hanmax Veneer and Plywood Company and Logs and Lumber Limited is very bleak.

**Table 4.18 I will leave this company if I get a better paying job**

	SA	A	N
Educational qualification			
SSCE	42	65	6
Diploma	2	4	0
JSS	7	19	0
Nil	12	27	2
NVTI	2	2	0
Total	65	117	8

Researcher's field work, 2012

Table 4.18 illustrates that 182 employees, representing 91% of the total respondents had the intentions to leave their current jobs if they got better paying jobs, while 8 employees, representing 4% of the total respondents were unsure. No respondent disagreed to the question. Although employees expressed satisfaction of their remuneration as a result of their educational levels and the evidence that they were receiving higher pay than colleagues in the same industry, employees expressed the desire to join better paying jobs, unlimited to the timber industry.

**Table 4.19 I will apply for another job if i had the opportunity**

	SA	A	N	D	SD
Educational qualification					
SSSCE	15	77	16	6	0
Diploma	0	4	0	1	0
JSS	0	27	0	0	0
Nil	4	33	3	1	1
NVTI	1	2	1	0	0
	20	143	20	8	1

Researcher's field work, 2012

Table 4.19 indicates that 163 employees, representing 82% of the respondents agreed that they would apply for new jobs if they had the opportunity while 9 respondents, representing 5% of the respondents disagreed. This implies that employees aim at exploring other opportunities from different job orientations. This may not be as the result of their remuneration but the quest for other challenges in their career.

*Table 4.20 This is the best organization I have ever worked for*

	SA	A	N	D	SD
Educational qualification					
SSCE	14	27	31	19	23
Diploma	0	2	1	1	1
JSS	0	5	12	10	0
Nil	3	8	14	12	5
NVTI	1	0	1	1	1
Total	18	42	59	43	30

Researcher's field work, 2012

Table 4.20 indicates that 60 employees, representing 30% of the respondents agreed that their organizations were the best organizations they had ever worked for, with 73 employees, representing 37% of the respondents in disagreement. This means that there is the high tendency of employees moving in to other occupations once the opportunity avails itself, to enjoy better conditions of service.

#### **4.3.4 Section E Retention Strategies**

Section E of the questionnaire contained statements related to retention strategies that can reduce staff turnover. Organizations that are recruiting for retention hire employees based on the new employment contract that recognizes new realities in the work place McKeown, (2002).

**Table 4.21 Management try their best to retain staff**

Educational qualification	SA	A	N	D	SD
SSCE	8	9	79	17	1
Diploma	1	2	2	1	0
JSS	4	7	11	6	0
Nil	3	9	20	9	1
NVTI	0	1	2	0	1
Total	16	28	114	33	3

Researcher's field work, 2012

Analysis of Table 4.21 depicts that 44 employees, representing 22% of the respondents agreed that management tried their best to retain staff, while 36 employees, representing 18% were in disagreement with 114 employees, representing 57% being unsure. This indicates that employees had not observed any employee retention plans being instituted by management and this could affect their motivation because they expect management to take their interest at heart.

**Table 4.22 Flexible working arrangements are offered to attract and retain employees**

					Total
Educational qualification	A	N	D	SD	
SSCE	2	53	48	6	109
Diploma	0	3	1	0	6
JSS	0	10	10	7	27
Nil	0	13	19	5	40
NVTI	0	2	2	0	4
	2	81	80	18	186

Researcher's field work, 2012

Table 4.22 reveals that 2 employees, representing 1% agreed that there were flexible working arrangements in place to attract and retain employees, whereas 98 employees, representing 53% of the respondent's disagreed. 81 employees, representing 44% of the respondents were also unsure. This shows that employees did not have the opportunity to attend to their family and personal needs as a result of their high work demands and would therefore seek other job opportunities with flexible working arrangements, which would help them perform other social responsibilities especially at home.

