

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,
KUMASI
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS AND INDUSTRIAL MANAGEMENT**

**DEPT. OF ECONOMICS &
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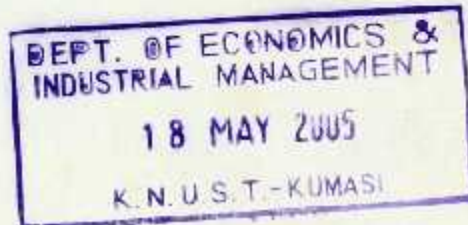
**AN ANALYSIS OF THE LABOUR TURNOVER SITUATION IN
FIRST ALLIED SAVINGS AND LOANS LIMITED. ITS IMPACT
AND THE WAY FORWARD.**

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**BY
ROSEMARY ASAH-ADU
MAY 2005**

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DEPARTMENT OF ECONOMICS AND INDUSTRIAL MANAGEMENT**

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SAVINGS AND LOANS LIMITED. ITS IMPACT AND THE WAY FORWARD.**



**A THESIS PRESENTED TO THE DEPARTMENT OF ECONOMICS AND
INDUSTRIAL MANAGEMENT, IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE AWARD OF
MASTERS IN BUSINESS ADMINISTRATION (MBA)**

**BY
ROSEMARY ASAH-ADU
MAY 2005**

DECLARATION

I DECLARE THAT I HAVE PERSONALLY, UNDER SUPERVISION,
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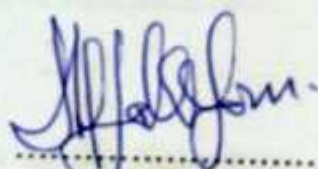
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MR. J.K. TURKSON
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'Unto Him who is able to do exceedingly above everything that I think and do, be glory, honour and thanksgiving forever.'

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ABSTRACT

The human resource element of any organization is very essential to its growth. It is very important that no stone is left unturned in ensuring that labour is satisfied to give its maximum contribution so that productivity is increased.

Labour turnover occurs when workers leave an organization and need to be replaced by new recruits. This could be through resignations, dismissals and retirement. This study is mainly on voluntary resignations, which are not foreseen by management and can therefore have a particularly disruptive effect.

Indeed, a certain degree of labour turnover may be desirable in any organization since it creates opportunities for new ideas, lower labour costs among others. Persistently high levels of labour turnover are however costly to any institution.

First Allied Savings And Loans Limited started operating in September 1996 with a staff strength of 14. As at December 2003, the staff strength was 155, a remarkable increase over this period. There again has been a lot of people being appointed and leaving over the years. In spite of this, there is no human resources department to handle only human resource issues. The Finance and Administration department partly performs this duty.

The main objective of this study is to assess the impact of labour turnover in FASL.

This cannot be complete without ascertaining the rates of labour turnover over the years, determining the reasons for it and identifying the patterns of labour turnover in FASL.

The rate of labour turnover has fluctuated over the years, between 5% and 26%.

The patterns of resignations in FASL have also been discussed in three main ways. Positions and their levels of resignations, the duration of stay of leavers and, Departments/branches and their levels of resignations.

Several reasons for resignations were realized. Both from filed records (resignation letters) and results from the research conducted. Some of the reasons realized from the research included low pay, poor management style, lack of training and development opportunities, delayed promotion, education etc.

The impact of the labour turnover on FASL has also been discussed. The impact was both positive and negative. The negative impact however outweighed the positive. The negative impact includes high recruiting costs, high staff training costs, low productivity, overburdening of staff among others. The positive impact include new ideas, lower labour costs and loss of poor performers.

Recommendations have been made to help reduce the level of labour turnover in FASL so that the institution would improve in its performance as a micro finance institution. These include payment of competitive salaries, training and development opportunities, induction, equal promotional opportunities, job rotation, etc.

CHAPTER 1

INTRODUCTION

1.0 Background of the study

Man, Machines, Money and Materials (4ms) are very essential to the survival of any business organization. With the high rate of civilization and competition, the use of machines has been very necessary to quicken the pace of production and also reduce customer turnaround time in service organizations. The importance of money cannot be overemphasized because it gives organizations the purchasing power to purchase all inputs (including labour) for production. Materials are also very important for the production of goods and even in the provision of services in the service industry.

