# RADIO PRESENTERS TURNOVER AND PERFORMANCE. THE CASE OF PRIVATE COMMERCIAL RADIO STATIONS IN ASHANTI REGION



(PG 3035509)

A THESIS SUBMITTED TO THE INSTITUTE OF DISTANCE LEARNING, KWAME

NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI, IN PARTIAL

FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF A

COMMONWEALTH EXECUTIVE MASTERS DEGREE IN BUSINESS

**ADMINISTRATION** 

**APRIL 2012** 

#### **DECLARATION**

I hereby declare that, this long essay is my work towards the award of Commonwealth Executive Masters in Business Administration and that, to the best of my knowledge, it does not contain any material previously published by another person or one which has been accepted for the award of any degree of the university, except where due acknowledgement has been made in the text.

	KNU	ST	
KWABENA AMPONG	PG 3035509		
(Student name)	(Index Number)	(Signature)	(Date)
Certified by:			
STEPHEN KYEREMATENC	· · · · · · · · · · · · · · · · · · ·	<del></del>	
(Supervisor)	(Signature)	(Date)	
Certified by:	W J SANE N		
PROF. I. K. DONTWI			
(Dean, IDL)	(Signature)	(Date	)

## **DEDICATION**

This study is dedicated to my parents, Mr. and Mrs. J. E. Ampong, the entire Ampong family of Dunkwa-

On -Offin and to my wife and child Mary Boatemaa and Kwabena Oduro Ampong.



#### **ACKNOWLEDGEMENTS**

I am grateful to all those who aided me in the preparation of this study. Many helpful suggestions and valuable comments have been received from friends, relations and reviewers whose ideas have generously supplied an untold number of insightful thoughts. My intellectual debt goes to those academics, writers and human resource practitioners who have blazed new trails in the human resource field. Among those who were especially helpful in the study are Mr. S. A. Kyeremateng my supervisor, Lecturer, School of Business, KNUST, Miss Irene Ampong, Lecturer, Home Economics Department, University of Cape Coast, Rev. Benny Adu Ampong, Senior Lecturer, Christian Service University, Kumasi, Miss Patience Ampong, Director of Nursing, KATH, Jacob Serbeh, a friend, Jane Ohenewaa Gyekye, Chief Human Resource Manageress, Multimedia Group Limited and all those who helped in diverse ways to make this study a success.



## TABLE OF CONTENT

DECLARATIONi
DEDICATIONiii
ACKNOWLEDGEMENTSiv
TABLE OF CONTENTv
LIST OF TABLESviii
LIST OF FIGURESx
ABSTRACTxii
CHAPTER ONE1
GENERAL INTRODUCTION1
1.1 Background of the Study1
1.2 Statement of the Problem8
1.3 Objective of the Study9
1.4 Research Questions 10
1.5 Study Area11
1.6 Methodology12
1.7 Justification /Significance of Study12
1.8 Scope of the Study13
1.9 Limitation of the Study
1.10 Organisation of the Study14
CHAPER TWO15
LITERATURE REVIEW15
2.0 Introduction
2.1 Employee Turnover
2.1.1 Turnover Rates and its Calculation
2.1.2 The Significance of Labour/Employee Turnover
2.2 Causes of Employee Turnover
2.2.1 Critical Elements

2.2.2 Effects of Employee Turnover	25
2.2.3 The Hidden Cost of Turnover	
2.3 Unemployment and Turnover	28
2.4 Retention Strategies	29
2.4.1 The Formation of an Effective Retention Management Programme	30
2.4.2 Manager Retention Practices	31
2.4.3 Organisational Retention System.	32
2.4.4 Measurement and Accountability	32
2.5 Motivation Strategies	34
2.5.1 Compensation and Total Rewards	
2.6 Job Satisfaction	41
2.7 Leadership/Supervision	
2.8 Recruitment and Selection.	
2.9 Organisational Commitment (OC)	52
2.10 Employee Engagement	
2.11 Conceptual Framework	58
CHAPTER THREE	59
RESEARCH METHODOLOGY	59
3.0 Introduction	
3.1 Research Approches	59
3.2 Population, Sampling and Sampling Techniques	61
3.3 Sources and Types of Data	62
3.4 Data Collection	63
3.5 Data Analysis	64
CHAPTER FOUR	65
PRESENTATION OF DATA AND ANALYSIS	65
4.0 Introduction	65
4.1 Presentation of Data and Analysis	65

CHAPTER FIVE	90
SUMMARY OF FINDINDS, CONCLUSION AND RECOMMENDATIONS	90
5.0 Introduction	90
5.1 Summary of Findings	90
5.1.1 Personal Data	91
5.1.2 Causes of Radio Presenters Turnover	92
5.1.3 Effects of Radio Presenters Turnover on the Radio Stations	93
5.2 Conclusion	94
5.3 Recommendations	95
5.3.1 Strategies for Management to Reduce Radio Presenters Turnover	95
5.3.2 Role of Radio Presenters to Reduce Turnover	97
5.4 Suggestions for Future Research	97
References	98
APPENDIX	103
THE WASHINGTON	

## LIST OF TABLES

Table	Title	Page
Table 2.1	Conceptual Framework	58
Table 4.1	Positions of Staff	65
Table 4.2	Gender Composition of Respondents	67
Table 4.3	Educational Background	68
Table 4.4	Presenters' Length of Service	69
Table 4.5	Presenters' First Employment	70
Table 4.6	Presenters' Attraction to Job	71
Table 4.7	Presenters' Expectations from Job	72
Table 4.8	The Job Happiness of Presenters	73
Table 4.9	Presenters' Attendance of Workshops and Conferences	74
Table 4.10	Opportunities of Presenters' Upgrading	75
Table 4.11	Rate of Workshop and Conference Attendance	77
Table 4.12	Criteria for Job Promotion	78
Table 4.13	Rate of Presenters' Turnover	79

Table 4.14	Presenters' Job Satisfaction	80
Table 4.15	Presenters' Disappointments with Job	81
Table 4.16	Job Training for Radio Presenters	82
Table 4.17	Impact of Job Training on Presenters	83
Table 4.18	Salary Range of Presenters	85
Table 4.19	Other Employee Benefits	86
Table 4.20	Memorable Days of Presenters on the Job	87
Table 4.21	Negative Experiences of Presenters	88
Table 4.22	Possible Causes of Presenters' Exit	89

## LIST OF FIGURES

Figure	Title	Page
Figure 4.1	Positions of Staff	66
Figure 4.2	Gender Compositions of Respondents	67
Figure 4.3	Educational Background	68
Figure 4.4	Presenters' Length of Service	69
Figure 4.5	Presenters' First Employment	70
Figure 4.6	Presenters' Attraction to Job	71
Figure 4.7	Presenters' Expectation from Job	72
Figure 4.8	The Job Happiness of Presenters	73
Figure 4.9	Presenters' Attendance of Workshops and Conferences	74
Figure 4.10	Opportunities of Presenters' Upgrading	76
Figure 4.11	Rate of Workshop and Conference Attendance	77
Figure 4.12	Criteria for Job Promotion	78
Figure 4.13	Rate of Presenters' Turnover	80
Figure 4.14	Presenters' Job Satisfaction	81

Figure 4.15	Presenters' Disappointments with Job	82
Figure 4.16	Job Training for Radio Presenters	83
Figure 4.17	Impact of Job Training on Presenters	84
Figure 4.18	Salary Range of Presenters	85
Figure 4.19	Other Employee Benefits	86
Figure 4.20	Memorable Days of Presenters' on the Job	87
Figure 4.21	Negative Experiences of Presenters	88
Figure 4.22	Possible Causes of Presenters' Exit	89
	W) SANE NO BROWLE	

#### **ABSTRACT**

The strength and the success of every organisation largely depend on its Human Resource base. Indeed, human resource is the organisations most valued assets because it is human capability and commitment that distinguishes successful organisations from unsuccessful ones. Often times, organisations are faced with the challenge of staff turnover which has a great impact on the performance of the organisation and the Private Commercial Radio Stations in Ashanti Region is no exception. The purpose of this study was to find out the effects of Radio Presenters turnover on the corporate performance of Private Commercial Radio Stations in Ashanti Region. The research design employed was the descriptive sample survey and the main research instruments used was self-developed questionnaire together with interviews. The sampling size consisted of hundred staff members selected randomly from all twenty eight Private Commercial Radio Stations in Ashanti Region. Data collected were analysed using the statistical package for the social scientist (SPSS).

The study revealed that Presenters turnover is high in Private Commercial Radio Stations in Ashanti Region. It also came to light that, most of the Radio Presenters have the intentions to leave their current employment to other institutions where attractive incentive packages are offered.

Prioritising radio presenters' issues, strict application of performance reviews and the development of standardised methods of costing turnover are among the many recommendations put forth to curb radio presenters turnover in Private Commercial Radio Stations in Ashanti Region.

#### **CHAPTER ONE**

#### INTRODUCTION

#### 1.1 Background of the Study

Human Resource Management (HRM) may be considered a very important aspect of every human endeavour, particularly in the field of formal work environment. The importance of HRM in meeting the needs of the people and improving productivity among others cannot be over emphasised.

Thus according to Torrington, Hall and Taylor (2005), increasing attention is being given to the nation of 'human capital' where it is the collective nature and quality of the people in the organisation which provides the potential for future competitive advantage. From the human capital perspective, the resources embedded in people with whom they bring to work places must be treated as Capital (in the economic sense) so that if well managed, it could yield appreciable profits for the organisation within which they work

Ghana has however not been left out in the practice of managing its Human Resources in both the public and the private sector. Since the 1980's, Human Resource Management has been an important issue in Ghana. The former President of the Republic of Ghana, His Excellency, J.A. Kuffour, in a live TV broadcast did not mince words in his speech at the Ghana's Millennium Excellence Award held at the Accra Conference Centre on August 19, 2005 when he said among others that, human resource (HR) management is a top priority of Ghana's development goals.

Maintaining an effective human resource costs organisations enormous financial commitments. For example, all businesses irrespective of its nature have overall corporate missions to deliver and these have to be achieved within financial constraints hence there is the need to have their human resources managed, no matter how much some of the resourceful humans may resent aspects of the management process which limit their individual freedom of action.

Moreover, human resource are to be managed in such a way as to be profitable to the organisation as well as meet the expectation of the employee in order to keep them working for a reasonably longer time. There are now many research works towards redressing that balance in search for equilibrium between the needs for financial viability and success in the marketplace on one hand and the need to maximize human capital on the other. There is the need to compete effectively in the employment market by recruiting and retaining the best, affordable workforce that is available.

According to Armstrong (2006), the analysis of the numbers of people leaving (labour turnover or wastage) provides data for use in supply forecasting, so that calculations can be made on the number of people lost who may have to be replaced. According to him, what is more important is that, the analysis of the numbers of leavers and the reasons why they leave provides information that will indicate whether any action is required to improve retention rates. Moreover, it can prompt further investigations to establish underlying causes and identify remedies.

Renm (2008), wrote that, it is more than likely that within some pocket of one's organisation, there is a 90 percent chance that an employee commitment or retention problem exist and it is costing the company a bundle. He indicated that figures released in October 2007 by Statistics New Zealand found that 90.5 percent of unemployed left their job voluntarily. The 'War for Talent' is over – the

employee has already won. However, the battle to retain the most talented employees has just begun and will rage on for some time to come.

Intention to leave a job refers to the intent or predisposition to leave the organisation where one is presently employed. Although intention to leave does not necessarily means actual employee turnover, intention has been found to be a strong predictor of quitting a job. High intention to leave may also have indirect negative influence at work in the form of withdrawal, i.e. declining participation in a job. Withdrawal has been found to manifest itself in lateness, absenteeism, avoidance behavior and lowered performance. In certain organisations, the costs of employee turnover, both direct and indirect are substantial. Therefore, studying the antecedents of intention to leave is of high importance (Kivimaki et al, 2007).

According to Harris, James and Boonthanom (2005), although it is recognised that people leave their job for a variety of reasons, there is consistent evidence indicating that voluntary turnover can be explained by employees intention to leave the organisation. In investigations of turnover, actual voluntary turnover measures are extremely difficult to obtain; therefore intentions to leave are used in the high majority of turnover studies, as these intentions are the only antecedent that has been consistently found to be a direct antecedent to actual turnover.

Human Resource is responsible for one of the core functions of any organisation: maintaining a highly effective workforce, job satisfaction, compensation and benefits and opportunities for professional growth are all factors that impact employee turnover and success, and Human Resource administers the programs that drive these benchmarks. Most HR offices face a similar conundrum. That is, can HR leadership best use existing capital to support a workforce while simultaneously planning for the needs of an evolving enterprise? For a solution to this challenge,

many human resources divisions are relying on performance management applications that address short-term and long term planning in one cohesive package.

In the framework, management sees data from important indicators like employee turnover that can be used in conjunction with broader assessment tools.

And like any other resources, high potential human resources must be retained at all costs. Usually (unless during recession) high potential human resources are scarce and therefore the market forces of demand and supply will determine their price. Hence Armstrong (2006), states that, "the market, not the company will ultimately determine the movement of employees". The writer believed that it may be difficult to counter the pull of the market saying, "you cannot shield your people from attractive opportunities and aggressive recruiters". He further went on to assert that: 'the old goal of HRM – to minimise overall turnover – needs to be replaced by a new goal; to influence who leaves and then.'

Armstrong (2006) also proposed that the above assertion could be based on a risk analysis to quantify the seriousness of losing key people or key posts becoming vacant.

Indeed the emphasis here should be on the challenges facing organisations when their core employees leave or have the intention of leaving. According to Torrington, Hall and Taylor (2005), there are some debates about the level at which staff turnover rates have to reach in order to inflict measurable damage on an employer. Also even though turnover does not connote any good impression in the minds of people, it has its own advantages which have been advanced by many scholars. Certain organisations such as fast food restaurants are widely reported as managing with turnover rates in excess of 300% that is an average term for each employee is only four months

(Torrington, Hall and Taylor, 2005). Yet the companies concerned are some of the most successful in the world. However this greatly differ from professional services organisations where the personal relationships established between employees and clients are central to ongoing success, a turnover rate in excess of 10% is likely to cause damage to business. In fact Torrington and co. state that, "the most stable workforces are to be found in the public services", citing the CIPD (2003, p.9)

Some of the arguments that can be made in favour of a certain amount of staff turnover as put forward by Torrington, Hall and Taylor (2005) are that:

Organisations need to be rejuvenated with fresh blood from time to time if they are to avoid becoming stale and stunted. This point according to the writers is particularly true at senior levels, where new leadership is often required periodically to drive change forward. More generally however, new faces bring new ideas and experiences to help organisations become more dynamic.

Secondly, in organisations which are subject to regular and unpredictable changes in business level, it is possible to argue that a degree of turnover helps managers to keep firmer control over labour costs than would otherwise be the case. Through the above, organisations are able to minimize staffing budgets whiles maintaining profit levels during leaner periods because when income falls, it is possible to hold back from replacing leavers until such a time that it begins to pick up again. Also, reducing bills are lower in organisations with relatively high staff turnover because they are able to use natural wastage as the main means of reducing their workforce where compulsory layoffs are needed.

Finally, it can be plausibly argued that some employee turnover is 'functional' rather than 'dysfunctional' because it results in the loss of poor performers and their replacement with more effective employees.

According to the Incentive Performance Centre (2008), many top executives secretly like turnover. That's why so many businesses tolerate double-digit turnover rates every year. These executives believe that turnover saves money by keeping the average employee on the low end of the pay scale. The longer an employee stays, the more they will earn. It's easy to hold this point of view because it's often difficult to truly measure the cost of turnover overtime.

A careful study can reveal certain trends of turnover rates amongst different categories of work economic situations as well as periods of tenuring.

According to Torrington, Hall and Taylor (2005) and cited the New Earning Survey, the General Household Survey and the British Labour Force Survey show that relatively little actually changed in terms of employee retention during recent decades, disputing the popular accession that "there are no longer jobs for life". According to the survey, turnover always rises when the economy is strong and jobs are plentiful because there are more opportunities available for people to change employers. Conversely, during recessions, staff turnover falls, because relatively few attractive permanent positions are advertised. The writers also mentioned gender effects on turnover saying that male tenure rates fell as they took early retirements or accepted redundancy packages whilst women's (those with children) rates shot up especially following maternity leaves and also due to the career opportunities available to them. In fact, the survey revealed that long periods of job tenure remained the norm for a substantial period of the working population. It shows that people

tend to move from employer to employer early on in their careers, often staying in one employment for just a few months, but once they find a job that they like, they tend to remain for several years.

Employees come and go: For most employers, that is a fact of business life and it is also a fact that there is cost associated with employee turnover, both tangible and intangible. Hiring involves the time and cost associated with interviewing, evaluation and selecting new employees. There are training cost to bring an employee up to speed in a job and there are less tangible cost of not having a skilled employee in a job when you need one - cost that can be measured in terms of customer satisfaction or lost customers.