**Table 4.23 Management address the work related issues of dissatisfied staff**

	SA	A	N	D	SD
Educational qualification					
SSCE	6	28	7	46	22
Diploma	2	1	0	3	0
JSS	2	7	5	9	4
Nil	3	5	6	20	6
NVTI	0	2	0	1	1
Total	13	43	18	79	33

Researcher's field work

Table 4.23 depicts that 56 employees, representing 29% of the total respondents agreed that management addressed the work related issues of dissatisfied staff, 112 employees, representing 60% of the total respondents also disagreed, which would dampen the spirits of staff because they would feel demotivated if their work related problems are not addressed by management.

**Table 4.24 New staffs receive adequate on the job training**

	SA	A	N	D	SD
Educational qualification					
SSCE	6	27	48	24	4
Diploma	0	2	1	2	1
JSS	0	11	6	8	2
Nil	2	12	12	12	2
NVTI	1	2	1	0	0
Total	9	54	68	46	9

Respondent's field work, 2012

From Table 4.24, 63 respondents from both firms agreed that new employees received on the job training, with 55 respondents in disagreement, while 68 respondents were unsure. This indicates that proper training is not given to new employees and this could have adverse effect on the firms because employees need adequate training to function well on the job to achieve organizational objectives.

**Table 4.25 Employees are recognized for the effort they put in their work**

	SA	A	N	D	SD
Educational qualification					
SSCE	9	31	19	47	3
Diploma	1	0	1	3	1
JSS	2	5	8	11	1
Nil	1	8	8	22	1
NVTI	1	0	1	2	0
Total	14	44	37	85	6

Researcher's field work, 2012

Table 4.25 depicts that 58 respondents agreed that employees were recognized for the effort they put in their work, while 91 respondents disagreed and 37 respondents were unsure. This implies that employee efforts are not recognized in their respective firms because their efforts are not recognized by management. The consequence of this is that employees would be demotivated to give off their best and this would affect the organizational production target negatively.

**Table 4.26 There is enough training and development for staff**

	SA	A	N	D	SD
Educational qualification					
SSCE	5	12	19	60	1
Diploma	0	1	1	2	1
JSS	0	10	4	10	0
Nil	1	10	10	15	1
NVTI	0	0	1	2	0
Total	6	33	35	89	3

Researcher's field work, 2012

Table 4.26 shows 39 employees, representing 23% of the respondents agreed there is enough training and development for staff with 89 employees, representing 54% of the respondents in disagreement. The implication is that, the training and development of employees at Hanmax Veneer and Plywood Company and Logs and Lumber Limited is not effective and therefore the competence and skills of employees are not be developed for the maximization of organisational profit as well as the motivation of staff, because they tend to be engaged in their routine activities at their work places with no development of their skills by management.

**Table 4.27 The company has accommodation for staff**

					Total
Educational qualification	A	N	D	SD	
SSCE	2	37	44	4	109
Diploma	24	1	2	1	6
JSS	8	9	7	2	26
Nil	9	10	17	2	38
NVTI	1	2	1	0	4
<b>Total</b>	<b>44</b>	<b>59</b>	<b>71</b>	<b>9</b>	<b>183</b>

Researcher's field work, 2012

Table 4.27 depicts that 44 employees, representing 24% of the respondents from both firms agreed that their respective firms had accommodation for staff, while 80 respondents, representing 44% of the respondents disagreed. High responses in agreement to the availability of accommodation for staff were received from the Diploma Holders, who happen to form the senior staff, belonging to either the Finance or Administration Department. This brings anxiety among the Labourers, Chainsaw Operators and Technicians, who do not have any provision for accommodation, when they happen to form the core of operation.

**Table 4.28 There is succession plan in place for employees**

	A	N	D
Educational qualification			
SSCE	17	60	32
Diploma	2	2	2
JSS	11	11	4
Nil	8	15	15
NVTI	1	0	3
Total	39	88	56

Researcher's field work

From Table 4.28, 39 respondents agreed that their respective firms had a succession plan in place for employees while 56 respondents disagreed, 88 respondents were however unsure about whether their companies had succession plans in place. This means that employees do not have any form of training and, preparing them for future responsibilities and assuming key roles. The absence of this would create gaps, should an employee voluntarily or involuntarily resign and the firms would have to incur cost in filling the gap.