It must however be noted that man is an essential and a critical element to the survival of any business organization. Chuck Nielson, Vice President of Human Resources, Texas Instruments, U.S.A once said, "The only thing that differentiates us from our competitors is our people, the equipment, the building - they are all the same. It is the people that make the difference. Effective management of human resources becomes an issue for everyone".

Men and women are employed because they have the skills, knowledge, energy, initiative and capacity to learn and develop. It is the totality of these talents that constitutes the major resources of any enterprise. Devoting time, money and effort to managing human resources result in a competitive advantage.

Managing human resources effectively ensures ability to satisfy customers, which transcends to increased productivity and profitability in the long run.

The increasing importance of human resources as the primary sustainable source of competitive advantage makes it even more important that dedicated resources and thinking time are applied to the strategies through which people are developed and managed.

The human being is like a bank. His assets are his own ability, knowledge, skills, energy, intelligence and capacity to learn. These assets are his and the ability to release or withhold them is entirely his. Anyone wishing to borrow from a bank has to offer something in return. The employer as the customer offers such things as money, security, good working conditions, challenge, prestige, and possibly the opportunity for the individual to develop his personal qualities – in return for borrowing these assets. When the employee is not satisfied with the offer he receives, he then considers another employer.

Most employers in Ghana today are not very particular about issues like retentive salaries, working conditions etc. because of the high rate of unemployment in the country. Budhwar (2001) states that in Ghana there is a growing concern about unemployment because of the retrenchment of workers, economic structural changes and in particular, the decline in the manufacturing sector. He continues that in the late 1970s, manufacturing accounted for about 14% of GDP, in 1999 it was less than 10%.

According to Turner (1999), despite fifteen years of structural adjustment, Ghana remains fundamentally rural and commodity-dependent economy. Since 1989, the manufacturing sector has grown at a mere 2-3% per annum, with manufacturers' now facing high interest rates, infrastructural problems and aggressive competition from both the developed and the developing world. The current government's Private Sector Development and Golden Age of Business policies are yet to improve considerably the employment situation in the country.

With this situation, some companies do not find themselves in a position to pay competitive salaries because it is difficult for them to break-even. Some of the companies that are doing well take advantage of the unemployment situation in the country and offer employees' unsatisfactory conditions of service. The question then arises; will this be beneficial to the organization in the long run?

Labour turnover occurs when workers leave an organization and need to be replaced by new recruits. This could be through resignations, dismissals and retirement. This study is mainly on voluntary resignations, which are not foreseen by management and can therefore have a particularly disruptive effect.

When staff leave frequently then labour turnover is said to be high. High labour turnover is very costly to every organization. It has negative impact on the finances of a company. The company's image and staff morale with resulting negative productivity shifts cannot be overemphasized. Employers may retort that nobody is irreplaceable, but if a company

is experiencing rapid turnover, it will in no time hurt the overall business output. The company will therefore have to take measures to slow things down.

Zero turnover is not a desirable state of affairs either. New employees have the advantage of bringing diverse backgrounds and fresh perspective to a business. While new blood in a company can be desirable, there could be detrimental implications in several areas when it is constant and excessive. It can be expected that about 5% of staff will be lost in any given 12-month period. This loss is usually due to factors beyond our control. For example transfer of spouses, ill-health etc.

However where loss of staff can be prevented, companies need to be aware of factors that could have precipitated premature departure. If a company is consistently losing only a small percentage of staff, but the staff being lost are key members of the work force, there is also a cause for concern.

First Allied Savings and Loans Ltd (FASL) is one of the thirteen (13) Savings and Loans companies licensed by Bank of Ghana. It is located in Kumasi among three (3) other Savings and Loans Companies in the metropolis namely Women's World Banking, Union Savings and Loans and Garden City Savings and Loans.

Since it commenced operations on the 25 of September 1996, it has employed a number of people with diverse educational backgrounds to be Clerks, Officers, Managers, Directors, Security men, messengers etc. With initial staff strength of 14, FASL as at December 31, 2003, employs 155 staff. FASL has made strides within its short period of

its existence in Kumasi that Bank of Ghana (BOG) now rates it as one of the leading Savings and Loans Companies in Ghana.