All of these costs add up, even for lower-paid workers. Some sources keep the cost of hiring and training an hourly worker at 300 to 700 times the workers hourly wage. HR.com, a human resources web site, has estimated that it costs two to three times more to replace a worker than to keep an existing employee-even when you are replacing an unproductive employee with one who is more efficient (Incentive Performance Centre, 2008).

However, turn over and the costs associated with it may be manageable during tight economic periods, when employees at all levels are more likely to stay put. But when the economy improves, turnover increases, and it is often a company's best employees that jump ship-especially if they are feeling underappreciated or undervalued. (Incentive Performance Centre, 2008).

HR personnel must understand the analysis of the number of people leaving their organisations (labour turnover/wastage) which provides data for use in supply forecasting so that calculations can be made on the number of people lost who may have to be replaced.

Most importantly however, the analysis of the numbers of leavers and the reasons why they leave provides information that will indicate whether any action is required to improve retention rates. It can prompt further investigations to establish underlying causes and identify remedies (Armstrong, 2006)

The above submission is against the background that high turnover rate of high potential human resource can affect organisational performance negatively.

## 1.2 Statement of the Problem

People are the most valuable assets of every organisation; machines do not work by themselves but are manipulated in one way or the other by people to achieve organisational goals. These people no doubt must be managed in such a way as to achieve the best from them by managing organisations' human life. Competition is high in the HR market for competent labour in the radio broadcasting industry and therefore, upon achieving all the above in a bid to manage high potential human resources, there is the need to retain these people especially, radio presenters so that they gain the right experience and the need over time to contribute to the enhancement of organisational performance to achieve organisational goals.

However, in spite of the effort to motivate these employees to stay, they nevertheless leave their organisations, taking for granted that employees would not leave but stay once they are hired. Thus according to Armstrong (2006), "Every worker is five minutes away from handing in his/her notice and 150 working hours away from walking out of the door to a better offer. There is no such thing as a job for life and today's workers have few qualms about leaving employers for greener

pastures". If these statements are anything to go by, then the challenge is huge for employers and their human resource managers to find remedies to cure this menace that baffle organisations.

When radio presenters leave their organisations, the cost repercussion is two-way. Some of the direct costs are those associated with replacing radio presenters who have left, ranging from the cost of placing a recruitment advertisement, through the time spent administering and conducting the selection process, to expenses required in inducting and training new employees. According to Torrington, Hall and Taylor (2005), for larger organisations who employ specialists' recruiters, these costs can be very expensive.

The indirect cost include the less measurable ones such as those sustained as a result of poorer performance on the part of less experienced employees and low moral of those who remain especially if turnover is high.

It is in the light of the above challenges that this study is being conducted to find out the effects of the radio presenters leaving their organisations on employee performance, whether high turnover of all categories is always the cause of low performance and the kind of retention strategies which can be adopted to reduce turnover and the intention to leave, if not to eradicate it completely. This study would use field research to identify the relationship of radio presenter's turnover and other extraneous factors on employee performance at private commercial radio stations in Ashanti Region.

#### 1.3 Objective of the Study

The general objective of the study is to explore into the reasons why radio presenters leave their work and the effect of this action (turnover) on the performance of affected radio

stations in Ashanti region and attempt to make certain recommendations which may help organisations to rectify the problem.

Specifically, the study will attempt to:

- Identify the radio presenters' turnover rate in private commercial radio stations in Ashanti Region.
- Identify the causes of radio presenters' turnover in private commercial radio stations in Ashanti Region.
- 3. Find out the effect of radio presenters' turnover on employee performance in private commercial radio stations in Ashanti Region.
- 4. Make appropriate recommendations so that radio presenters can be retained with effective motivational strategies.

#### 1.4 Research Questions

- 1. What is the turnover rate of radio presenters in private commercial radio stations Ashanti?
- 2. What are the reasons why radio presenters in private commercial radio stations in Ashanti Region leave?
- 3. Does the radio presenters' turnover situation in private commercial radio stations in Ashanti region affects employee performance?
- 4. What are the human resource practices that can prevent these radio presenters turnover or

support retention?

#### 1.5 Study Area

The organisation chosen for this study is the private commercial radio stations in Ashanti Region, Ghana. Ashanti Region joined the fray of private radio broadcasting in the country when the airwaves were liberalised in the early 1990s. OTEC FM became the first private radio station to broadcast in the region by the year 1994 under the ingenious leadership of a private entrepreneur by name Oppong Twumasi who built his own transmitter and other studio equipments to begin his radio business and named it after his company, Oppong Twumasi Electrical Company (OTEC FM).

This therefore broke the monopoly in radio broadcast in the region which was previously dominated by the public broadcaster, Garden City Radio. Other stations like Kapital FM, Luv FM and Foxx FM later joined in and brought the radio broadcasting competition to a different level. There are currently about 28 private commercial radio stations in the region with 22 of them located in the Kumasi metropolis, 2 at Konongo, 1 at Effiduase, 1 at Obuasi, 1 at Agogo and 1 at Ashanti Mampong.

It is the aim of the owners of these private commercial radio stations to maintain a high productivity level to make it viable and profitable. This therefore calls for the recruitment, training and the development of high quality human resource. This aim is often times being challenged by the fact that, these key quality human resource exit the radio stations at a time when they are mostly needed thereby creating corporate performance challenges even after spending scarce resources on them. Most of them hop from one station to another and the trend is dictated by the highest bidder with some of them sometimes attracting a poaching fee of close to GHC 100,000.

#### 1.6 Methodology

The study population of private commercial radio stations in the Ashanti Region involved all the sampling units, that is, all staff. A random sample of the various private commercial radio stations in Ashanti region was done to select the sample units for the study. The sample size of hundred (100) constituted all private commercial radio stations staff found within the chosen region. A two-tier research strategy involving statistical method survey as well as interviews was employed to gather quantitative data such as the number of staff that has left the organisation since its commencement, those who intend to leave and the reason(s) why they intend to leave or otherwise.

With the aid of the Statistical Package for Social Sciences (SPSS), data analysis involved description and analysis to determine the causes and effects of turnover of radio presenters in private commercial radio stations in Ashanti region on corporate performance.

## 1.7 Justification or Significance of Study

People are employed only to leave. Most employees leave their organisation without giving the true reason(s) for leaving. Even if exit interviews are conducted, leaving employees may find it difficult/uneasy to say exactly why they are leaving.

Employers would gain immensely if they are able to retain their employees for as long as they are needed. They must also know the cost of turnover (and the intentions of their staff to leave) of their organisations.

This study is justified for many reasons amongst which are: to enlighten management on the dos' and don'ts' in retaining presenters at radio stations. It also intends to let management realize the cost they incur when they lose their presenters (especially the key players).

Also the study will provide a critical and analytical perspective for understanding the problems and challenges under-pinning staff retention and its effect on organisation's performance.

Finally, recommendations will be provided to complement the efforts of employers especially in private commercial radio business in Ashanti region in finding and retaining the right people to work to achieve organisational goals.

KNUST

## 1.8 Scope of the Study

The study covers only the staff of private commercial radio stations in the Ashanti region. The outcome of the study can only be generalised within the Ashanti region. This is because conditions prevailing in other regions such as culture, demographics and leadership may be different. The term 'turnover' used in the study was limited to the voluntary turnover and not turnover resulting from any other reason. Since it was realised that exit interviews were virtually non-existent at private commercial radio stations, it was difficult if not impossible to have found out from those who had left the organisation reasons why they left. However the reasons for intention to leave by those still working at private commercial radio stations was used to make up for that since intention to leave has been found to have almost the same effects as leaving.

## 1.9 Limitation of the Study

The study did not go without challenges even though those encountered were a few. The major challenges which confronted the study emerged during the administration of the questionnaire. Certain questions were deemed controversial and respondents felt uneasy to give the appropriate answers. However, the researcher assured them of confidentiality. When it was stressed that the

issue of identification by anybody was impossible most of them gave the assurance of given appropriate answers.

Finally getting the staff was difficult since most of them are on shift. However, through mobile phones calls the researcher was able to get them eventually to fill the questionnaire.

#### 1.10 Organisation of the Study

The study comprises of five (5) chapters which are outlined as follows. Chapter one looked at the general introduction of the study. This consists of the background of the study, statement of the problem, research objectives and the significance of the study. Chapter two reviewed related and relevant literature on the topic and then attempted to link it to the current study. Among the issues discussed were retention strategies, employees' turnover, the concept of human resource etc. Chapter three looked at the methodology employed in the research. Chapter four presented the data collected with analysis and discussions and Chapter five looked at the summary of findings, conclusions, recommendations for future policy implications and then suggested areas for further research.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.0 Introduction

The study will review literature on Employee Turnover, Causes of Employee Turnover-Push and Pull factors; Turnover rates; effects of Employees Turnover on performance of the organisation, Retention Strategies, Motivational Strategies, Job Satisfaction; Leadership/Supervision and Recruitment and Selection.

#### 2.1 Employee Turnover

There is substantial academic and business literature demonstrating the importance of employee satisfaction in building loyalty to an organisation and by extension, reducing employee turnover. In this case, turnover is defined as an employee's voluntary decision to leave an organisation, thereby representing an exercise of choice on the part of the employee and reflecting some form of decision process on the part of the employee. (Internet)

The work of the Human Resource Manager is very crucial in organisations. Human Resource is responsible for one of the core functions of any organisation: maintaining a highly effective workforce, job satisfaction, compensation and benefits and opportunities for professional growth are all factors that impact employee turnover and success, and Human Resource administers the programs that drive these benchmarks. Most HR offices face a similar conundrum. That is, can HR leadership best use existing capital to support a workforce while simultaneously planning for the needs of an evolving enterprise? For a solution to this challenge, many human resources divisions

are relying on performance management applications that address short-term and long term planning in one cohesive package.

#### 2.1.1 Turnover Rates and its Calculation

There are a number of ways of measuring turnover.

According to Wikipedia, one typical method of calculating the turnover rate of a company is to divide the number of employees who have left the organisation within a year by total number of employees who work for that company in the same year.

Armstrong (2006) shows the calculation of about four methods of calculating turnover rate. The first is the labour turnover index (sometimes referred to as the employee or labour wastage index). This method is also known as the traditional formula for measuring wastage. The calculation is as follows:

Number of leavers in a specified period (usually 1 year) x 100 = Rate of turnover

Average number of employees during the same period

According to Armstrong, this method is commonly used because it is easy to calculate and to understand. For human resource planning purpose, it is a simple matter to work out, that is, if a company wants to increase its workforce by 50 people from 150 to 200, and the labour turnover rate is 20% (leading to a loss of 30 people), then if this trend continues, the company would have to recruit 90 employees during the following year in order to increase and to hold the workforce at 200 employees employed. This method can also be used to make comparisons with other organisations

which will typically adopt this method. However in spite of its simplicity in calculation, it can be misleading.

That is, if for example there were 100 employees at the beginning of the year, and 100 employees at the end of the year, and at the end of the year, 84 of those employees were the same ones as were there the previous year, one might say that the turnover rate was 16%. But suppose one of those 16 who left was actually replaced three times, the employee quit in January, the replacement quit in April, and another person was hired who lasted only until November, then one might want to count every time an employee left the company and another one was hired- in this case the rate would be 18%.

Another complication is that, suppose the work force is 100 at the beginning and 90 at the end of the year perhaps 16 people have left, but only 6 have been hired during the year, while 2 more were hired and retired within the same year. We might define turnover as 18/100 or as 18/90, or as 18/95, since 95 is the average of 90 and 100. Instead of 95, you might want to do a fancier average, where you actually add up the number of employees on each day of the year, and divide the total by 365.

One more complication is that, who decided it was a calendar year that we should use for sampling the turnover rate? Perhaps there was no turnover at all for 3 years prior, and then a shift in management caused a lot of people to leave this year. Then a more representative measure would average over 2 or 3 or 4 years. Maybe you would want to average the turnover in each month of the last 48, but weight recent months more heavily than earlier months.

Other methods are the survival rate. This is believed to be particularly useful for human resources planning. The calculation takes into consideration the proportion of employees engaged within a certain period that remains with the organisation after so many months or years of service.

Thirdly, there is the half-life index which is a similar concept derived from the survival rate analysis. This method is defined as the time taken for a group or cohort of starters to reduce to half its original size through wastage.

## 2.1.2 The Significance of Labour / Employee Turnover

In Armstrong (2006), made a point that, labour turnover provide a graphic illustration of turbulence within an organisation. It went further to say that: 'High rates of attrition can destabilize a business and de-motivate those who attempt to levels of service and output against a background of vacant post, inexperienced staff and general discontent'. It is obvious that, recruitment, induction and training costs all rise with an increase in turnover. The CIPD has commented in Armstrong (2006) that, 'Turnover may be a function of negative attitudes, low job satisfaction, combined with ability to secure employment elsewhere, that is, the state of labour market. On the other hand, turnover is a normal part or organisational functioning, and while an excessively high turnover may be dysfunctional, a certain level of turnover is to be expected and can be beneficial to an organisation.

## 2.2 Causes of Employee Turnover

#### 2.2.1 Critical Elements

People tend to move from employer to employer early on in their careers, often staying in one employment for just a few months .But once they find a job (or an employer) that they like, the tendency is to remain for several years. 'Jobs for life, have, in truth, always been a relative rarity,

but the evidence suggests that they remain a reality for the many employees, despite the predictions of the management gurus. Nearly a third of workers have been in their jobs for over ten years.

What causes turnover? What factors are likely to encourage an employee to remain with his current employer? Is it compensation, benefits, working conditions, or something else? Compensation is undoubtedly a factor, particularly in highly competitive markets. A competitive analysis of wages and financial performance for Wal-Mart Stores Inc. and Costco Wholesale Corp. by Business Week magazine, for instance, found that the higher wage approach adopted by Costco has resulted in a workforce that is more loyal and more productive. In fact, not only are Costco employees more highly paid, but while Sam's Club and Costco produce about the same revenues - \$35 billion and \$34billion, respectively - Costco accomplishes this with one - third fewer employees. Business Week asserts that "Costco has one of the most productive and loyal workforces in all of retailing. Only 6 percent of employees leave after the first year, compared with 21 percent at Wal-Mart." And that "saves tons, since Wal-Mart says it costs \$2,500 per worker just to test, interview, and train a new hire." Comparisons like this are one of the reasons that most employers blame employee turnover on compensation and benefits issues, while the truth is that most employees leave over dissatisfaction with factors other than pay.

Non- Lack cash incentives may be more effective and less costly than increasing compensation or offering cash incentives to promote retention. The American Productivity and Quality Centre in Houston says that it generally takes an increase of 5 to 8 percent of an employee's salary to change his or her behavior. However, using non-cash incentives, behavior can be influenced at a cost closer to 4 percent of the employee's salary.

According to Blake (2006), there are ten common reasons for which employees leave employers. These are poor relationship between the employee and their immediate bosses, lack of career advancement plan, a poor match between the employee and the job or the employee and the company, compensation not competitive, no direct link between strong performance and increased rewards, a need for stimulating, meaningful work, lack of appreciation, recognition and rewards, insufficient coaching and feedback, quality of the people the employee works with, insufficient alignment of how the employee's works achieves, organisational objectives and how the employee can be a greater success.

With the exception of the third point all of the reasons given by Blake could be categorised as push factors as explained in the preceding paragraph.

Also according to Ganesh (1997), the 'push' factors pertain to the dissatisfaction causes, motivators which an employee uses as primary motivators to severe relations with his company. They are the work environments, compensation package, low employee benefits, inconsistent HR policies, incorrect work assignments, lack of challenges and lack of career development schemes. Two more push factors often identified are 'fear of being found out' and 'level of competence'. Some employees manage to get the job by projecting more skills than they actually possess. After they have strengthened their knowledge to a certain degree in the organisation, they are constantly afraid of being 'found out' and tend to leave as soon as a suitable opportunity comes. Level of competence implies that the employee may not rise. However; this level of competence may be at a higher position in another organisation with slightly lower standing in the industry. The 'pull' factors that lure an employee are higher compensation package and greater technical challenge.

Finally, in order to collect the most effective information from departing employees, employers need to recognise the need to provide departing employees with a forum that makes them comfortable revealing the full range of factors that led to their resignation and encourages them to give an honest critique of the expectations, conditions and requirements of their jobs. With the use of an exit survey system that effectively canvasses the opinions and attitudes of departing employees, a wide range of operational, organisational and personal variables affecting the decision to leave are likely to be uncovered. It is this information that is essential to highlighting the areas of perceived deficiency in the organisation's working environment and can then be used to plan effective retention strategies and actions. When exit interviews are conducted in this way and summarised across a wide range of organisations and jobs type, the main reasons for leaving can be categorised into five primary "themes". According to the Insight link Communications (2006), these include career opportunities, including perceived opportunity for advancement, presence and/or clarity of development plan.

Enjoyment of the work, including how well work utilises skills, "Fit" with job and work/life balance.

Corporate leadership, including clarity and strength of vision and mission, management style, overall protection of leadership and level of respect and support received.

Availability of training including opportunity to learn new skills/develop new talents, corporate commitment to training and development and keeping up with latest technology.