**Tables 4.29 I have an excellent relationship with my Manager/Supervisor**

Educational qualification	SA	A	N	D	SD
SSCE	1	49	31	24	3
Diploma	0	4	1	0	1
JSS	0	13	7	5	0
Nil	1	20	9	7	3
NVTI	1	1	2	0	0
Total	3	87	50	36	7

Researcher's field work, 2012

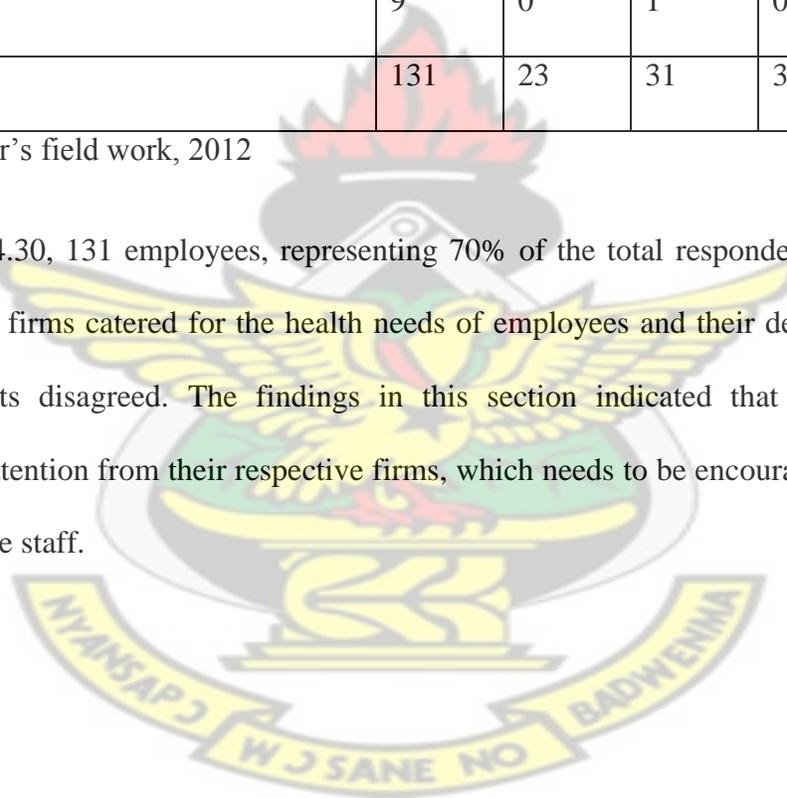
90 respondents, representing 49% of the respondents in Table 4.29 agreed that they had excellent relationships with their managers or supervisors, while 43 respondents, representing 23% of the respondents disagreed. This shows that there is a healthy relationship between managers and their subordinates, which employees are pleased with, thereby motivating them.

**Table 4.30 The health needs of employees and their dependents are catered for**

					Total
Educational qualification	A	N	D	SD	
SSCE	56	3	17	2	107
Diploma	20	1	0	0	5
JSS	48	4	7	0	25
Nil	2	15	6	1	41
NVTI	9	0	1	0	10
<b>Total</b>	<b>131</b>	<b>23</b>	<b>31</b>	<b>3</b>	<b>188</b>

Researcher's field work, 2012

In Table 4.30, 131 employees, representing 70% of the total respondents agreed that their respective firms catered for the health needs of employees and their dependents, while 36 respondents disagreed. The findings in this section indicated that employees enjoyed medical attention from their respective firms, which needs to be encouraged because it tends to motivate staff.



## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter discusses the findings from the survey analysis, conclusion and recommendations of the study.