It is worthy of note that between 1996 and currently several people have been in and out of FASL in terms of employment. One wonders why the situation is so. FASL, since its inception has had no human resource department. The Finance and Administration Department has been handling all issues on human resources in the institution. With the current staff strength, human resource problems have increased but there seem to be no notable effort in handling them.

The study would find out the level of staff turnover FASL is experiencing, and whether it is having a positive or negative impact on the institution and the way forward for FASL.

1.1 Statement of the problem

As mentioned earlier, the unemployment situation in Ghana is nothing to write home about. Some employers do not therefore take pains to improve the working conditions of their employees. Labour, especially the skilled type is as a result, always scouting for new jobs that have comparatively better working conditions. The economic situation in the country especially inflation also aggravates the situation. One therefore has to earn more to make ends meet.

High labour turnover can be expensive, although the actual costs are difficult to estimate. Some indications are costs of advertising, recruitment and training, together with the cost of associated management and supervisory time. The annual total cost would well

convince the organization that time and effort spent reducing labour turnover is cost effective.

Increased expenditure on recruitment and training represents only a small proportion of the total cost of high labour turnover. Much greater costs may be incurred through lost or delayed production. Products may not get to the market when they are needed thus eroding customers' confidence and demand because of competition. In the service industry, it reflects in an increase in the customers' turnaround time in the organization. "Time is money", so goes the popular adage, and customers would therefore not take kindly to delays.

High labour turnover can result in poorly skilled workforce because employees leave once they are trained and consequently when they are more valuable. Investment in training will not pay off if employees do not remain long enough to return the investment. Thus the people who leave represent a lost resource in which the organization has invested time and money. The damage is also greater when such people trained and developed at the organization's expense subsequently choose to work for competitors to the organisation.

High labour turnover rates are symptomatic of a poorly managed human resource. They suggest that people are dissatisfied with their jobs or with their employer and would prefer to work elsewhere. It thus sends a negative message to customers and helps create a poor image in the labour market, making it progressively harder to recruit good performers in the future.

Furthermore, labour turnover creates low morale for staff and results in low productivity. It is worth mentioning that increasing labour turnover becomes a "vicious cycle". Low morale causes more workers to leave, increasing the dissatisfaction of those who remain and so on. Managers sometimes aggravate the situation by an inappropriate response to worsening conditions. For example as available trained labour diminishes, disciplinary measures against unauthorized absenteeism tends to be relaxed and pressure to recruit results in replacements that do not match organizational requirements. These new recruits are more likely to leave, especially as supervisors have less time to give them adequate induction training. It is not surprising therefore, that there is a tendency for good situations to improve and for bad situations to worsen.

1.2 Objectives of the study

The main objective of the study is to assess the impact of labour turnover on First Allied Savings and Loans Ltd, Kumasi (FASL).

Furthermore, the study aims at the following specific objectives:

- a. Ascertaining the rate of labour turnover in FASL
- b. Determining the reasons for the labour turnover within the organization
- c. Identifying the patterns of labour turnover in FASL
- d. Making implementable recommendations

1.3 Significance of the study

This study is expected to ascertain the rate of labour turnover in FASL. It is also expected to reveal the reasons for it and the impact it has had on the institution.

In effect, it is hoped that the results of this research will be useful to FASL in its forecasting and manpower planning strategies as a whole. If future staffing and recruitment needs are to be estimated reliably, account will need to be taken of past levels of labour turnover.

It is further hoped that the research will not only be beneficial to FASL but to other analogous organizations on how to reduce labour turnover and achieve the highest results from human resources available to them.

1.4 Scope and Limitations of the study

Bank of Ghana has licensed only nine (9) Savings and Loans Companies. Out of this number, only four (4) are located in Kumasi. These are Union Savings and Loans, Garden City Savings and Loans, Women's World Banking and First Allied Savings and Loans Ltd. Ideally the study should cover the four in Kumasi, the study area. However scarcity of resources like time and money will not make it possible to use the other Savings and Loans Companies apart from FASL. Furthermore, FASL is recognized by BOG as one of the best performing Savings and Loans Companies in Ghana.