Compensation/reward, including base/variable pay, benefits, recognition of contributions and communication regarding performance.

Based on this analysis of the reasons for leaving and in conjunction with the unfolding model of turnover, it should be recognized that, in many cases, the organization has at least some influence over the employee's decision to voluntarily give up a job. In fact, when all reasons for leaving are categorised in terms of (1) the employer's impact on the decision to stay or go and (2) the employee's own level of control over the decision, more than 50% of the reasons for leaving are within the control of both the employer and the employee. These reasons for leaving include both the longer-term concerns and problems that can lead to a gradual decrease in satisfaction as well as the more immediate work-oriented "shocks" that can prompt previously- satisfied employees to rethink their commitment to the organisation and, ultimately, leave their jobs.

Torrington, Hall and Taylor (2005), categorised factors which cause employee turnover into four - outside factors, functional factors, push factors and pull factors.

According to them, outside factors relate to situations where employee's leave for reasons that are largely unrelated to their work for example, moving away from a spouse when he/she is relocated. This factor may be unavoidable but can be reduced through the provision of career breaks, form of flexible working and/or children facilitation et cetera.

The second factor is what they call the functional factor. This includes all resignations which are welcomed by both employers and employees alike. They gave major examples of the functional factors as those which stem from an individual's poor work performance or failure to fit in comfortably with an organisational or departmental culture. Even though such resignations are less damaging than others from an organisations point of view, they should still be regarded as lost opportunities and as an unnecessary cost. They attributed this kind of problem to poorly engineered

change management schemes and suggested that, improvement in recruitment and selection procedures can help solve such turnover problems.

Thirdly, the writers talked about push factors. This is a type of turnover which stems from reasons which are favourable to the employee but which are within the organisation or work itself. According to Torrington, Hall and Taylor (2005), insufficient development opportunities, boredom, ineffective supervision, poor levels of employees' involvement and straight forward personality clashes are the most common precipitation factors which contribute to the push factors of turnover. According to the writers, mechanisms such as opportunity to voice concerns can help address all of these by organisations. To them, absence of such opportunities will make unhappy employees start looking elsewhere.

The fourth group of factors Torrington, Hall and Taylor explained was the pull factor. These factors are those emanating from outside the organisation. They are seen as the other side the 'push factor'. (explained earlier)

These factors include salary levels-that is, employees leaving to broader nations of career development; moving to new areas of work for which there are better opportunities elsewhere; chance to work with particular people; and more practical questions, such as commuting time.

To tackle the above problem, first the organisation need to be aware of what other employers are offering and ensure that as far as possible, this is matched-or at least that a broadly comparable package of pay and opportunities is offered.

According to them, the second requirement to solve pull factor involves trying to ensure that, employees appreciate what they are currently being given. They said, the emphasis here is on

effective communication of any 'unique selling points' and of the extent to which opportunities comparable to those offered elsewhere are given.

An observation of the work by Blake (2006), on the ten common reasons for which employees leave employers buttresses Torrington, Hall and Taylor's conclusion that push factors were a great deal most prevalent than pull factors as causes of voluntary resignations. According to them very few people appear to leave jobs in which they are broadly happy in search of something even better. Instead, they say, the picture is overwhelming, one in which dissatisfaction employees seek alternative because they no longer enjoy working for their current employer. In their research, they increasingly found relatively few examples of people leaving for financial reasons. They found out that, indeed more of the interviewees took pay cuts in order to move from one job to another than said that a pay rise was their principal reason for switching employer. Factors that played bigger role in their research were dissatisfaction with the conditions of work, especially hours, a perception that they were not being given sufficient career development opportunities and a bad relationship with their immediate supervision.

Again all the three above run through most reasons which researchers have mentioned as the study progresses.

From this analysis, it is clear that organisations should seriously consider what strategies and policies are in place to reduce turnover and retain valuable employees. Since a large proportion of turnover appears to be avoidable, it is imperative for organisations to determine how best to intervene and thereby prevent at least some degree of turnover.

## 2.2.2 Effects of Employee Turnover

Employee retention has been a major concern of organisations all over the world. Although there has been a common trend among organisations to outsource work that is routine and non-core, retaining people at strategically important positions remains a major concern. There is an enormous body of research to study employee retention, the factors that most significantly influence an employee's decision to continue to work at a particular organisation and the factors that influence an employee's decision to leave. According to Hale (1998), as high as 86% of the employers under the study experienced difficulty in attracting critical people and 58% experienced difficulty in retaining them. Abasi and Hollman (2000) also found that employees may jeopardise strategic plan to achieve organisational objectives. They have shown that when an organisation losses its critical people, there might be a number of impact like reduction in overall level of innovation and quality of customer service. A research in the 11PM Knowledge Centre (2002), shows that, orgainsations under the study indicated cost of recruitment of a new employee to be about 50-60% of the first year's remuneration and up to 100% in case of a specilised high-skilled position. Another study contained in the 11PM Knowledge Centre (2002), it was found that on an average a company loses approximately \$1 million with every 10 top managerial and professional employees leaving the organisation. This study also indicated that when all direct and indirect costs are considered, the total turnover cost of an exiting employee ranges from a minimum of one year's remuneration and benefits to two year's remuneration and benefits. Now, that's a huge cost to the organisation.

Organisations are seemingly taking note of dysfunctional turnover. Hannay et.al (2000), felt that dysfunctional turnover occurs when highly productive and skilled employees leave the organisation whiles the less productive and low-skilled employee stay on. This not only increased the turnover

cost but also adversely affects the productivity. This also becomes a critical factor when these high-skilled employees join competitors. In the process, what the company may lose is the tacit knowledge that the employees might have developed over the period of association with the organisation. Tacit knowledge is implicit knowledge which differs from explicit knowledge in terms of the inherent difficulties to codify and transfer the knowledge. Explicit knowledge can be accumulated and codified so as to transfer from person to person but tacit knowledge, by nature cannot be separated from the subject, that is, the knowledgeable person. Tacit knowledge is acquired by practical experience by doing rather than by reading or other means of transferring knowledge. Polanyi (1962), proposed that a large part of human knowledge is tacit This is particularly true of the operational skills and know-how acquired through practical experience Explicit knowledge could be codified or 'written down' abstracted and transferred across people, time and space independently of the knowledge subjects. Tacit knowledge transfer requires close interaction. Examples of this kind of knowledge abound in the village artisans. The art is passed on by hands on training for years. Much recent attention has been focused on the importance of 'tacit knowledge' for sustaining organisations' competitiveness. Much of the tacit knowledge that a key employee possesses obviously get lost when he or she leaves the organisation.

## 2.2.3 The Hidden Costs of Turnover

Many top executives secretly like turnover. That's why so many businesses tolerate double-digit turnover rates every year. These executives believe that turnover saves money by keeping the average employee on the low end of the pay scale. The longer an employee stays, the more they will earn. It's easy to harbour this point of view because it's often difficult to truly measure the cost of turnover over time. In fact, the dollars - and cents cost of turnover differs from industry to

industry and company to company - it can range from a couple of thousand dollars to tens of thousands of dollars per employee lost – but in almost every case, the cost will be much more than the typical employer imagines.

Here's a rundown of some of the costs (both tangible and intangible) that have been connected with turnover:

Pre-departure costs- such as the reduced productivity of an employee who is discontented and using company time to look for another job, plus the costs of any efforts to retain the employee once he or she has announced his intent to leave.

Termination costs- those related to termination of employment, including exit interviews, security precautions, pay calculations, and other recordkeeping costs.

Unemployment tax impact and payments for severance, accrued vacation time, retirement plan contributions and any extension to benefits.

Recruitment cost-related to advertising, recruiting, interviewing and pre-relocation, etc.

Training cost- the cost of training new employees in necessary job skills can be significant.

Productivity cost- related to new workers, who are generally less productive require more supervision, and contribute less to customer satisfaction.

Vacancy costs – lost sales or lost productivity whiles the position remains vacant, plus the cost of overtime or temporary help to cover fill in.

The sum of these costs can amount to many times the employee's salary when fully loaded to reflect the resulting costs in terms of product quality, customer service, brand representation and all

of the other areas that suffer when an employee leaves, as well as during the replacement period (IPC 2008).

## 2.3. Unemployment and Turnover

Turnover and the costs associated with it may be manageable during tight economic periods, when employees at all levels are more likely to stay put. But when the economy improves, turnover increases, and it is often a company's best employees that jump ship-especially if they are feeling underappreciated or undervalued.

One of the indicators is employment/ unemployment rates. Unemployment rates are supposed to decrease when economies are doing well. Generally, the unemployment situation in Ghana has not been encouraging.

Speaking to the Statesman in an exclusive interview in December 2008, Mats Karlsson the World Bank country boss in Ghana described urban poverty as "the biggest risk picture for the country as a whole".

A research conducted by the Ghana Statistical Survey showed that among the several factors that account for the present unemployment in Ghana and continue to influence employment issues include the high rate of population growth of about 2.6% per annum, leading to an increase of the labour force from 5.6 million in 1984 to 7.4 million in 1994 and then to about 9 million in 2000.

The rapid expansion of the educational system, which is flooding the Ghanaian labour market with school leavers without employable skills from all levels of the educational system, is one of the reasons for the unemployment levels.

Also the mismatch of and the demand for skills on the labour market and the divesture of state enterprises, downsizing, partial ban on recruitment into public or civil service have contributed to the phenomenon.

#### 2.4 Retention Strategies

The loss of key employees even in small numbers can be devastating to a company. This point to the importance of tracking not just overall attrition ratings, but also tracking the level of performers leaving.

Managers often think about retention when they receive a resignation from an employee. Most often managers try to persuade resigning employees to stay at a time when their minds are already made up. Clearly, the solution rather lies in tying retention to critical business activities so that the managers do not think about retention when it is too late but rather see it as integral part to business success and survival. Treating retention as on-going priority enables the manager to focus on proactive measures to sustain long term employee commitment rather than on reactive attempts to reverse surprise resignations. Therefore manager/ organisations should endeavour to adopt certain retention strategies and put them in place in order to forestall devastating rates of attritions. (Ware and Fern, 2008).

Organisations must adopt a holistic approach to retention strategies/solutions. According to Ware and Fern (2008), to avoid the situation where organisations experience mediocre results or no results at all, likened the multifactor retention solution to the three blind men who perceived an elephant differently by touching different parts of it. They said, "If any of the men wanted to control the elephant, they would have found themselves incapable of doing so, because their

understanding of the elephant was only partial". This is also true of many organisations that try to tackle only one factor of the attrition dilemma.

## 2.4.1 The Formation of an Effective Retention Management Program

The following are what Ware and Fern (2008) suggested as retention strategies:

In general, the management of turnover will have the greatest organisational benefit when it is targeted at encouraging the retention of valued employees and facilitates the replacement of less effective employees with more effective staff. According to Insightlink Communications (2006), although each organisation needs to assess the patterns of turnover for its own particular circumstances, there are some general policies to consider that have been shown to improve satisfaction and in return, reduce the level of turnover that should be part of any formal employee-retention program:

- 1. Establish and maintain both the practice and the impression of fair treatment of all employees, so as to help foster a positive, consistent and reassuring work environment.
- 2. Ensure that senior management and immediate supervisors demonstrate their own sense of commitment to the organisation.
- 3. Emphasise the need for a close match between the personality/ work style of prospective employees with the organisation's culture as well as providing prospective employees with realistic job previews- there is evidence to suggest that newcomers to an organisation who leave within the first few years may have a different commitment propensity at the time they join the organisation than do those employees who stay. A more thorough assessment of an employees' past experience and reasons for leaving their last job may help identify

employees who are more likely to feel a stronger sense of organisational commitment in the long run.

- 4. Properly incorporate new employees into the organisation and manage their expectations and initial experience with the organisation in fact, a large financial services firm found that it could effectively reduce turnover among new hires deliberately.
- 5. Improving the process of socialising new employees into the corporate culture, particularly through the use of mentoring.
- 6. Communicate realistic and attainable expectations of performance to all employees, so as to avoid the potential for "shock" and the development of dissatisfaction.
- 7. Give positive and constructive feedback on a regular basis, through both formal job performance reviews and informal channels of communication with employees, as well as ensuring that viable reward and recognition progress are used to motivate all employees.
- 8. Offer clear-cut opportunities for job enhancement, advancement and career development.

## 2.4.2 Manager Retention Practices

There are a number of manager retention practices which increase the probability that an employee will remain committed to an organisation over time. These retention practices represent the manager's actual behaviours on the job. This often has little to do with the amount of classroom training they have received. Furthermore, the best retention practices are not the same as the standard menu for good organisational management. Most organisations ask their managers to

place productivity as the highest priority, underscored by pressures to fulfill "our obligations to our investors".

Good retention practices focus not only on what the employee is contributing to the company, but also focus on how the manager can create a climate so that the employee is retained and committed on a long term basis. Whiles enlightened leaders balance the needs of the organisation with the needs of the employees, the truth is that these leaders are rare. Though managers play a very crucial role in retention, they do not control all of the factors that can affect attrition. Therefore, the second component represents the organisation responsibility in the retention equation.

# 2.4.3 Organisational Retention System

There are a number of organisational systems and processes that influence retention. Some of them are evident, such as equity of pay scales. Other systems are less obvious, and their impact on retention is often unrecognised. For example, there is evidence that an organisation's recruiting systems and processes can significantly impact retention ratios. These systems support the Manager Retention Practices, but they also increase the likelihood that employees are committed on a long term basis and are performing at their best.

# 2.4.4 Measurement and Accountability

Closely linked to the other components, this component ensures that retention becomes an on-going priority. Many organisations do not even know what their attrition rates are and those that do often lack enough data to pinpoint where the problem is most severe, or to uncover the specific causes of attrition, For example, those organisations that measures attrition sometimes do not track it by length of service. The tenure patterns of the departing employees can reveal valuable information

concerning the potential causes for attrition. Additionally, many organisations do not track attrition by occupational group other than by "manager" or "non-manager". This simple segmentation is often a crude one that does not provide the organisation the refined information it needs.

Measurement goes hand in hand with accountability. Organisations must hold their managers personally accountable for retention. Likewise, they must hold their corporate staff accountable for developing, maintaining and upgrading their retention systems. When retention is relegated the status of being an "HR issue", it often falls to the bottom of the priority list for managers. When it becomes one of their business goals, it takes on a new perspective.

One example comes from one of the world's top hardware manufacturers. In a recent meeting the new director of the telephone technical support group presented the following four new business goals to his management team. The first three were to fulfill Technical Support Contract Obligation, to maintain the highest level of Customer Satisfaction and to manage Cost Aggressively

The fourth goal was to retain employees. After some discussions, the entire management team observed that, they would not achieve the other goals if they could not achieve their retention goals. In another division of the same company, the senior manager's personal bonuses are calculated on the basis of their success at retaining their best people. When managers are held accountable in this fashion, it ensures that the motivation to examine and enhance their personal retention practices is even present.

Interestingly enough, organisational experts predicted that managers and downsizing would result in employees who felt lucky to have a job and who would, of course, stay. This may be true for employees in the lower tiers of performance. However, top talented employees recognise they

represent a value organisation asset. When their loyalty deteriorates, the tendency to switch organisation increases.

The average costs of replacing today's defecting work force are eating away at the profitability of even the healthiest organisations. Even when the bottom line remains intact, the loss of just a handful of key employees who have a special expertise or who maintain valued customer relationships can shake an organisation to its root. In this age of high stakes and unpredictable market and organisational changes, organisations must educate their managers and create an environment where today's top talent can thrive. The alternative is unacceptable.

In summary, a well-orchestrated plan of exit surveys, in combination with other HR initiatives related to maximizing employee attitudes and behavior, has the potential to become a valuable tool to help reduce turnover and increase employee satisfaction and commitment. In turn, an effective reduction in turnover has clear economic and organisational benefits that can more than pay back the investment made in an exit survey system.

## 2.5 Motivation Strategies

The management of people at work is an integral part of the management process. To understand the critical importance of people in the organisation is to recognise that the human element and the organisation are synonymous. A well-managed organisation usually sees an average worker as the root source of quality and productivity gains. Such organisations do not look to capital investment, but to employees, as the fundamental source of improvement. An organisation is effective to the degree to which it achieves it goals. An effective organisation will make sure that there is a spirit of cooperation and sense of commitment and satisfaction within the sphere of its influence. In order to

make employees satisfied and committed to their jobs, there is need for strong and effective motivation and of different forms at the various levels, departments and sections of the organisation. Motivation may be defined as "the term used to describe those processes both instinctive and rational, by which people seek to satisfy the basic drives, perceived needs and personal goals, which trigger human behavior".

## 2.5.1 Compensation and Total Rewards

According to the Longman Dictionary of Contemporary English, compensation means money that someone pays you because they have harmed or hurt you in some way.

But in the work environment even though what is paid to an injured worker is called compensation it also means pay provided by am employer to an employee for services rendered (i.e. time, effort and skill)

According to Robert Half Finance and Accounting (2009), (an equal opportunity employee), while it certainly takes more than money alone to attract and retain skilled professionals, it is helpful to offer competitive compensation packages. Employees who feel they are underpaid will also feel they are undervalued and are more open to potential offers from outside firms.