#### 5.1 Summary of findings

This study attempts to examine the impact of retention strategies on labour turnover. The following are the findings from the research;

##### 5.1.1 The causes of employee turnover at Hanmax Veneer and Plywood Company and Logs and Lumber Limited

This section sought to analyze the causes of employee turnover at Hanmax Veneer and Plywood Company and Logs and Lumber Limited and as per the findings, employee performance management was poorly carried out in both firms. This was depicted in Table 4.5, when 108 employees, representing 54% of the total respondents disagreed that their managers discussed their performance with them. 89 respondents also disagreed in Table 4.6 that they were motivated by their managers to do good jobs. Employees also expressed the need for them to have resources to successfully accomplish their tasks in Table 4.8, when 92 respondents disagreed that they were provided with the necessary resources to complete their tasks successfully. The lack of employee performance management, the lack of motivation of staff by management, the non-availability of resources for employees to

successfully accomplish tasks were identified as the main causes of employee turnover at Hanmax Veneer and Plywood Company and Logs and Lumber Limited.

### **5.12 The current retention strategies at Hanmax Veneer and Plywood Company and Logs and Lumber Limited**

This section was to analyze the current retention strategies at Hanmax Veneer and Plywood Company and Logs and Lumber Limited. Analyses of the findings indicated that employees from both firms were satisfied with their remuneration. This was depicted in Table 4.3, when 116 employees, representing 58% of the total respondents agreed that they were paid fairly for their jobs. This is in agreement with the studies of Nel et al. (2004) that people perceive their remuneration as an indication of what they are worth to the organization. In Table 4.5, 116 employees from both firms, representing 58% of the total respondents also indicated that their jobs provided them with the opportunity to develop their talents. Employees from both firms again indicated that their managements encouraged team work. This was supported by 129 employees, representing 61%, of the total respondents in Table 4.9. The findings also indicated that there was an open communication within both firms. This was depicted in Table 4.10, when 151 respondents, representing 76% of the total respondents attested to this. Table 4.30 also illustrated that 131 respondents, representing 70% of the total respondents agreed that their respective firms catered for the health needs of employees and their dependents. Table 4.29 showed that 90 respondents, representing 49% of the total respondents agreed they had excellent relationships with their managers. The current retention strategies at Hanmax Veneer and Plywood Company and Logs and Lumber Limited were identified as attractive remuneration for staff, an open communication system,

the provision of health care for employees and an excellent working relationship between managers and subordinates.

### **5.1.3 The effectiveness of the retention strategies at Hanmax Veneer and Plywood Company and Logs and Lumber Limited**

This section sought to analyze the effectiveness of the retention strategies at Hanmax Veneer and Plywood Company and Logs and Lumber Limited.

From the study, Table 4.15 indicated that 166 employees, representing 82% of the total respondents showed that they had considered applying for other jobs. 121 respondents also agreed in Table 4.16 that employees stayed in their jobs because it was hard for them to secure other jobs. 101 respondents in Table 4.6, representing 52% of the total respondents were also unsure about whether or not they were settled in their areas of work. In Table 4.17, 158 employees, representing 83% of the total respondents also indicated that employees of Hanmax Veneer and Plywood Company and Logs and Lumber Limited were seeking other job opportunities. Table 4.19 also depicted that 182 employees, representing 95% of the total respondents agreed that they would apply for other jobs if they had the opportunity. It was also evident in Table 4.21 that 112 respondents expressed uncertainty about whether management tried their best to retain staff. 98 respondents also showed in Table 4.22 that there were no flexible working arrangements for staff. It was again evidenced from Table 4.23 that 112 respondents disagreed that management of their respective firms addressed the work-related issues of dissatisfied staff. Table 4.25 also depicted that 91 respondents, representing 49% of the total respondents disagreed that

employees were recognized for the efforts they put in their work. Table 4.26 indicated that 89 respondents disagreed that there was enough training and development for staff. 88 respondents in Table 4.27 also expressed uncertainty about their respective companies having a succession plan in place.

The study indicated that the retention strategies at Hanmax Veneer and Plywood Company and Logs and Lumber Limited were not effective enough in retaining employees and because of this, employees showed the willingness to leave their respective firms. This is attributed to the fact that the work-related issues of dissatisfied staff were not addressed by management, employee efforts were not recognized, the training needs of employees were as well not addressed and also there was no succession plan in place.