Due to rehabilitation work underway in FASL Adum branch, several files have been misplaced. Several files needed for references have therefore not been available.

There has also been a great difficulty in tracing former staff of FASL to get their views on the subject matter. This has created a weakness in the views of the few presented in the study.

Efforts at getting information from competitors for comparison proved futile, since competitors were not prepared to divulge information about their situation.

1.5 Methodology

The data for the study was collected through the principal methods of field research. In spite of the fact that there were 13 Savings and Loans Companies in the country, only FASL was used for the research as mentioned earlier. FASL as at December 31, 2003, had staff strength of 155. A sample size of 57 present staff was used for the research. This was because only 119 of present staff had worked for one year and above. Information was also sought from 10 former staff of FASL. There are 4 members of management and 2 were sampled.

Stratified sampling was used to choose respondents with respect to present staff. This is because the staff are of various educational backgrounds, employed at various grades e.g. Directors, Managers, Officers, Messengers, Security men, etc. Furthermore, there are several departments in FASL e.g. Banking Operations, Inspection, Credits, Accounts, etc. Sampling was therefore done according to grades within the various departments of FASL. The respondents were then randomly selected. The sample from management was purposely selected. The Managing Director was selected by virtue of the fact that he

heads the Institution. The Executive Director (Finance and Administration) was also selected because he is in charge of human resources of FASL.

The sources of the data used were both primary and secondary. Primary data were acquired through questionnaires, interviews and discussions.

Secondary data were also acquired from records of FASL Administration, books, periodicals, journals, published and unpublished materials from the libraries and the Internet.

1.6 Structure of the study

In all, the study has five chapters. The first chapter that begins the study is an introduction to the study. It also outlined the problems of the study, the objectives of the study, the significance of the study, the scope and limitation as well as the methodology used in the collection of the data for the study.

Chapter two reviewed literature on labour turnover.

Chapter three gave the organizational profile of the case study i.e. First Allied Savings and Loans Ltd.

The fourth chapter presented data that had been collected, analyzed and discussed.

Chapter five made specific and implementable recommendations and concluded the study.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

A professor of management at Baruch College's Zicklin School of Business in New York, Kopelman (2000) says that well managed organizations deserve their reputations not merely because they have growing revenues and satisfied customers but because they also serve the needs of two other critical stakeholder groups: employees and investors.

Kopelman's view is that, a company must manage three critical dimensions of its performance well to excel as an organization. They are:

- a. Customer satisfaction – whether those who buy the company's products or services feel they are receiving good value.
- b. Productivity – how efficiently the company uses its financial and other resources.
- c. Employee satisfaction – how well its employees' financial, professional and personal needs are being met.

Kopelman assessed the impact of these three factors on overall performance by surveying nearly 1,000 employees (U.S.) in for-profit, not-for-profit and government organizations. He chose to survey employees rather than managers, customers or stockholders, because they are often the best source of information about a company's actual practices that affect the three areas.

His findings: companies with high scores on all three dimensions are likely to have a high overall performance rating as well. Kopelman emphasizes that 'Organizations not only

need to be doing the right things, but they also need to be doing things right – improving their productivity, and they have to satisfy their internal customers – their employees'. In a service economy like the U.S. today, satisfied employees are the first step to gaining customers. Organizations cannot expect their employees to treat customers better than they are treated.

According to Fortune (1999), Xerox Corporation's financial performance and productivity are among the best of the Fortune 500 companies: with investor return of 62% in 1998. Its employees are among the most dedicated and loyal in corporate America. In an era where the average executive changes companies every 3.5 years, Xerox is known for its employee tenure, according to a report by the Cornell University Center for Advanced Human resources studies (1999), 'Executive talent for the 21 century'. Even executive recruiters are reluctant to consider candidates from the company. It is too hard to extract them. Part of the reason for this loyalty may be Xerox's commitment to employee empowerment according to Best Practices LLC (1999), the company launched its empowerment change strategy in 1995, creating self-managed employee teams and boosting training programmes to make customer service representatives more effective. It also upgraded its rewards and recognition awards with a 'Wall of Fame' and medallions for employees who propose ways to improve a process and develop action plans. Xerox rewards proactive employees and superior customer service through numerous additional awards and recognitions, including division bonuses and cash prizes.