Thus according to the equity theory by Stacy Adams, people make comparisons between themselves and others in terms of what they invest in their work (inputs) and what outcomes they receive from it. The theory states "that when people perceive an unequal situation, they experience 'equity tension' which they attempt to reduce by appropriate behavior. This behavior may be to act positively to improve their performance and / or seek improved rewards, or may be to act

negatively by, for example, working more slowly (taylor-type soldering?!) on the grounds of being under-rated or under-paid". (Cole 1995, p: 130)

To aid in their retention and recruitment efforts, businesses of all sizes are paying close attention to employee compensation such as considering base pay, performance-based pay, equity-based compensation, benefits packages and reward and recognition programs. In fact all the above constitute what is called 'compensation and total rewards' (About.com 2006).

For the benefits of this study the word compensation will be used to mean all the above but pay will be used to stand for the money aspect of compensation for example fixed pay, variable pay (long & short term).

Since compensation has a significant effect on how employees feel about their jobs, periodic reevaluation of packages a firm offers and how well they keep pace with the market is important in a firm's decision. This according to Robert Half (2009) will help reduce turnover and the costs associated with it.

Arguments abound on the extent to which raising pay level reduces staff turnover. According Torrington, Hall and Taylor (2005) "there is evidence to show that employers who offer the most attractive reward packages have lower attrition rates than those who pay rates as their prime weapon in retaining staff. (Torrington, Hall and Taylor, 2005). But on the other hand, Torrington, Hall and Taylor (2005) also talk of questionnaire based evidence which suggests that pay is a good deal less important than other factors in a decision to quit one's job.

On consensus, Pay is seen as having a role to play as a satisfier but that it will not usually have an effect when other factors are pushing an individual towards quitting. Thus according to,

Torrington, Hall and Taylor (2005), pay is a 'hygiene factor' rather than a motivator, pay can be a cause of dissatisfaction at work, but not of positive job satisfaction. They further explained that, people may be motivated to leave an employer who is perceived as paying badly but once they are satisfied with their pay, additional increases have little effect.

According to Torrington, Hall and Taylor (2005), raising pay levels may thus result in greater job satisfaction where people are already happy with their work, but it will not deter unhappy employees from leaving. In Torrington, Hall and Taylor (2005), Sturges and Guest summed up their findings of a study of leaving decisions in the field of graduate employment that, "as far as they are concerned, while challenging work will compensate for pay, pay will never compensate for having to do boring, not stimulating work.

Another problem with the use of pay increases to retain staff is that, it is an approach that is very easily matched by competitors. (Torrington, Hall and Taylor, 2005).

According to them this is particularly true of what they term as the 'golden handcuff' arrangements which seek to tie senior staff to an organisation for a number of years by paying substantial bonuses at a defined future date. Thus Torrington, Hall and Taylor (2005) argue that, in a buoyant job market, recruiters simply 'unlock the handcuffs' by offering equivalent signing-on bonuses to people they wish to employ.

Armstrong (2006) mentioned Pay as one of the areas for action in retention strategies. According to him uncompetitive inequitable or unfair pay systems must be dealt with. But Armstrong (2006) points out that, there is a limit to the extent to which people can be bribed to stay. Further on, he

reminded that 'whiles money might attract, you cannot buy love- it is often other things that get people to stay – how they are treated.

Every person has different reasons for working. The reasons for working are as individual as the person. But, we all work because we want to obtain something that we need from work. The 'something' obtained from work impacts morale, employee motivation and the quality of life. It is believed therefore, that to create positive employees motivation, they must be treated as if they matter – because employees matter. The above ideas, no doubt, will help to fulfill what people want from work and create employee motivation. Some people work for love, others work for personal fulfillment. Others like to accomplish goals or feel as if they contribute to something larger than themselves. Whatever one's personal motivation for working, the bottom line however, is that almost everyone works for money, (About.Com 2009). But most motivation theorists have diverse opinions as to what actually motivates people at work places.

According to Armstrong (2006) "Money in the form of pay or some sort of remuneration, is the most obvious extrinsic reward. Money provides the carrot that most people want". But it has been noted that, money has always not been the very focus of most motivation theories even though it forms the basic.

Herzberg's theory of motivation for example does not recognize money as a satisfier. On the effectiveness of money, Herzberg claimed that, while the lack of money can cause dissatisfaction, its provision does not result in lasting satisfaction.

In responding to the above claim, Armstrong (2006) found something in it and explained that people who have fixed salaries or rates of pay but who do not benefit directly from an incentive

scheme, may feel good when they get an increase. He went on further to say that, in addition to the extra money that they get, pay increase also serves as a highly tangible form of recognition and an effective means of helping people to feel that they are valued. However, he continued by saying that the euphoria can rapidly die away.

According to Armstrong, other dissatisfactions from Herzberg's list of hygiene factors, such as working conditions or the quality of management can loom in some people's mind when they fail to get the satisfaction they need from the work itself.

In Cole (2004), Herzberg's theory of human motivation suggests that certain factors in the environment (e.g. pay, working conditions, company policies, etc.) do not lead to motivated employees, even when these factors are handled generously by the employer.

However, he says, such factors are often a source of lack of motivation on the part of employees. Herzberg called the above mentioned factors hygiene factors. In contrast to these are what he also called motivators, which include such factors as recognition, achievement and interesting work.

According, to him, motivators have a positive effect on motivation and 'theory' is of greater relevance to the concept of job satisfaction in addition to being of interest as a contribution to motivation studies.

Abraham Maslow, another famous theorist of motivation also uses a hierarchy to explain what motivates people at different stages of their working life. According to him in Cole (2004), people needs are arranged in a hierarchy, in which basic needs generally have to be satisfied before higher needs come into play. The basic needs, according to Maslow, include physiological and safety

needs, followed by social and affiliation needs. The higher needs also include, eastern needs and self-actualization to which were later added "curiosity" and the need to understand.

Maslow's theory was made more flexible by Clayton Alderfer in his Existence needs, Relatedness needs and Growth needs (ERG). ERG sought to improve upon Maslow's theory in the sense that, whilst one cannot move up on the ladder without satisfying a need below in Maslow's, the latter has no fast rule as to which one to satisfy first.

There are other very interesting theories of motivation which help in understanding what really energizes people to work selflessly to achieve satisfaction in their jobs thereby staying for long periods in organisations.

All these theories may come from different angles but may not be mutually exclusive. What is learnt from these theories is for us to understand that there are a wide range of factors that motivates people to work better and be happy where they are.

People are made aware of some extrinsic and intrinsic elements of motivation. What may be understood is that, people need to be motivated extrinsically, but any employer who ignores the intrinsic part does that at his/her own peril. Money may not be everything people desire. People have pride and so treating people well and recognizing their effort as well as making the workplace a better place to stay is what boost their morale to work better and sticks to a particular job. Money can attract but that euphoria may die off if that is all there is to it.

So then the question becomes; how do you continue to sell the job to an employee when increasing his pay is no longer on option? Recent surveys have revealed some of the top qualities employees seek in their employers. Among them: work that is meaningful, challenging, and offers training and

development opportunities, management that assists and support, but doesn't dictate, explicit awareness of life beyond the office, an array of core benefits and the power of choice.

## 2.6 Job Satisfaction

The general expectation is that, when employees are satisfied with what they do and the reward they get, the probability of leaving their jobs will be minimal.

According to Armstrong (2006), job satisfaction refers to the attitudes and feelings people have about their work and that, positive and favourable attitudes towards the job indicate job satisfaction.

Locke (1976) also defines it as "a pleasurable or positive emotional state resulting from the appraisal of one's job experiences".

Numerous studies have reported that job satisfaction and organisational commitment are negatively related to turnover intention. According to Tett and Meyer, organisational commitment and job satisfaction are different, and each contributed uniquely to turnover intentions. Job satisfaction correlated more strongly with turnover intention, whereas organisational commitment had the strongest correlation with actual turnover.

The link between job satisfaction and job retention has been emphasized by the Bavenclam Research (2005), by stating that employees with higher job satisfaction believe that the organisation will be satisfying in the long-run, care about the quality of their work, are more committed to the organisation, have higher retention rates and are more productive. According to Armstrong (2006), discretionary behavior which helps the firm to be successful is most likely to happen when employees are well motivated and feel committed to the organisation and when the job gives them high levels of satisfaction. Their research also found that the key factors affecting job satisfaction

were career opportunities, job influence, teamwork and job challenge. However, on the subject of the link between satisfaction and productivity (performance), contrary to the seemingly not unreasonable belief that an increase in job satisfaction, will result in improved performance, Armstrong (2006) concluded that, there was little evidence of any simple or appreciable relationship between employee attitude and their performance.

An updated review of this analysis in Armstrong (2006) showed that one or more measures of job satisfaction or employee attitude was correlated with one or more criteria of performance, the median correlation of all these studies was 0.14 which is not high enough to suggest a market relationship between satisfaction and performance.

According to Armstrong (2006, p.265), it can be concluded that:

Production is seldom a goal in itself but a means to a goal attainment.

Therefore we might expect high satisfaction and high productivity to

occur together when productivity is perceived as a path to certain

important goals and when these goals are achieved. Under such conditions,

satisfaction and productivity might be unrelated or even negatively related.

Thus according to Armstrong (2006), it can be argued that it is not job satisfaction that produce high performance but high performance that produces job satisfaction, and that a satisfied worker is not necessarily a productive worker and a high producer is not necessarily a satisfaction worker.

People are motivated to achieve certain goals and will be satisfied if they achieve these goals through improved performance. They may be even more satisfied if they are then rewarded by

extrinsic recognition or an intrinsic sense of achievement. This suggests that performance improvements can be achieved by giving people the opportunity to perform, ensuring that they have the knowledge and skill required to perform and rewarding them by financial or non-financial means when they do perform. It can also be argue that some people may be complacently satisfied with their job and will be inspired to work harder or better.

In fact, the Bevendam Research found out that a major business magazine quoted a CEO who consistently confused job satisfaction with complacency.

The Bevendam Research defined job satisfaction as people affective (emotional) response to their current job conditions. The researchers also carefully distinguished job satisfaction from its consequents. According to them, the desire to stay with an organisation is not a symptom of job satisfaction, it is a consequence of job satisfaction. As an independent factor, desire to stay is also affected by other factors such as employees' job security, expectations about their future success in the organisations and so on. According to the research, dissatisfaction seems to be more motivating than satisfaction. In a similar way, people often react more immediately and invisibly to pain than to a pleasant stimulus.

Frequently, there is not a simple relationship between satisfaction and its consequents. For example: the greater the dissatisfaction, the greater the motivation to quit. Once people are basically satisfied, they are no longer motivated to quit. How will their behavior be different if they are wildly satisfied with their jobs? They will still not be motivation to quite. Thus, once employees are satisfied with their jobs, being widely satisfied may not produce significantly different behavior. This effect can cause managers to under estimate just how motivating job satisfaction really is.

Research of 15000 largely white collar, employees nationwide from all levels of the participating Organisations with 20% managers / supervisors, 91% worked full-time average was 33 and an even proportion of males and females found out that six factors that influence job satisfaction were challenging opportunity at work, negative stress, leadership and work standards.

In a related work by Mullins (2005), he wrote that, "Attempting to understand the nature of job satisfaction and its effects on work performance is not easy".

According to Mullins (2005), job satisfaction is complex and a multifaceted concept which can mean different things to different people. Job satisfaction is normally linked with motivation, but the nature of this relationship is not clear.

Satisfaction is not the same as motivation. Job satisfaction is more of an attitude, an internal state. It could, for example, be associated with a personal feeling of achievement, either quantitative or qualitative (Mullins, 2005).

One view is that job satisfaction is necessary in order to achieve a high level of motivation and performance. However, although the level of job satisfaction may well affect strength of motivation, this is not always the case. The content theories of motivation tend to assume a direct relationship between job satisfaction and improved performance. For example, Herzberg's two factor theory is essentially a theory of job satisfaction. It's important to recall that Herzberg identified a sense of achievement as affecting feelings of job satisfaction.

From all indications, there are some doubts as to whether job satisfaction consists of a single dimension or a number of separate dimensions. Some workers may be satisfied with certain aspects

of their work and dissatisfied with other aspects. However, there appears to be a positive correlation between satisfactions in different areas of work.

This suggests a single overall factor of job satisfaction. However, it seems that there is no one general comprehensive theory which explains job satisfaction. Job satisfaction is in itself a complex concept and difficult to measure objectively. The level of job satisfaction is affected by a wide range of variable relating to individual, social, culture, organisational and environmental factors.

## 2.7 Leadership / Supervision

Leadership is the process in which an individual influences other group members towards the attainment of group or organisational goals. (Torrington, Hall and Taylor, 2005).

Torrington, Hall and Taylor (2005) states that "if it is the case that many if not most, voluntary resignations are explained by dissatisfaction on the part of employees with supervisors, it follows that the most effective means of reducing staff turnover in organisations is to improve the performance of line managers. Too often, it appears, people are promoted into supervisory positions without adequate experience or training" Organisations which assume that their managers are capable supervisors without recognizing that the role is difficult and does not come naturally to people will eventually compound their turnover incidents.

There is no doubt that leadership can play a very vital role in boosting the moral of employees in organisations. In fact research may benefit from multi-level theories that explains the immense contribution leadership gives to the performance of organisations through the effect it has on employees.

According to Rosanna and Velilla (2003), the process through which the employee trusts and commits with the goals of the organisation rarely starts from a mere abstract analysis of the organisation and its goals. This process of personal commitment occurs they argue, as a result of employees' identification with the immediate manager. Thereafter, the identification between the manager and the employee is likely to transcend to the organisation.

Employee management should be any supervisor or manager's concern at work since work is basically about people. According to Heathfield (2009), effective employee management allows you to capitalize on the strengths of other employees and their ability to contribute to the accomplishment of work. She further said that, successful employee management helps employee motivation, employee development and employee retention.

Even though research has found that managers are not necessarily leaders, managers can only achieve successes if they are able to apply certain leadership styles or assume certain leadership qualities. Distinctions are made by some authors between mangers and leaders.

According to Torrington, Hall and Taylor (2005), managers may or may not be leaders and leaders may or may not be managers. But influencing people to achieve organisational goals is the ultimate aim of every well meaning organisation. Therefore, it can be assumed that leaders/ supervisors/ managers can make or break organisations if their style of leading does or does not boost employees moral respectively.

Mullins (2005) states that, "leadership is related to motivation, interpersonal behavior and the process of communication. Further on he wrote that part from technicalities of things require managers now are leaders of their groups or departments. Explaining, Mullins said that although

managers may well need some specialist knowledge, the human relations part of the management job is more important than ever. Mullins states that leadership is important in attempting to reduce employee dissatisfaction.

According to Mullins (2005) the question is whether leadership makes any difference. He suggested that an interesting way to learn whether leaders can have an impact is by studying the results of a change in a leader. Mullins argues that as work unit achievements result more from the effort of the unit's members than of the individual and organisations have rule and policies that govern behavior, a good argument can be made that leadership has only a modest impact on group performance. However, 'one has a sense that a leader under the right circumstances can have a powerful impact on group performance'.

It is therefore expected that good leadership approaches would motivate workers and boost their moral for them to give off their best to help achieve organisational goals.

If motivated workers are satisfied to motivation which ultimately leads to improve organisational performance, then it makes sense that leadership has a direct relationship with motivation and retention of workers.

The human relations approach to motivation is very essential in considering leadership as a way of retaining workers in organisations.

One main outcome of the Hawthorn Experiment showed that aside the importance of group membership, supervisors could have a positive or negative effect on people's attitudes towards their work (Cole 2004).

According to Cole (2004), not less than five interpretations were put forward by way of explanation mostly suggested different aspects of working conditions but one suggested that the increase output and improved attitude were down to the changes in the method of supervision. This interpretation suggested that social factors were the major circumstances limiting output.

Social factors for instance has an important place in the elements that lead to employee retention as revealed by focus group interviews and personal interviews of Certified Nursing Assistants (CNAs) and former (CNAs) conducted in a research by Rust and Stewart (1996). This study identified four main managerial processes that were linked to employee satisfaction and retention for which supervision was mentioned in addition to benefits, work design, pay and work conditions.

According to the Herman, (2008), today's labour force is different. Supervisors must take responsibility for their own employee retention. According to them if supervisors don't do the above they could be left without enough good employees. They cautioned that a wise employer will, learn how to attract and keep good employees because in the long run this workforce will make or break a company's reputation. Also they added that new supervisors must be prepared to be collaborative, supportive and nurturing of their people, and that the old style of "my—way—or—the-highway" style of management is a thing of the past.

Most new supervisors need training to understand what it really takes to retain employees. Employees retention involves being sensitive to people's needs.

Ted Cocheu, a well-known management consultant and author in the United States (US), puts in this way: "There are only two types of HR professionals. Those who are part of the problem and

those who are part of the solution". When it comes to dealing with the pervasive yet poorly handled issue of employee retention, this quote is, hopefully, food for thought" (Bill Rehm, 2008).