## **5.2 Conclusion**

The study was conducted to examine the effect of retention strategies on employee retention. The findings indicated that, although the retention strategies at Hanmax Veneer and Plywood Company and Logs and Lumber Limited were not effective enough in retaining staff, turnover in both firms is relatively low, in spite of employees' willingness to leave. It was learnt at Logs and Lumber Limited that averagely, 8 to 10 employees resign annually. At Hanmax Veneer and Plywood Company, employee turnover is very low. The study further revealed that the timber industry is dominated by Chainsaw Operators, Labourers and Technicians, who have low levels of education and therefore limited in their career prospects. It is however important for the timber industry to improve upon its retention strategies if they are to experience a lower turnover rate and to retain competent staff.

### **5.3 Recommendations**

The following recommendations are made based on the main findings of the study;

#### **5.3.1 Job factors**

It was revealed from the study that employees from both firms were not motivated by their managers and it is recommended that management of both firms consider the importance of motivation on employee retention and to motivate employees in terms of incentives, recognition, promotion and work life balance. Employees also expressed dissatisfaction about the unavailability of resources to achieve results. It is therefore recommended that, since employees within the main stream of production are mostly prone to danger, employees ought to be provided with basic safety tools like goggles, safety boots and helmet to enhance a conducive working environment for them to achieve the best of results, thereby retaining them. The reason being favorable conditions of service have a tremendous effect on the level of pride of employees and the work they are doing.

The study also indicated that employee performance was not managed. It is recommended therefore that a continuous performance management program be instituted so that employees will have clarity on what is expected of them, that their performance is being monitored and recognized and that they get opportunities to develop themselves.

### **5.3.2 Organizational factors**

The study showed that employees were satisfied with the conditions under the organizational factors, looking at the open communication system in place, the team work being encouraged by their managers and the high morale among employees. Management to both firms is therefore encouraged to maintain and improve upon the existing standards in place.

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### **5.3.3 Environmental factors**

The study revealed that, in spite of the willingness of employees to explore other employment opportunities, they were limited by their educational qualifications. It is therefore recommended that that management undertakes an analysis of the environment in which employees operate, to be informed of the factors that pull people towards and push people away from their firms. Based on the results, strategies should be developed to overcome limitations. This could include conducting a frequent survey among employees to assess their means of motivation and to make amends to retain them. If this is not done, employees who are limited by their educational background with time will be attracted to other firms they fit into, whose conditions they find more convenient, and they will take along their experience and skills at the expense of their organizations.

### **5.3.4 Retention strategies**

The findings revealed that the current retention strategies in the timber industry are not effective enough in retaining staff and this was depicted by responses from employees.

It is therefore recommended that employees are trained to improve upon their skills, because it is through training that the competence of employees could be maximized and retained in the organization to give off their very best to increase productivity. This is in agreement with the study conducted by Akintayo (1996) that training increases productivity of work and improves skills, knowledge, understanding and attitude; enhances the use of tools and machines; reduces waste, accidents, turnover and lateness among others. This was also collaborated by Oguntinchin (2001) that training and development enhances the implementation of new policies and regulations; prepares people for achievement, improves man power development and ensures the survival and growth of the organisation.