#### 2.8 Recruitment and Selection

Recruitment and selection is the process by which new employees are admitted into an organisation to work in return for some rewards. It is important that employers adopt good recruitment and selection practices such as to recruit in the context of overall Human Resource Plan and Personnel Management Action Programme. Also, apart from considering technical competence and ability to perform certain tasks, employers must find sociality equally important, that is, it is necessary to consider how new members of staff will fit into the cultural and social structure of the organisation.

Finally, it is necessary to comply fully with all legal requirements relation to employment and equal opportunities to follow recommended codes of practice and to ensure justice and fair treatment to all applicants and candidates (Mullins, 2005).

Like most HR practice/functions, Recruitment and Selection must be good to ensure retention of staff of the organisation. Thus Torrington, Hall and Taylor (2005), published that the Japanese engineering company Makita tackled turnover by increasing its induction programme from half a day to four weeks and by taking a good deal more care over its recruitment and selection processes and this resulted in a reduction in turnover levels from 97 per cent in 1997 to 38 per cent in 1999.

According to Capital.com, keeping your best employees is vital to the success of your business. If you can retain your top performers, growing your business should be a breeze. Conversely, if you're constantly recruiting and training new people, you may find that your revenue numbers become stagnant.

This probably sounds logical people, but one may be surprised to hear that many entrepreneurs overlook just how critical it is to retain employees. In fact, a recent survey showed that over half of all small businesses have no formal employee retention strategy.

## In Mullins (2005), ACAS emphasised that:

recruiting people who are wrong for the organisation can lead to increase labour turnover, increased costs for the organisation and lowering of morale in the existing workforce. Such people are likely to be discontented, unlikely to give of their best and end up leaving voluntarily when their unsuitability becomes evident. They will not offer the flexibility and commitment that many organisations seek. Managers and supervisors will have to spend extra time on further recruitment exercises, when, what is needed in the first place is a systematic process to assess the role to be filled and the type of skills and abilities needed to fill it (p.800)

Again, according to Mullins (2005), one of the many adverse consequences of poor recruitment and selection is the possibility of a high level of staff turnover. He went on further to explain that, not only does this lead to increased direct costs including advertising, interview time and administrative expenses and supervision and training, it also has a disruptive effect on the use of managerial time.

He further emphasized in addition to the above, lost production, increased overtime, and possibly added wastage, but stressed on staff turnover by saying that effect of high turnover is a very important intangible cost having a toll on employee moral, motivation and job satisfaction and on the level of organisational performance and customer satisfaction.

For example, Chatman (1991) did a research involving accounting firms and new hires founds that recruits whose values match the organisations' adjust more quickly, feel most satisfied and actually remain with the organisation longer.

Also, according to Chatman (1991), "when the job selection process produces poor persons to the organisation fit, employees are likely to leave the organisation

In today's competitive world, employee performance and productivity is vital. As an employer, one must be aware of what is important to his company – serving customers maintaining a business image through the employees, lower insurance rates and a few or no law suits. In general, an employer must reduce his risk. Therefore, choosing the right employee is always important. Employers are making a major investment in new employees well before employees can return the employer's investment.

Moreover, Torrington, Hall and Taylor (2005) reiterates that certain resignation that are welcomed by both the employer and employee are those that occur because of an individual's poor performance or failure to fit in comfortably with an organisational or departmental culture. Even though they refer to such as "Functional Turnover" and less damaging they still think it should be regarded as lost opportunities and as an unnecessary cost. To avoid "functional turnover" they said, is to improve recruitment and selection procedures so that fewer people in the category are appointed in the first place. They also cited effective, timely induction as another process often credited with the reduction of turnover early in the employment relationship. Overlooking in the rush to get people to occupy key positions quickly which is often badly carried out results in employee turnover. They stated in their work that, as much as 17% out of 870,000 workers staring new jobs had left within two months and 42% within 12 months. According to them there is no

doubt a good number of these departments were due either to poorly managed expectations or to ineffective inductions.

## 2.9 Organisational Commitment (OC)

The concept and theory of Organisational Commitment (OC) has gained considerable attention in the management and behavioral sciences. Numerous studies have explored the associations between OC and various phenomena, with impressive results.

The assertion that OC leads to a set of desired outputs proved to be valid for times of mutual commitment between corporations and their employees. According to Armstrong, a committed employee is one who identifies with the organisation. To him the first step in achieving commitment is to present the organisation as one that is worth working for and to ensure that this first impression is re-enforced during the first weeks of employment. Consequently, it is hypothesized that the strength of OC as a foremost concept in management and behavioral sciences is incessantly declining. In Armstrong (2006), Organisational commitment is referred to as 'attachment and loyalty'.

According to them, it is the relative strength of the individual's identification with, and involvement in a particular organisation. And it also consists of three factors which are a strong desired to remain a member of the organisation, a strong belief in and acceptance of the values and goals of the organisation and a readiness to exert considerable effort on behalf of the organisation.

Salancik (1997), gives an alternative but closely related definition of OC emphasizing the importance of behaviour in creating commitment. According to Salancik (1997), 'commitment is a state of being in which an individual becomes bound by his actions to beliefs that sustain his activities and his own involvement'.

Salancik (1997), enumerates three important points in binding individuals to their acts: the visibility of the acts, extent to which the outcomes are irrevocable, and the degree to which the person undertakes the action voluntarily.

Commitment, according to Salancik, can be increased and harnessed 'to obtain support for organisational ends and interest' through such ploys as participation in decisions about actions.

According to Torrington, Hall and Taylor (2005), currently the focus is on commitment in mediating the impact of HR policies and practices on business performance.

Commitment has been described in Torrington, Hall and Taylor (2005) as attitudinal commitment-that is loyalty and support for the organisation strength of identification with the organisation (Porter, 1985), a belief in its values and goals and a readiness to put in effort for the organisation and behavioral Commitment- actually remaining with the company and continuing to pursue its objectives.

Torrington, Hall and Taylor (2005), noted that commitment is thought to result in better quality, lower turnover a greater capacity for innovation and more flexible employees which enhance the ability of the organisation to achieve competitive advantage. Organisation commitment has been considered as one of the most important predictors of turnover and intention to leave. It was found that employees who were more committed to their organisations had lower intention to leave than those with lower organisational commitment. Wong et al, (1995) studied about a relationship between three attitudinal antecedents to turnover, OC, job satisfaction and turnover intention. Upon examination of their full model to determine the relationship between the attitudinal antecedents, they found that OC significantly predicted turnover intention whereas job satisfaction had no effect on turnover intention. The finding suggests that employees who are committed to an organisation are less intended to leave their employers. In a study to determine a relationship of organisational

commitment and job satisfaction with intention leave among radio doctors, Samad (2006) found that OC contributed the highest variance in intention to leave (http://edt.missouri.edu/summer 2007Thesis/GuchaitP.072707.To the extent that the outcomes of commitment have been identified as industrial relations climate, absence levels, turnover levels and individual significant aspect of HR. Torrington, Hall and Taylor (2005) suggest that:" The concept of organisational commitment lies at the heart of any analysis of HRM. Indeed the whole rational for introducing HRM policies is to increase levels of commitment so that other positives outcomes can ensure".

According to Mullins (2005), 'among the factors which contribute to a healthy organisation climate, high moral and motivation is the extent to which members of staff have a sense of commitment which have a major influence on the level of work performance.

Walton also suggests in Mullins (2005) that there is significant change in approaches to the organisational control to commitment in the workplace. Mullins continues by saying that, the evidence is well grounded that underlying all the policies of commitment strategy is a management philosophy at the centre of which 'is a belief that eliciting employee commitment will lead to enhanced performance'.

Armstrong (2006) also belief in the position value of commitment on confidently expressed as:' underlying all these (human resource)policies a management philosophy, often embedded in a published statement, that acknowledges the legitimate claims of a company's multiple stakeholders-owners employees, customers and the public. At the centre of this philosophy is a belief that eliciting employee commitment will lead to enhanced performance. The evidence shows this belief to be well founded.

In spite of the seemingly positive correlation/relationship between commitment and performance by many writers, others such as Armstrong (2006), for example in his review of the mainly North

American literature, enforced by the limited UK research available, led him to the conclusion that 'High organization commitment is associated with low labour turnover and absence, but there is no clear link to performance'.

Armstrong warns that, since commitment is not the same as motivation, it would not be wise to expect too much from commitment as a means of making a direct and immediate impact on performance.

According to Mullins (2005), the concept of commitment itself and the manner in which it is actually created is not easy to describe.

There however appear to be a growing acceptance of the notion of attachment and loyalty. O'Reilly in Mullins (2005) refers to the term 'organisational commitment' as 'typically conceived of as an individual's psychological bond to the organization, including a sense of job involvement, loyalty and a belief in the values of the organisation'.

The concept of high commitment brings about the argument as to whether there is any link between commitment and performance.

Meyer and Allen (1997) argue that there is not a high great deal of evidence to link high commitment and high levels of organisational performance.

Guest in Torrington, Hall and Taylor (2005) however cautions about identifying causal links.

Some authors however, have argued that high commitment could indeed reduce organisational performance. In fact, Torrington, Hall and Taylor (2005), suggest that commitment might decrease flexibility and inhibit creative problem solving. According to them, the reduced turnover acclaimed to be due to commitment may result in fewer new ideas coming into the organisation.

To them, staff members who would like to leave the organisation but who are commitment to it in other ways, for example through high pay and benefits may stay, but may not produce high levels of performance. In the context of being cautious about identifying causal links, Guest uses commitment as shorthand for employee attitudes and satisfaction is sufficient, an whether there are other important dimensions which may lost, by focusing on commitment alone.

Torrington, Hall and Taylor (2005) found that in addition to commitment, employee satisfaction was related to organisational performance. Also, there is equal prominence to job satisfaction and motivation. In their model, HR policies and practices are seen to impact on employee ability/skills motivation and incentive (in that people can be motivated to use their ability productivity through intrinsic and extrinsic rewards) and opportunity. In turn these three factors have an impact on employee discretionary behaviour which in turn impacts on performance.

The desire for employee engagement-essentially emotional connections between employees and their companies may not have been so important years ago but things have changed. The need to engage employees is critical to achieve the employee interaction and commitment required to drive your business success and compete in today's marketplace. That, in turn can go a long way toward building customer satisfaction, customer loyalty and company profits.

## 2.10 Employee Engagement

Armstrong (2006) defines engagement as, a positive, two-way, relationship between an employee and their organisation. Both parties are aware of their own and other's needs, and the way they support each other to fulfill those needs. Engaged employees and organisations would go the extra mile for each other because they see the mutual benefit of investing in their relationship. (p.272) Most definitions like Chiumento's overlap with the traditional definition of commitment as being concerned with the attachment of the organisation. According to Armstrong, both concepts overlap. To him the value in distinguishing them is the difference between commitments to the job. Many people are committed to their work than the organization that provides the work and vice versa. If

the organisation wants people in the latter categories to work hard and better, it may well focus on the work they provide and opportunities of the development they offer, and place less emphasis on OC. He further said that, if organisations want to concentrate on retention, loyalty and the people putting themselves out for organization rather than themselves, then policies to encourage commitment come to the fore.

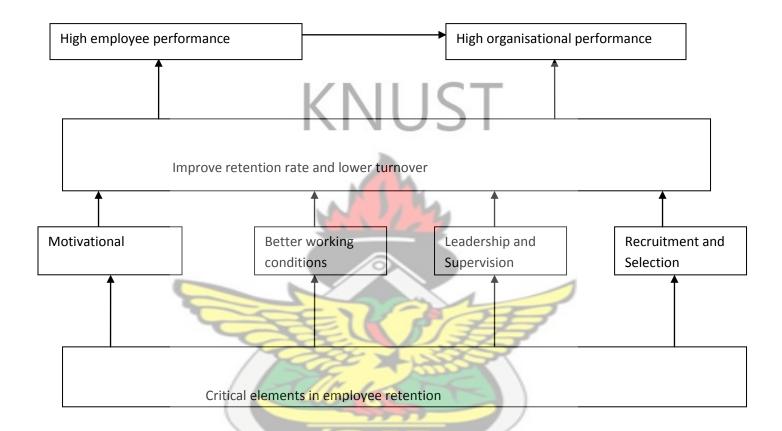
According to Padgaonkar (2007), the Corporate Leadership Council's research shows the real business impact of employee commitment: "By increasing employee's engagement levels, organisations can expect an increase in performance of up to 20 percentile points and an 87% reduction in employees' probability of departure." In other words, engaged employees perform better and stay longer.

Progressive companies have recognized that to enter the top echelons of most admired companies, they need to move beyond employee satisfaction. They need employees who are *inspired and engaged*. So now that engaged employees are more vital to the economy than ever before, does it means that they are more highly valued? Does it translate into better treatment for them? Not always. According to a Gallup survey, 19% of employees are actively disengaged. By active disengagement they mean that these employees are actually trying to sabotage the performance of their organisation. Despite all the chest-thumping by leaders proclaiming that "employees are our most important asset," the reality is very little real investment trickles down to the frontline employees.

Being on the lookout for disengagement is like manning a fire tower. You can scan the horizon for smoke (employee turnover) because it's more visible and where there's smoke there's fire (disengagement). In today's economy, the unemployment isn't there as the Gallup survey suggest.

## 2.11 Conceptual Frame Work

Table 2.1: Conceptual Frame Work



Source: Researcher's own construct, July 2011.

The critical elements in employee retention includes better working conditions, implementation of motivational strategies, good leadership and supervision role and complying with appropriate laid down procedure in recruitment and selection of employees. This will improve in employee retention rates by ensuring job satisfaction in addition to organisational performance.

#### **CHAPTER THREE**

#### RESEARCH METHODOLOGY

#### 3.0 Introduction

This research is basically a descriptive study designed to assess the impact of the intention to leave and turnover issues on employee performance using radio presenters of private commercial radio stations in the Ashanti region of Ghana as a test case.

According, to Twumasi (2002), in social research, we collect data from the social world hence the researcher develops field strategies to enable him to find answers to the research questions and to get answers to the questions, he must go to the field. Many methods are used in social research to collect data. It is important to note that the selection of a particular method to collect data must be decided upon in the light of one's problem. In making this decision, the researcher must keep in mind the type of people he is dealing with, the nature of social situation, the mode of social environment and the psychology of the people. It is also necessary to use more than one method to collect data. Using various suitable methods to collect data will help the researcher to evaluate his data source and to detect inconsistent answers. The methods used and why they were chosen will be discussed. The chapter will discuss the following: the research approach, population, sampling and sampling techniques; types and sources of data; research instruments and data analysis.

#### 3.1 Research Approaches

The research is based on the inductive approach. Data was collected and a theory was developed from the analysis of the data.

According to Suader, Lewis and Thornhill (2007), this approach is the dominant research approach in the natural sciences where laws present the basis of explanation, allow the anticipation of phenomena, predict their occurrence and therefore permit them to be controlled. The reason for

choosing this approach was the various advantages it possesses in survey researches. Thus, there is the search to explain casual relationships between variables. For example, after studying the turnover/retention patterns it can occur to the researcher that this seems to be appropriate for the study because the central theme and focus of this study is to explore the reasons why people decide to leave their work and the effect of this action (turnover and the intension to leave) on the performance of affected organisations hence the staff force of the study area plays a pivotal role of the study. In addition, they will also be in the position to provide feedbacks on why they quit or would want to quit; its effect on performance and suggest appropriate measures to curb the situation.

Due to inadequate resources and time constraint, a complete coverage of the universe was not possible, which will not offer a substantial advantage, hence the use of sampling. Twumasi (2002) mentions that the first step in the selection of a sample is to consider the sampling design. This denotes all the stages and the processes involved in reaching the respondents. Here, the study considered the respondents experience, age, educational qualification, and their income levels as the sampling criteria. Care was taken to ensure that the sample selected was, as far as practicable, representative of its universe.

According to Kumekpor (2002), the process of selecting the sample, to great extent, affects the degree to which a sample is representative of the universe from which it is selected. It therefore becomes necessary, to devise appropriate methods of selecting samples that give satisfactory average results, as well as, make it possible to estimate the degree of representativeness.

The main sampling techniques used in this were purposive sampling for respondents and a random sampling for the stations for the study; the study purposely chose respondents whose opinions were relevant to the study. In purposive sampling, the units of the sample are selected not by a random

procedure, but they are intentionally picked for the study because of their characteristics or because they satisfy certain qualities which are not randomly distributed in the universe, but they are typical or they exhibit most of the characteristics of interest to the study. Thus, as opined by Fisher, (2007), in purposive sampling, judgment and knowledge of the characteristics of units of the universe as to the object of the study is important. Where it is known that certain individual units, by their very characteristics, will provide more and better information on a particular subject than a randomly selected unit, then such units are purposefully picked up for relationship between the age of workers and high turnovers in the organisations or there may be a relationship between the economic situations prevailing in the country and retention. From these one can develop hypothesis and test it to develop a theory.

In order to pursue the principle of scientific rigor, deduction dictates that the researcher should be independent of what is being observed. This is easy in our example because it involves only the collection of absence data. It is also unproblematic if a postal questionnaire is being administered, although the level of objectivity this suggests appears less convincing when one considers the elements of subjectivity in the choice of questions and the way these are phrased.

An additional important characteristic of deduction is that concepts need to be operationalised in a way that enables facts to be measured quantitatively. In our example above, the obvious one is turnover/retention. Just what constitutes retention/turnover?

# 3.2 Population, Sampling and Sampling Techniques

According to Twumasi (2002), in considering a sampling design, the research scientist first of all determines his population universe. He must be able to outline the parameters of the population he wants to study. According to Cooper and Schindler (2003), population is defined as a complete set

of individual (subjects), objects or events having common observable characteristics in which the research is interested in studying.

The population of the study therefore constituted all staff of private commercial radio stations in Ashanti and other stakeholders in the radio management within the Ashanti Region. The total number of Private Commercial Radio Stations in Ashanti Region is twenty eight (28) with average staff strength of thirty (30). The total staff population in the Ashanti Region is therefore eight hundred and forty (840). The staff was selected from selected stations within the Ashanti region including Obuasi, Ashanti Mampong, Effiduase, Konongo, Agogo and Kumasi Metropolis. Staff of private commercial radio stations in Ashanti region was considered to be for the study. The selection does not involve intricate procedures of random sampling, Kumekpor (2002). The total staff strength from the selected stations were all sampled for the study. In other words the whole staff forces from the selected stations and they were selected. These included General Managers, Programme Managers, Finance, Presenters, Sales, Client Service, the administrative staff as well as the junior ranks within the selected organisations. In addition, senior management of the human resource department from the private commercial radio stations in Ashanti was selected. Here, the researcher arranged time with the respondents to meet them. Out of the eight hundred and forty (840), one hundred (100) were chosen as the sample size.

# 3.3 Sources and Types of Data

In undertaking any study, the first task is to review relevant and related literature on the topic. The first source of data was purely secondary. Here a mixture of materials was sourced, reviewed and then attempted to relate the data to the current study in order to establish some degree of consistency. With reference to this study, information was sourced from textbooks, journals, World Wide Web, dissertations and academic journals. These were sourced from various libraries in

higher institutions of learning such as the Kwame Nkrumah University of Science and Technology-Kumasi, University of Winneba - Kumasi campus and the Kumasi Polytechnic libraries, certain journals as well as academic journals from the internet and the researcher's library.

In addition, primary data was also collected for the study. Rodson (2002) suggested that primary sources of data refer to data that will be collected expressing specific purpose. The primary data were obtained from the field. The benefit of obtaining a primary data is that exact information wanted will be obtained and is more reliable. Among the data gathered were basically on promotions, training, demographic data of respondents, income, motivation, etc.

#### 3.4 Data Collection

Questionnaires were administered to elicit respondents' opinions on the perceived importance of a number of attributes impacting on retention/turnover of the Private commercial radio stations in Ashanti. The first sets of questionnaire were directed to the management and other employee. The questionnaire was developed based on the literature review and drew upon the objectives of the study. Most of the questions were 'closed questions' whilst a few were open-ended but requiring simple responses to make it easier for respondents. The questionnaires were well responded to and returned.

In addition, unstructured interviews were also applied. The interview method was used during the interaction with the resource personnel. Here, the study was able to assess the mood of the respondents and was able to appraise the validity and reliability of the answers. Questions were asked, feedbacks were provided within a relaxed atmosphere and the researcher watched the sentiments that may accompany the answers. The responses provided also buttressed certain feedbacks that were generated from the questionnaires.

#### 3.5 Data Analysis

After the field work, the next process was the data analysis. The process (of data analysis) was a continuous one involving many stages. At every stage, the researcher asked questions relating to the objectives in order to obtain meaningful answers. In this regard, the principal concepts in the study's objectives were used to examine the data.

The stages involved in the analysis were editing, tabulation, coding, and computer processing.

- ✓ Editing: Here, data was examined for consistency of response. The researcher read through all the data in order to determine whether the feedbacks were worthwhile and to find out whether all the questions had been answered properly. In addition, the data was carefully checked to determine its level of accuracy, consistency and appropriateness.
  - Through the editing the researcher was able to provide answers to blank columns after following the trends of thought from the respondents.
- ✓ Tabulation: It is the process whereby the researcher summarises quantitative data into statistical tables. Here the researcher was able to summarize most of the responses in the form of tables and graphs to give a vivid picture about the whole idea by mainly adopting cross tabulation.
- ✓ Coding: The coding is a system for preparing quantitative/qualitative analysis of the data.

  The study used numbers to symbolise words and in the exercise of translating words into numbers, a scheme called coding instruction was prepared to direct the process. The coded materials were then fed into the computer direct from the questionnaire through the application of computer software called the statistical package for the Social scientist (SPSS).

## **CHAPTER FOUR**

## PRESENTATION OF DATA AND ANALYSIS

#### 4.0 Introduction

This chapter presents the various data gathered and analyzed from the field after administering the questionnaire and interviewing the staff of Private Commercial Radio Stations in Ashanti Region constituting 100 employees.

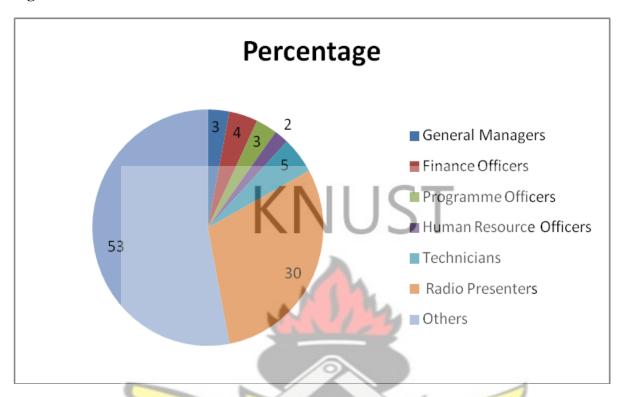
Bar charts and tables were used to summarise the data obtained from the field and was also used for analysis and discussions.

## 4.1 Presentation of Data and Analysis

**Table 4.1. Positions of Staff** 

Positions	Frequency	Percentage
General Managers	3	3.0
Finance Officers	4	4.0
Programme Officers	3	3.0
Human Resource Officers	2 BA	2.0
Technicians	ANE 150	5.0
Radio Presenters	30	30.0
Others	53	53.0
Total	100	100.0

Figure 4.1: Position of staff

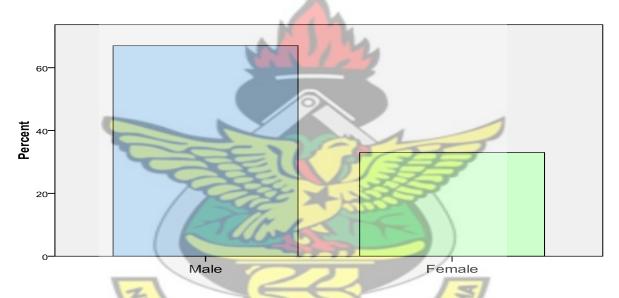


The data on the above table and bar chart indicate that majority of the radio employees representing technicians (5%), radio presenters (30%) and others (53%), totaling (83%), fall outside the administrative management. This is an indication that turnover is likely to be prevalent in this group if it is to occur. The group comprises of staff such as secretaries, messengers, and securities etc. who may receive meager salaries for their services rendered.

**Table 4.2. Gender Composition of Respondents** 

Gender	Frequency	Percent
Male	67	67.0
Female	33	33.0
Total	100	100.0

Figure 4.2: Gender Composition of Respondents



Source: Field survey, July 2011

The data on the above table and bar graph indicate that there are more males than females in the Private Commercial Radio Stations in Ashanti Region, 67% as against 33% respectively. The male dominance is an indication that the radio stations are likely to suffer a future turnover as men usually have the zeal to advance to achieve higher heights and probably change jobs later compared with the few women who would usually not take up such challenge.

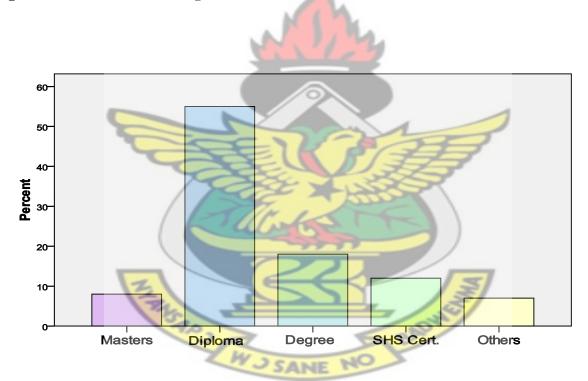
**Table 4.3. Educational Background** 

Education	Frequency	Percent
Masters	8	8.00
Diploma	55	55.00
Degree	18	18.00
SHS Cert	12	12.00
Others	7	7.00
Total	100	100.00

KNUST

Source: Field survey, July 2011

Figure 4.3: Educational Background



**Educational Background** 

Source: Field survey, July 2011

The data portrays that, 18% of the respondents were found to be degree holders, while 55% had diploma certificates and 12% being SHS graduates. This is followed by holders of masters' degree

representing 8% and the least being others (7%) who were non-certificate holders or middle school certificate holders.

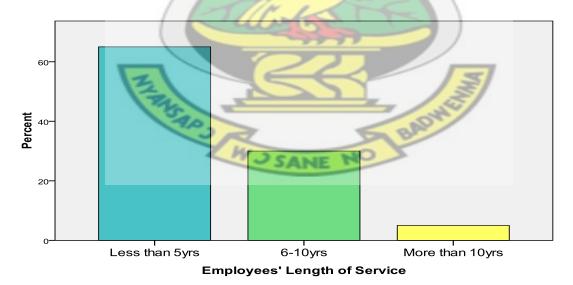
The composition of 55% (of diploma holders), 12% (SHS certificate holders and 7% others) give the impression that there is the tendency of these groups leaving in future to pursue higher academic heights and those with degrees and masters taking a higher appointments such as Public Relations Officers thereby causing a high turnover.

Table 4.4. Presenters' Length of Service

Length of service	Frequency	Percent
Less than 5yrs	65	65.0
6- 10 yrs	30	30.0
More than 10yrs	5	5.0
Total	100	100.0

Source: Field survey, July 2011

Figure 4.4: Presenters' Length of Service



The data on the table and the bar graph revealed that on the field, 65% had spent less than 5 years with the radio stations while 30% had spent between 6-10 years. The least among the group constituted only 5% who had spend more than 10 years with the radio stations.

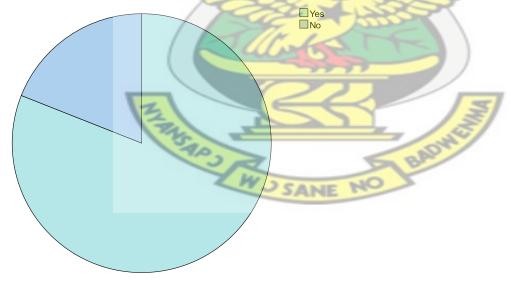
The 5% comprising the employees who had spent more than 10 years with the radio station is a possible threat for the station to experience a higher turnover in future.

Table 4.5. Presenters' First Employment

Items Investigated	Frequency	Percent
Yes	81	81.0
No	19	19.0
Total	100	100.0

Source: Field survey, July 2011

Figure 4.5: Presenters' First Employment



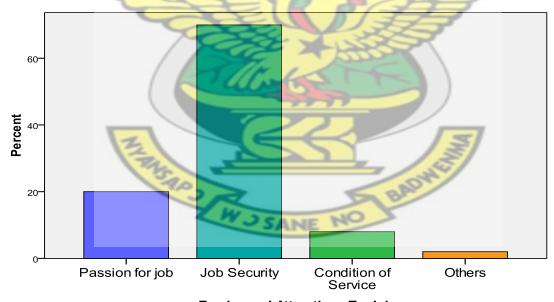
With respect to the question of employees first employment, 81% of staff were found to be in their first employment with the radio stations while 19% were with the radio stations either as their second or third job. This is an indication that, many staff employed for the first time are likely to upgrade themselves and probably leave for other sectors.

Table 4.6. Presenters' Attraction To Job

<b>Employee Attractions</b>	Frequency	Percent
Passion for job	20	20.0
Job security	70	70.0
Condition of service	8	8.0
Others	2	2.0
Total	100	100.0

Source: Field survey, July 2011

Figure 4.6: Presenters' Attraction to Job



**Employees' Attractions To Job** 

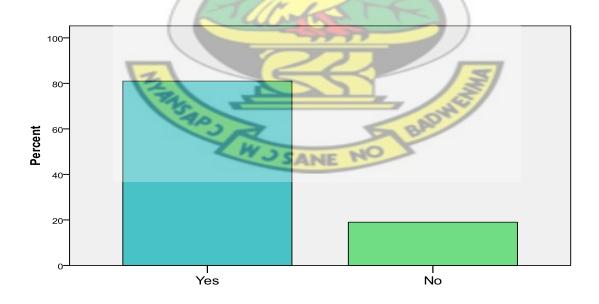
An open-ended item requested respondents in their own view, as to what attracted them to the job, 70% cited job security with the radio stations, while 20% indicated the passion to work with radio stations. 8% cited promising condition of service while 2% chose to work with the radio stations for other reasons. This is an indication that old people getting close to their retirement are likely to find comfort within the radio stations.

Table 4.7. Presenters' Expectations From Job

Items Investigated	Frequency	Percent
Yes	81	81.0
No	19	19.0
Total	100	100.0

Source: Field survey, July 2011

Figure 4.7: Presenters' Expectations from Job



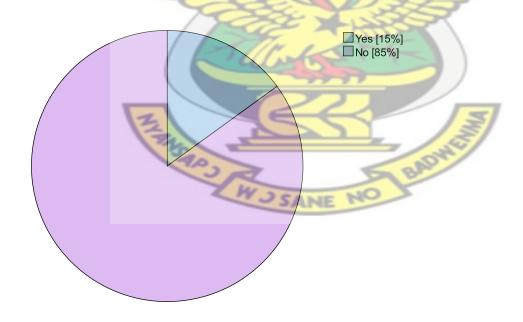
From the table and graph above, 81% of staff have their own individual expectations while 19% expected nothing much. Most staff interviewed seemed to have their hopes dashed as they complained of challenges such as little room for upgrading, bureaucratic tendencies, political threats, discrimination and others which had reduced their love and passion for the job. This gives a clear indication that employees are likely to leave in the near future to areas where they can have their dreams fulfilled.

Table 4.8. The Job Happiness of Presenters

Items Investigated	Frequency	Percent
Yes	15	15.0
No	85	85.0
Total	100	100.0

Source: Field survey, July 2011

Figure 4.8: The Job Happiness of Presenters



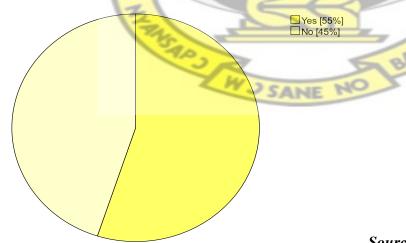
The data in the above table and bar chart indicate that, only 15% are happy with working conditions as against the larger staff forming 85%. This creates an impression that, presenters are likely to leave if they are provided with better conditions somewhere in the future. Institutional stability has been found to have a higher degree of correlation with low turnover. Indications are that, employees are more likely to stay when there is a predictable working environment. Likewise, the inverse of this relation has also been found to be true. In an organisation where there is a high level of inefficiencies, there also is a high level of staff turnover.

**Table 4.9. Presenters Attendance of Workshops and Conferences** 

Response	Frequency	Percentage
Yes	55	55.0
No	45	45.0
Total	100	100.0

Source: Field survey, July 2011

Figure 4.9: Presenters Attendance of Workshops and Conferences

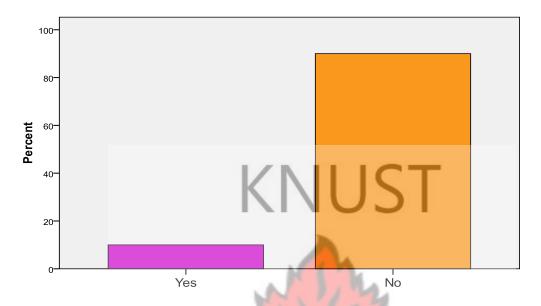


This was to find out as to how often presenters attended workshops and conferences and the criteria for selection. The above pie chart and table revealed that, 55 employees representing 55% claimed to have regularly attended workshops and conferences whilst 45 employees representing 45% claimed not to have attended workshops and conferences regularly. Findings revealed that, selection of employees were based on several factors such as length of service in the radio station, relevancy to one's department, and at times based on the General Manager's choice. This is an indication that employee are likely to be displeased and quit if selection is to be continuously influenced by the General Manager instead of allowing human resource department to find the right person to attend.