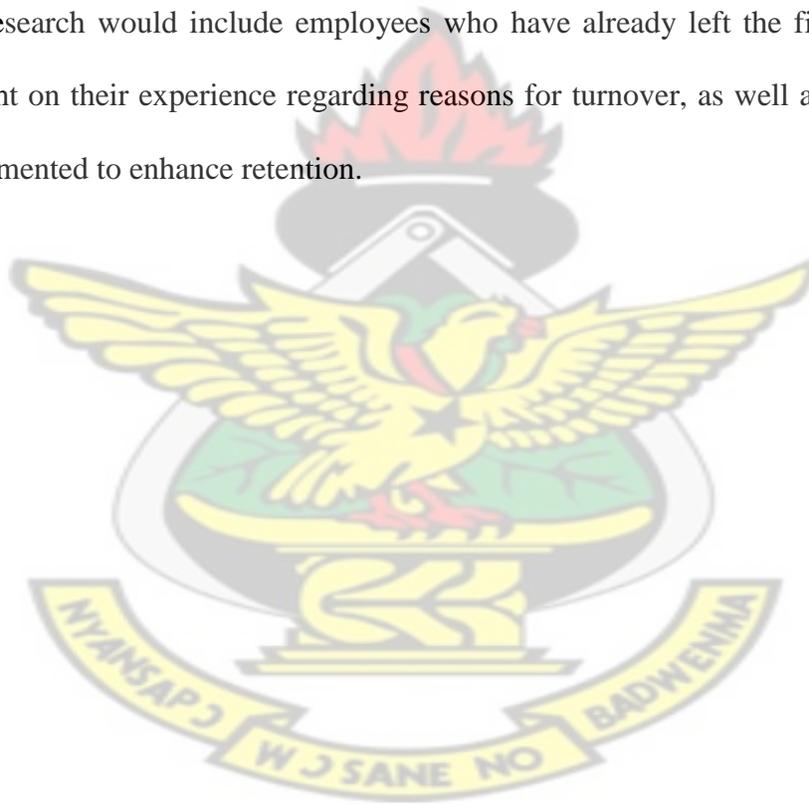
Management should also have a succession plan in place to develop its competent staff to prepare them for the future to easily assume responsibilities without necessarily creating gaps when vacancies do occur. This saves the company the cost of recruiting and training new employees as well as affecting its output. Succession planning would also motivate employees and hence, retain them.

Again, flexible working arrangements should be provided for employees to enable them balance their work and life demands. The pursuit of work-life balance reduces the stress employees go through. As employees spend most of their time at the workplace, they feel they have neglected other important aspects of their lives. Stress and unhappiness then results. Employers can therefore assist employees to experience work-life balance by offering them flexible working hours and this serves as an important retention strategy.

#### **5.4 Areas for Future Research**

The study was restricted to two wood processing firms, namely Hanmax Veneer and Plywood Company and Logs and Lumber Limited. The findings indicated that labour turnover is relatively low as compared to other sectors such as the mining and cocoa processing industries, which are highly competitive and turnover likely to be high. Future studies will seek to analyze more competitive industries.

The study was primarily aimed at employees in both firms who are permanently employed. Future research would include employees who have already left the firms, who will shed more light on their experience regarding reasons for turnover, as well as strategies that can be implemented to enhance retention.



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APPENDIX I

**KWAME NKRUMAH UNIVERSITY OF SIENCE AND TECHNOLOGY**

**COLLEGE OF ARTS AND SOCIAL SCIENCES**

**SCHOOL OF BUSINESS**

**QUESTIONNAIRE DESIGNED TO INQUIRE ABOUT LABOUR TURNOVER**

**(MANAGEMENT QUESTIONNAIRE/ FORM)**

I wish to introduce myself to you as a Master of Business Administration (MBA) student of the School of Business, Kwame Nkrumah University of Science and Technology. As part of the programme, I am required to write a thesis whose title is **LABOUR TURNOVER IN THE WOOD PROCESSING INDUSTRY**. Your organization has granted me permission to use it as one of my case study organizations. Consequently, sampled employees, of which you are a member, are required to fill in the following questionnaire. I would be most grateful if you could please spare some few minutes of your precious time to answer all the questions that follow. You are assured that all the data you provide would be treated with utmost confidentiality. I thank you in advance for your co-operation.