Table 4.10. Opportunities for Presenters' Upgrading

Response	Frequency	Percent
Yes	10	10.0
No	90	90.0
Total	100	100.0

Figure 4.10: Opportunities for Presenters' Upgrading



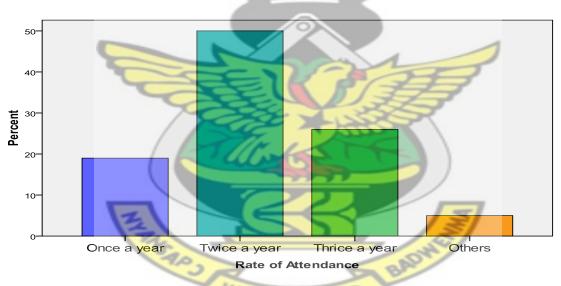
Concerning the opportunities made available by the Private Commercial Radio Stations in Ashanti Region for Radio Presenters to upgrade themselves and return to work, only10% (mostly within senior Presenters) said yes while the rest responded negatively. This can be an indication that employees are likely to leave in the near future as research has proven that, there is a strong positive correlation between increased levels of employee training and decreased turnover. Much training literature states that increased training promotes a high degree of job satisfaction, which in turn leads to retention. All things being equal, institutions that train their staff enjoy a lower turnover.

WJSANE

Table 4.11. Rate of Workshop and Conference Attendance

Items Investigated	Frequency	Percent
Once a year	19	19.0
Twice a year	50	50.0
Thrice a year	26	26.0
Others	5	5.0
Total	100	100.0
KI	<b>NUS</b>	Τ

Figure 4.11. Rate of Workshop and Conference Attendance



Source: Field survey, July 2011

With respect to attendance of conferences and workshops, 19% of staff were found to attend once in a year whilst 50% were found to attend twice a year, with 26% attending thrice a year and others forming 5% attending 4 or 5 times a year. The data above is a clear indication that there are efforts by the Private Commercial Radio Stations in Ashanti Region to update the knowledge of its

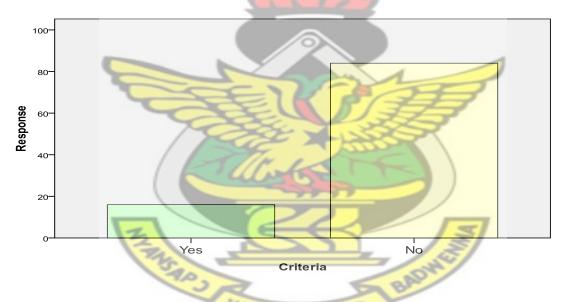
Presenters but would not be sufficient enough due to the fast pace with which the world is changing with respect to modern practices in broadcasting. Hence the radio stations should step up their training programs to motivate employees to stay longer.

**Table 4.12. Criteria for Job Promotion** 

Response	Frequency	Percent
Yes	16	16.0
No	84	84.0
Total	100	100.0

Source: Field survey, July 2011

Figure 4.12: Criteria for Job Promotion



Source: Field survey, July 2011

As to whether presenters were happy with the criteria used for promotion, only 16% said yes whilst 84% were not pleased with their system.

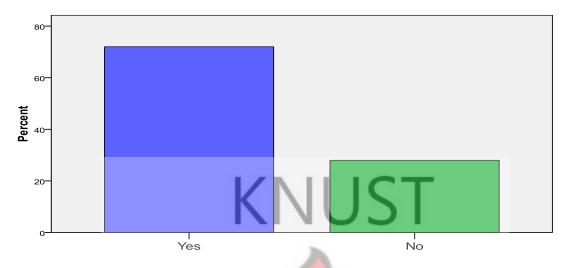
Some of the reservations of the 84% respondents had been the influence in appointment by friends and relations and sometime giving of appointment to favourites as to whether they qualify for the position or not.

According to Costly et al (1987), a high labour turnover could be caused by 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 spelt out policies, no grievance procedures in place and thus employees decide to quit.

Table 4.13. Rate of Presenters' Turnover

Items Investigated	Frequency	Percent
Yes	72	<b>72.</b> 0
No	28	28.0
Total	100	100.0

Figure 4.13: Rate of Presenters' Turnover



Rate of Presenters' Turnover

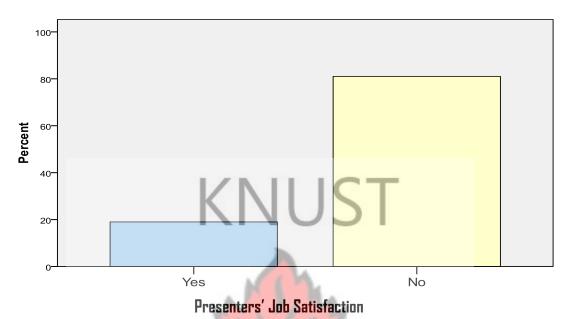
Source: Field Survey, 2001

Concerning the rate of turnover in the Radio Stations, 72% of respondents accepted it to be high and claimed to have been high amongst top presenters, while 28% believed the reverse. This gives a clear indication that the Private Commercial Radio Stations in Ashanti Region have been suffering for high presenter turnover

**Table 4.14. Presenters' Job Satisfaction** 

Items Investigated	Frequen <mark>cy</mark>	Percent
Yes	19	19.0
No	81	81.0
Total	100	100.0

Figure 4.14: Presenters' Job Satisfaction

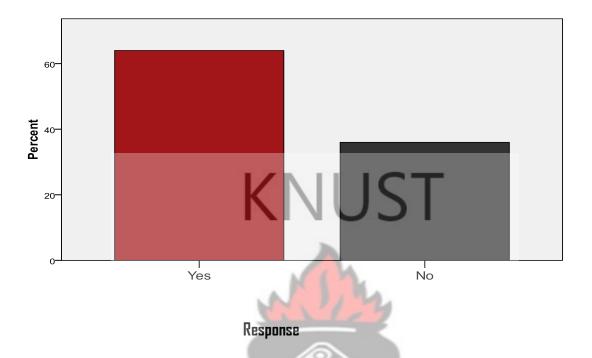


On the question of job satisfaction, only 19% percent of respondents were found to be satisfied with their job while 81% were dissatisfied. As job satisfaction is a strong predictor of turnover intentions, this finding is an indication that the radio stations would be experiencing high turnover in the near future.

Table 4.15. Presenters' Disappointments with Job

Items Investigated	Fr <mark>equency</mark>	Percent
Yes	64	64.0
No	36	36.0
Total	100	100.0

Figure 4.15: Presenters' Disappointments with Job



The data on the above table and bar graph above indicate that 64% were disappointed in the area of administrative bottleneck such as bureaucracy, little involvement in decision making, radio influence in appointments and promotions etc. while 34% seemed content. This gives the impression that if such lapses are not resolved, such aggrieved parties are likely to quit in the near future.

**Table 4.16. Job Training For Radio Presenters** 

Response	Frequency	Percent
Yes	30	30.0
No	70	70.0
Total	100	100.0

60-**Part of the Authority of the Autho** 

Figure 4.16: Job Training For Radio Presenters

Source:

Νο

Source: Field survey, July 2011

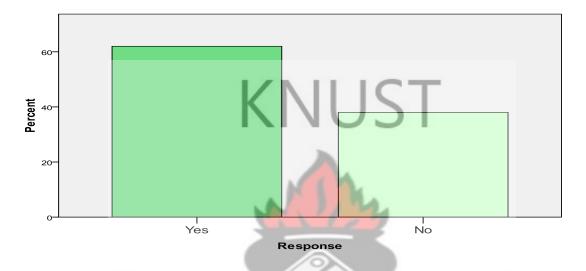
From the table and diagram above, 30% of Presenters claimed to be have given job training while 70% had received none. This is an indication that all is not well for most of the Presenters as research has proven that there is strong positive correlation between increased levels of employee training and decreased turnover. Much training literature states that increased training promotes a high degree of job satisfaction, which in turn leads to retention (Royalty, 1996) All things being equal, institutions that train their staff enjoy a lower turnover and vice versa.

Table 4.17. Impact of Job Training on Radio Presenters

Yes

Items Investigated	Frequency	Percent
Yes	62	62.0
No	38	38.0
Total	100	100.0

Figure 4.17. Impact of Job Training on Radio Presenters



Source: Field survey, July 2011

As to whether training received by staff had impacted on the job performance staff, 62% of respondents admitted an improvement in their job performance while only 38% said otherwise. This indicates that intensified job training help retain staff and reduce high turnover.

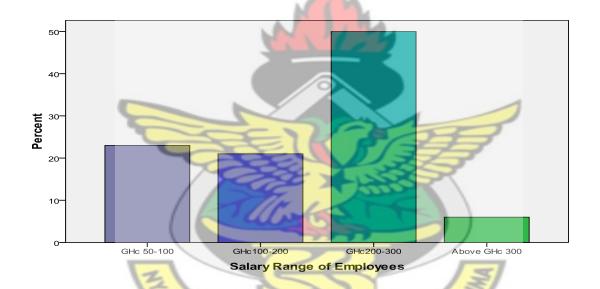
High turnover brings destruction to the organisation in the form of direct and indirect cost.

**Table 4.18. Salary Range of Radio Presenters** 

Items Investigated	Frequency	Percent
GHc50 -100	23	23.0
GHc100 -200	21	21.0
GHc 200 – 300	50	50.0
Above GHc 300	6	6.0
Total	100	100.0

1/1/1/0/5/1

Figure 4.18: Salary Range of Radio Presenters



Source: Field survey, July 2011

Concerning the range of salaries taken by presenters, 23% fell within the range of Gh¢50 - Gh¢100, 21% falling with Gh¢100 - Gh¢200 while 50% of staff took salaries within Gh¢200- Gh¢300. And only 6% happens to be the highest paid within the group.

Looking at the increasing cost of living, one would be tempted to say that, if Presenters salaries are not adjusted with time, they would be tempted to leave for other lucrative jobs which come with other additional benefits. A research conducted by Griffeth et al. (2000) noted that pay and payrelated variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person's performance and turnover and realized that if jobs provide adequate financial incentives the more likely employees remain with organization and vice versa.

**Table 4.19. Other Employee Benefits** 



Response	Frequency	Percent	
Yes	75	75.0	
No	25	25.0	
Total	100	100.0	

Source: Field survey, July 2011

Figure 4.19: Other Employee Benefits

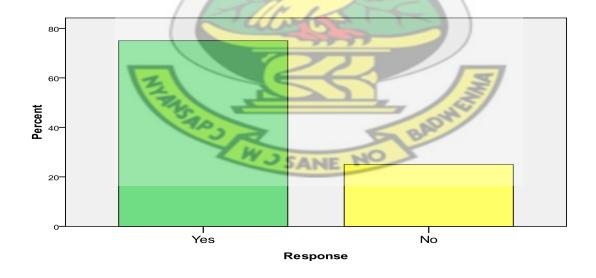
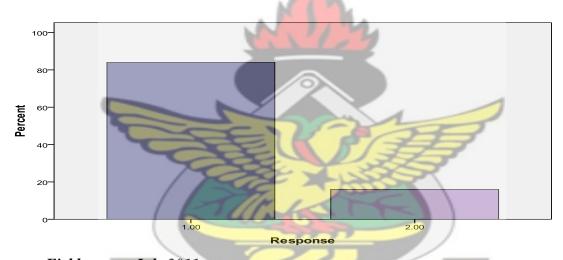


Table 4.20. Memorable Days of Presenters' on the Job

Items Investigated	Frequency Percent	
Yes	16	16.0
No	84	84.0
Total	100	100.0

KNUST

Figure 4.20. Memorable Days of Presenters' on the Job



Source: Field survey, July 2011

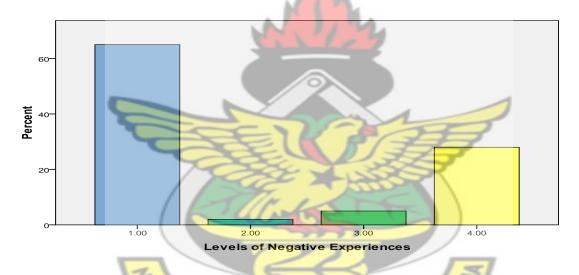
From the table and diagram above, 16% of Presenters said they have very memorable days at their workplaces while 84% had nothing to remember about. This is an indication that, a greater number of the Presenters are dissatisfied with their job conditions because they have nothing good to remember about and this is like to influence turnover.

**Table 4.21. Negative Experiences of Presenters** 

Items Investigated	Frequency	Percent
Politics	65	65.0
Sexual Harassment	2	2.0
Discrimination etc.	5	5.0
Others	28	28.0
Total	100	100.0

KNUST

Figure 4.21: Negative Experiences of Presenters



Source: Field survey, July 2011

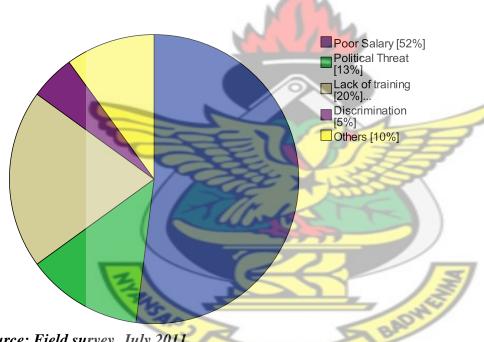
The table and graph above indicate that the influence of politics (65%) form the highest of all negative experience that presenters had gone through, followed by others (28%) such as verbal assault, retardation, rejection etc. and discrimination (5%) and sexual harassment (2%) which the least of the inconveniences that employees had suffered at the workplace. This is an indication that staffs are likely to suffer undue transfers and premature termination of appointments at instances where an incumbent always want to work with her faithful or a specific group of people.

Table 4.22. Possible Cause of Presenters' Exit

Causes	Frequency	Percent
Poor Salary	52	52.0
Political Threat	13	13.0
Lack of training/upgrading	20	20.0
Issues with discrimination etc.	5	5.0
Others	10	10.0
Total	100	100.0

KNUST

Figure 4.22: Possible Cause of Presenters' Exit



Source: Field survey, July 2011

There are also other factors which make presenters to quit from organisations and these are poor hiring practices, managerial style, lack of recognition, lack of competitive compensation system in the organisation and toxic workplace environment.

SANE

#### **CHAPTER FIVE**

### SUMMARY OF FINDINDS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter presents the overview of the study, summary of the findings of the study, conclusions and recommendations. The research is a study on Radio Presenters turnover in Private Commercial Radio Stations in the Ashanti region. The research also attempted to solicit the views of staff and administrators concerning the Radio Presenters turnover situation in the Private Commercial Radio Stations in Ashanti Region. The research design employed was descriptive sample survey. The main research instrument used was self-developed questionnaires. The researcher administered the questionnaires personally.

The findings of the study are expected to provide alternative ways to reduce Radio Presenters turnover in the Private Commercial Radio Stations in Ashanti Region so as to enhance its administrative and developmental decision-making. The subjects (research sample) for the study were 100 comprising of both administrators and staff drawn from the Private Commercial Radio Stations in Ashanti Region.

This ensured that all diverse views of both administrators and staff were represented. The data gathering instrument used for the study is a questionnaire comprising of four sections.

### 5.1 Summary of Findings

The results of the study have been discussed in connection with the research questions designed for the study.

#### 5.1.1 Personal Data

Regarding the gender composition of respondents, it can be summed up that there are more males than females that is, 67% as against 33% in Ashanti Region's Private Commercial Radio Stations. Hence Radio Presenters turnover in future is likely to be high among the male employees than that of the females since men usually have the zeal to advance to achieve higher academic heights and probably change job later, as compared with the few women who would usually not take up such challenges.

With respect to the positions of staff within the radio stations, it was found out that only 6% formed up the administrative body which is the pivot of administrative and developmental decision-making in the Private Commercial Radio Stations in Ashanti Region while 94% of staff find themselves in departments such as programmes and presentation, technical, client service, front desk, sales and marketing, human resource and other administrative departments. It was revealed that the Chief Executive Officers had an upper hand in most of the sensitive positions within the Private Commercial Radio Stations in Ashanti Region and in the event of the Chief Executive Officer choosing his favorites or incompetent people against the wishes of either the Presenters or the masses can lead to high Presenter turnover.

Concerning the educational background of Presenters, 18% of them were found to be degree holders, while 55% have diploma certificates and 12% being SHS graduates. This is followed by holders of masters' degree representing 8% and the least being others (7%) who were non-certificate holders or middle school certificate holders.

The composition of 55% (of diploma holders), 12% (SHS certificate holders and 7% others) give the impression that there is the tendency of these groups leaving in future to pursue higher academic heights and those with degrees and masters taking a higher appointments such as Public Relations Officers thereby causing a high turnover.

The study also revealed that about 70% of the Radio Stations members are selected through direct recruitment to represent their Private Radio Stations. The remaining 30% is appointment by the Radio Stations.

Lastly, concerning employee's length of service, it was found that 65% had worked for less than 5 years while only 5% had been able to work for more than 10 years and this is an indication of a high turnover rate.

### 5.1.2 Causes of Radio Presenters Turnover

Causes and sources of the Radio Presenters turnover had emanated from various factors. 81% of employees had specific expectations of joining the Radio Stations but claimed to have their hope and expectations dashed. 70% of employees asserted to have joined the Radio Stations as a result of job security found in the industry vis-à-vis the job security in other private sector jobs.

Besides, 90% also complained of little room for upgrading in the organisations, 84% dissatisfied with the criteria for which promotion was done, while 85% were not happy with the working condition at the Private Commercial Radio Stations in Ashanti Region. And on the average, 50% declared to have attended workshops and conferences twice a year.

In addition, interviews with some staff also revealed some catalysts for future high turnover such as bureaucratic tendencies, political threats, discrimination among others which had reduced their love and passion for the job. And above all 80% asserted not to be happy with their job and this revelation heightens the tendency of some employees to quit the Private Commercial Radio Stations in Ashanti Region in the near future to other areas where their dreams and expectations could be met.

## 5.1.3 Effects of Radio Presenters Turnover on the Radio Stations

Though management could not provide any existing document or data on employee turnover within the Private Commercial Radio Stations in Ashanti Region, 72% of respondents professed that employee turnover rate had been high. It could further be discerned from the above revelation that employee turnover had been high or would be on the rise in the near future if the necessary steps are not taken to check it.

This clearly demonstrates that radio presenters' turnover had affected the performance of the Private Commercial Radio Stations in Ashanti Region and if it's not managed properly, it would further have a negative effect on the operation of the Private Commercial Radio Stations in Ashanti Region.

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, it is presumed that productivity drops due to the learning curve involved in understanding the job and the organisation. Furthermore, the loss of intellectual capital adds to this cost, since not only do organisations 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 Radio Presenters turnover is not managed properly in

the Private Radio Stations in Ashanti Region, it would affect it adversely in terms of personnel costs and in the long run it would affect its performance position.

Furthermore, while there was a broad appreciation that the financial cost of turnover could be substantial, the radio stations had not quantified or tracked these costs:

- (i) the turnover amongst young Radio Presenters
- (ii) the monitoring of Radio Presenters satisfaction levels in any formalised way
- (iii) Recruitment strategies were generally not evaluated in terms of their impact on Radio Presenters retention.

#### 5.2 Conclusions

Respondents admitted that the issue of Radio Presenters turnover at the Private Commercial Radio Stations in Ashanti Region had been a complicated one. Most Radio Presenters had identified problems such as little room for upgrading of skills, poor criteria for promotion, poor working conditions, discrimination and poor management, on the part of some administrators as some the major cause of employee turnover. The majority claimed to have been frustrated by the poor management of their superiors which had affected their work output, initiative and attitude.

The observation was that administrators seemed dormant in taking decisions and initiatives in improving employee retention and appeared to be bureaucratic in their management style with little room for innovation and creativity.

There is therefore the need for the issue of Radio Presenters turnover to be number one priority on the agenda of the Private Commercial Radio Stations in Ashanti Region in order for the Radio Presenters to stay in the stations for long periods instead of leaving for other promising areas where they believe their hopes and expectations would be met.

There were some who believed that the Chief Executive's influences in the operations of the Radio Stations had been strong leaving small room for management to operate efficiently and effectively. This clearly indicates that some Radio Presenters do not feel part of the radio station, like some administrators also feel their hands are tied down and had to operate according to the dictates of a superior power in order to maintain their jobs. An attention to Radio Presenters turnover in the Radio Stations's operations is laudable since it has benefits for the general radio station's management, including conducive atmosphere for staff work and their frustrations and agitations are eliminated or reduced to the barest minimum.

#### 5.3 Recommendations

### 5.3.1 Strategies for Management to Reduce Radio Presenters Turnover

- (i) A critical first step in improving retention rates is to get administrators/ management to give the issue greater attention. The management need to be communicating to Radio Presenters that containment of turnover is its priority and also support initiatives aimed at increasing retention. In some instances, this will require a shift from a narrow focus on short-term cost containment to a broader focus on effective management of human resources.
- (ii) Development of a standardised method for costing turnover will help to focus the radio station's attention on the issue. In addition, it is important to publicise examples of good practice in the area of employee management, in order to dispel the view that turnover is driven by factors that are largely beyond the control of management.
- (iii) Performance reviews can allow the radio stations to recognise growing talents within the firm for 'hire from within' policies, which have also been proven to increase employee satisfaction, because they encourage employees to upgrade job knowledge in order to make a greater contribution to the firm. As an added bonus, such reviews create an environment for employees

- to resolve difficulties in co-worker relationships (Messmer, 2000). Hedge and Kavanagh's (1988) study suggests that employees also want to know how they are performing, as this aids in career path planning.
- (iv)Moreover, management should develop a strategic plan for the education and development of Radio Presenters to improve their abilities in order to make them stay. Besides, delegation is likely to have a significant impact on turnover in radio station's operations, as this will deepen employee's thought of a future takeover and strengthen his/her commitment towards the job.
- (v) Also, there is a clear need to improve monitoring processes at the radio presenters' level. Surprisingly, the radio stations in this study gave little attention to collecting and analyzing human resources data. Management generally made only limited use of turnover data, information from exit interviews and demographic data. With some relatively simple improvements to existing information systems and data capture processes, it would be possible to substantially improve the quality and quantity of information available to management at the top level. Management should also develop a strategic plan for improved recruitment and hiring of qualified applicants for the positions in the radio stations.
- (vi)Furthermore, Management should also develop a training plan that provides group dynamics and conflict resolution education to all staff members. Since radio presenters want to advance their career with greater opportunities for training and career development, providing a set of tools to develop the leadership and management skills of employees will provide immediate and long-term benefits to the Private Commercial Radio Stations in Ashanti Region. It should be a major step in its employee retention strategy.
- (vii) There are promising signs that the issue of turnover is now on the agenda of the

Radio stations, but a lot of work remains to be done if the Radio Stations as a whole are to improve its performance in this area. Therefore, if the above strategies are taken into account, the radio stations would be able to survive in a dynamic environment by treating their presenters as one of their assets which needs a lot of attention. Employees are still the backbone of any institution's success and therefore, they need to be motivated and maintained in organisation at all cost to aid the organisation to achieve the purpose for which it was constituted. And in the long-run the returns on investments on the presenters would be achieved.

#### 5.3.2 Role of Radio Presenters to Reduce Turnover

Another concern of Radio Presenters was poor workplace culture at the radio stations. Radio Presenters could not express their sentiments/ views for fear of victimisation. Radio Presenters can come together as a team and express a collective view to management and this method will make an individual evade the situation of being singled out as a scapegoat for the expression of sentiments. Similarly, the availability or lack of promotional opportunities was of a greater concern to presenters in the lower level positions. Radio Presenters can take advantage of part time and online programs which come at a moderate fee instead of waiting on management's workshops and conference which may at times be limited few. Presenters by this means can demonstrate their readiness for delegation and ability to take higher position.

## 5.4. Suggestions for Future Research

In future, researcher wants to recommend further studies within the Private Radio Stations in Ashanti Region into areas such as understanding how selection techniques can influence turnover levels and influence of leadership/management on Radio Presenters turnover.

#### REFERENCE

Abbasi, S., & Hollman, K. (2000). Turnover: The Real Bottom-line. *Public Personnel Management*.

About.com (2009) Employee Motivation, Recognition, Regards, Retention About.com Human Resource.

From:www.humanresource.about.com/d/motviationsuccess3/a/motivation-musthtm

Armstrong, M. (2006). A Handbook of Human Resource Management Practice.\_UK And USA: Kogan Page Limited.

Bevendam Research Incorporated (2005). Managing Job Satisfaction. Special Reports: effective Management Through Measurement. (Vol 6) From: E/managing job satisfaction bevendam research inc.htm Retrieved on1/26/2009

Bill Rehm (2008). Retaining Top Talent in New Zealand. Integral Talent System.

From: www.itsine.net/focus.retetion.htm. Retrieve on 1/4/2009

Blake, R (2006). Why Employees Leave. Ezine Articles. Com

From: <a href="http://ezinearticles.com/?why employees">http://ezinearticles.com/?why employees</a> leave

Brown, Doug K. (2009). "The Impact of Engaged Employees." The Impact Of Engaged Employees Ezinearticles.com. Http/www.Ezinearticles.Com/?The-Impact-Of-Enagaged-Employees&Id=23377392. Retrieved On 27/8/2009

Chartman, J.A (1991). Matching People and Orgainsations: Selection and Socialization In Public According Firms. Administrative Science Quarterly, 36,459-484.

From: www.midwestacademy.org/proceedings/2003/papers/metzler.doc

Cole, G.A. (2004). Organisational Behaviour, UK: DP Publications Ltd.

Elliot, J. (1987). Economic And Industrial Democracy. Vol.8 Karl Marx: Founding Father of Workers 'Self-Governance'.

Fisher, K (1993) Leading Self-Directed Work Teams: A Guide to Developing Nw Team Leadership Skills. Megraw Hill

Fitz-Enz, J and Davison, B. (2002) How to Measure Human Resources Management McGraw-Hill Professional.

Ganesh, A. (Strategy: Why Do Professionals Leave? Data Quest, Dec.15, P.148-151

Griffeth, R. W., Hom, P. W., & Geatner, S. (2000). A meta-analysis of antecedents and correlates of employee turnover: update, moderator tests, and research implications for the next millennium. *Journal of Management*.

Hale, J. (1998). Strategic Rewards: Keeping your best talent from walking out the door. Compensation & Benefits Management, 14(3), 39-50.

Hannay, M., Northam, M. (2000), Low-cost strategies for employee retention, SAGE Publications, Research Notes, July-August 2000

Heathfield, M.S.(2009). Guide to Human Resources. About.Com. http://humanresources.about.co/od/managementandleadership/u/managepeople.htm. retrieved on 1/26/2009.

H R.Com (2009) Employee Retention and motivation. Your Employment Law Resources.

From: www.hrhero.com/topics/retentio.html. Retrieved on 1/17/2009

Incentive Performance Centre (2008). The Economics Of Retention. Motivation Moves People ....... People Moves Business. Retrieved n 2/9/2009 From:

www.Incentivecentral.Org/Employees/Whitepapers/The\_Economics\_Of\_Retention.

1902 Retrieved on 1/17/2009.

Insightlink Communications (2004). The State Of Employee Satisfaction. Insightlink Communications. From: http://www.insightlink.com/exit\_interviews turnover\_.htm.

Retrieved On 1<sup>st</sup> June 2009.

Kufour J A (2005). The Millennium Excellence Award Accra: Ghana Television (GTV)

Kumekpor, T.K.B. (2002) Research Methods & Techniques Of Social Research. Sonlife & Services, Accra Ghana.

Kunchinke, K.P. (1995) Leadership and Culture. Work – Related Values and Leadership Styles Among Ones's Company as US and German Telecommunication Employees. Vol.:135-54

Lock, E.E.. (1976). "The Nature and Causes Of Job Satisfaction", In Dunette. M.D (Ed). A Handbook Of Industrial And Organizational Psychology.\_Rand Menally. Chicago, II.Pp.1297-349..

Meyer, J.P.& Allen, J.N., (1997). Commitment In The Workplace. Theory Research And Application. Thousand Oaks, CA. Sage

Mullins, L. I. (2005) Management And Oranisational Behaviour.\_ Person Education Limited England.

Polanyi, M. (1962) Personal Knowledge, Chicago: The University of Chicago Press

Robert Half Finance and Accounting (2009). Compensation Plans. Robert Half Finance And Accounting. Retrieved From http://www.roberthalffinance.com

Robson (2002) Real World Research (2<sup>nd</sup> Edition), Oxford, Blackmell

Rosana and Velilla (2003). British Journal of Industrial Relations.

Blackwell Publishing Ltd/London School of Economics

Royalty, A. (1996). "The Effects of Job Turnover on the Training of Men and Women." *Industrial and Labor Relations Review* 

Rust, R.T., and Stewart, G. L. (1996). The Satisfaction and Retention of Frontline Employees: A Customer Satisfaction Measurement Approach. International Journal Of Service Industry Management. VOL 7. No. 2, P 62

Samad, S. (2006). Procedural and distributive justice: differential effects on employees' work outcomes. *The Business Review, Cambridge*.

Saunders, M, Lewis, P. & Thornhill, A (2007). Research Methods For Business Students. Pearson Educational Limited, England Essex.

Shaw, J. C., Wild, E., & Colquitt, J. A. (2003). To justify or excuse? A meta-analytic review of the effects of explanations. *Journal of Applied Psychology*, 88 (3), pp. 444-458.

The Herman Group (2008). The Employee Retention: Vital Strategy-Valuable Information. Retention Connection (Solutions for The Employee Turnover Challenge). From: Http://www.Hemangroup.Com/Retentionconnecection

Torrington, D., Hall, L. and Taylor, S (2005) Human Resource Management. Prentice Hall

Twumasi, P.A (2002), Social Research In Rural Communities: Ghana Universities Press.

Ware, L., & Fern, B. (2008). The Challenge of Retaining Top Talent: The Workforce Attrition Crises. Integral Talent Systems. From: E:/the challenge of retaining top talent.htm. Retrieved on 1/5/2009

Wong CF, Tay A (2010). Turnover intention and job hopping behaviour of music teachers in Malaysia. Afr. J. Bus. Manage.

### **APPENDIX**

## **Appendix 1: Questionnaire for Staff**

This questionnaire is for a Research study which is purely an academic exercise. Any information provided in the questionnaire would be treated very confidential. The questionnaire is basically to collect data on the effects of Radio Presenters Turnover on corporate performance in private commercial radio stations in Ashanti Region.

Kindly take time out of your busy schedule to complete them. Thank you.

## **SECTION A: PERSONAL DATA:**

**4.** What is your position in the company?

Please choose the option that applies to you by placing a tick in the bracket of your choice. Please give only ONE answer.

1.	Gender: Male []	2. Female	[1]	
2.	Age Group: 1. 16-25[ ]	2. 26-35 [ ]	3. 36-49 [ ] 4. 5	50+[]
3	How long have you been working in t	this organization	?	
	< 5yrs >5yr	rs<10yrs	]>10yrs<15yrs [	>15yrs
	1. How were you employed?	7		
	Interview Exar	mination	Contracts [	Appointment
	Election		- Jan	
	2. What is your highest qualification?	?	BADY	
	Primary JHS	SANE N	Secondary/SHS	[Fertiary (specify)
	<b>3.</b> What is your department?			

# SECTION B STAFF TURNOVER

5. What do you do at your work place? (work description/schedule)
<b>6.</b> When was the last time you were promoted?
Less than 5yrs ago between 5-10 yrs ago between 10-15yrs ago
7. What was the reason for your promotion? (tick below)
Long service Hard work Appraisal Report
Improved Education
8. How many times have you been promoted since you were employed?
Once Twice Thrice Other (specify)
9. Do you like your job?  Yes  No
<b>14a.</b> If yes to question 10 above, why?
Challenging Relaxing Interesting Fulfilling/satisfying
<b>14b.</b> If NO to question 10, please give reason(s) for your answer.
SANE NO
16. Do you apply what you learnt in school to what you do at work?
Yes No
17. If no to question 13 above, have you been trained to acquire the necessary skills to work in the
capacity you find yourself at work?
104

Yes No	
18. Have you ever been trained on the job?	
Yes	
19. How many times have you been trained?	
20 If no to question 15 above, do you think you need to Yes	raining?
21. Should training of staff be frequently done?	
	1
21. Why do people leave this organization to other competit	tors?
	······································
22 what has been the effects of people leaving this organ	nization on the job?
23 In you view, suggest what can be done to solve the	problem of staff frequently leaving the
company?	
	••••••

THANK YOU

Appendix 2: List of Private Commercial Radio Stations in Ashanti Region

NO.	FM STATION	FREQ.	LOCATION	NO.	FM STATION	FREQ.	LOCATION
1	ANGEL FM	96.1	KUMASI	15	LIGHT	94.9	KUMASI
2	ANIGYEE	102.5	KUMASI	16	LUV	99.5	KUMASI
3	ASSH	101.1	KUMASI	17	NEW MERCURY	91.5	KUMASI
4	BOSS	93.7	KUMASI	18	NEW MIGHTHY	91.9	MAMPONG
5	CITIZEN	104.1	KUMASI	19	NHYIRA	104.5	KUMASI
6	DOVE	89.5	KUMASI	20	NKOSUO	95.3	KUMASI
7	FOXX	97.9	KUMASI	21	OTEC	102.1	KUMASI
8	FREEDOM	87.9	KUMASI	22	SEKYERE	94.1	EFFIDUASE
9	GEM	105.7	KUMASI	23	SHAFT	98.1	OBUASI
10	HELLO	101.5	KUMASI	24	SPIRIT	88.3	KUMASI
11	KFM	103.7	KUMASI	25	VIRGIN CITY	105.3	KONONGO
12	KAPITAL	97.1	KUMASI	26	XTACY	94.5	KUMASI
13	KESSBEN	93.3	KUMASI	27	ASEMPA	103.1	AGOGO
14	KINGS	100.3	KONONGO	28	ZURIA	88.7	KUMASI