**Respondent's profile**

1. Gender: **Male** [  ] **Female** [  ]
  
2. Organization: .....
  
3. Functional area.....

4. How long have you been working for this organization?

Less than 1 year [ ]

1- 5 years [ ]

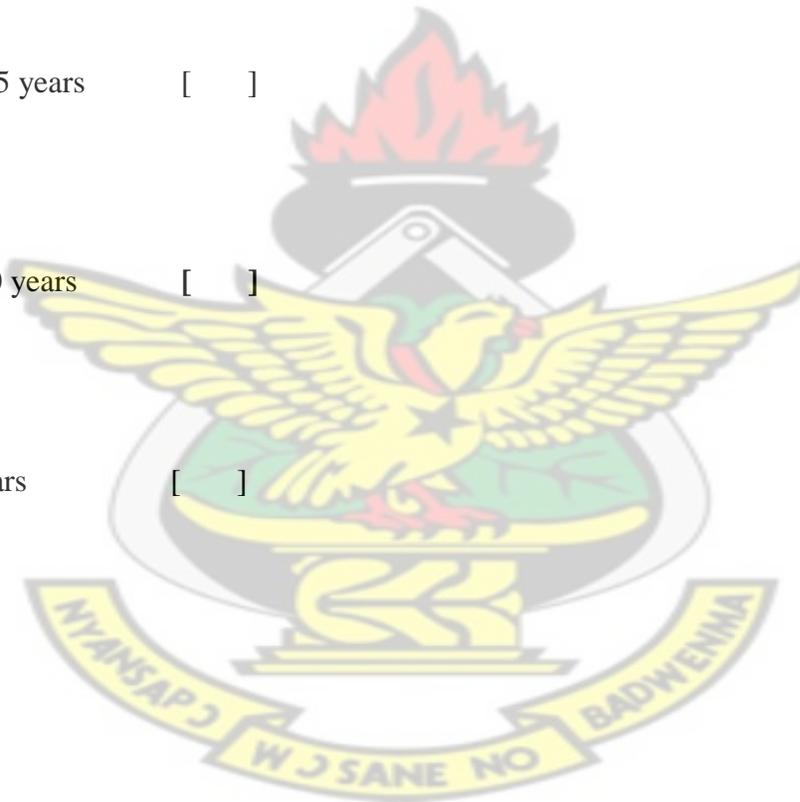
6-10 years [ ]

11- 15 years [ ]

16-20 years [ ]

20 years [ ]

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**SECTION A: JOB FACTORS**

Please indicate the extent to which you agree with each statement by putting an “X” in the appropriate block.

Job Factors	Strongly agree	Agree	Unsure	Disagree	Strongly disagree
I am paid fairly for the work I perform					
My manager discusses my performance with me					
My job provides me with the opportunity to develop my talent					
I am provided with the necessary resources to complete my task successfully					

The physical working conditions are conducive to achievement					

**SECTION B: ORGANISATIONAL FACTORS**

Please indicate the extent to which you agree with each statement by putting an “X” in the appropriate block

Organizational Factors	Strongly agree	Agree	Unsure	Disagree	Strongly disagree
The organization encourages team work					
There is an open communication in the organization					
There is the feeling of trust among employees					
There is a high morale among members of the organization					

I believe that management are doing their best to manage employees well					
My job allows me to grow professionally					

**SECTION C: ENVIRONMENTAL FACTORS**

Please indicate the extent to which you agree with each statement by putting an “X” in the appropriate block

<b>Environmental Factors</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Unsure</b>	<b>Strongly Disagree</b>	<b>Disagree</b>
Employees stay in their jobs because it is hard to find another job					
Are you looking for a job elsewhere?					

If you get a better paying job will you leave this organization?					
Will you apply for another job if you had the opportunity?					
This is the best organization I have ever worked for					

**SECTION D: CURRENT RETENTION STRATEGIES**

Please indicate the extent to which you agree with each statement by putting an “X” in the appropriate block

Retention strategies	Strongly agree	Agree	Unsure	Disagree	Strongly disagree
Management try their best to ensure that employees will not want to leave the organization					

Flexible working arrangements are offered to attract and retain employees					
Management address the work related issues of dissatisfied staff					
New staff receive adequate on the job training					
Employees are recognized for the effort they put in their work					
There is enough training and development for staff					
There is succession plan in place for employees					
This organization has career development plans in place					
I have an excellent relationship with					

my Manager/Supervisor					
This organization caters for the health needs of employees and their dependents					

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