Like Xerox, other companies are recognizing that employee satisfaction, along with conventional measures like revenue growth and profitability can have significant bottom-line impact. In a market place where workforce loyalty is a quaint tradition, for example, employee satisfaction plays a big role in retention. Many companies are finding it difficult to keep good people at a time when the need for superior talent is growing.

Kopelman reiterates the fact that the cost of replacing skilled employees has become a major financial drain: companies spend between 1 and 2.5 times the base salary of an open job to replace a skilled worker.

Voros (2000) emphasizes the fact that Wal-Mart strove relentlessly for customer satisfaction, financial growth and employee satisfaction. The largest retailer in Fortune 500, Wal-Mart has expanded at double-digit rates almost every year since it's founding in 1962 and increased its profitability because of their obsession with good management. Wal-Mart's concern for its 900,000 employees is legendary: it was one of the first organizations to offer profit-sharing and stock option plans to associates, and it is also known for sharing information with employees and respecting their ideas.

Another organization committed to the triple levers is the John Lewis Partnership, one of Britain's largest retailing operations. The company, whose department stores and supermarkets generate some of the highest margins in retailing, has built its reputation for service and customer satisfaction by treating its employees as partners. According to the company, all employees receive 20% to 24% of their annual compensation in stock options. The company also allows employees to share in company policy-making and

direction through participation in branch councils that provide input and feedback to management.

However, this cannot be said about most institutions in Ghana. Two major external factors impinge on the growth of organizations.

1. National socio-cultural factors.
2. The government's predominant role in the economy (economic and political)

2.1 National socio-cultural factors

Budhwar et al (2000) have given several socio-cultural reasons why it is difficult for Ghanaian companies to make good profit and motivate staff well to retain them. They have stated that in the Ghanaian society, traditional practices and culture permeate management in modern organizations. Hence a complex situation has emerged whereby traditional Ghanaian behaviour, beliefs, practices and attitudes (which often militate against western management systems and practices) seriously undermine organizational performance. However, there are aspects of Ghanaian culture that creates a good atmosphere for organizational effectiveness.

Kiggundu (1989) also emphasizes that traditional practices often conflict with economic rationality, making the operating levels inefficient and costly. Consequently, they almost always adversely affect the performance of organizations. They also compromise the integrity of the formal bureaucratic system by introducing an element of subjectivity in management practices, such as recruitment, performance appraisal and compensation.

The effect on the human resources of any organization is pretty obvious.

In a society where there is a great deal of respect for the elderly (respect for age), status, and people in authority, there is a high degree of subservience to the elderly and authority figures in organizations (Nzelibe, 1986). Social distance between superiors and subordinates is marked, with a sharp distinction and status difference between management and rank-and-file employees. Workers are expected to do their work and follow management's instructions and directives. Subordinates rarely question or challenge those in authority, not expressing their opinions openly – but there is no shortage of opinions privately. They are therefore not involved in decision making in the organization.

Gardiner (1996) also adds that there is a high sense of collectivism in Ghana which impacts negatively on human resources management and therefore accelerates staff turnover in organizations. Ghanaians are born into extended families, which take care of their members. People give help and support to kinsmen and expect to receive help from others when they are in need. Under the traditional system it is not an exploitative relationship. People must be prepared to give help in order to receive help from others. When, however this cultural issue is extended to a modern bureaucratic organization, it borders on exploitation because it is not uncommon for people to harass relatives in managerial positions for favours. In particular, many people coerce their relatives to employ them or their children, regardless of their qualifications or whether there is a vacancy

Another cultural/traditional issue, which exerts considerable financial pressure on organizations, is funerals. A funeral is a major event and a time for reunion for kinsmen.

As such, Ghanaians have long bereavement and mourning periods designed to allow people to travel from various parts of the country to pay their respects. It is expected that organizations will be sympathetic to bereaved employees and allow employees time off to attend the funerals of friends, members of their extended family and kinsmen. In addition, some companies are obliged, under the terms of collective agreements, to contribute to the cost of the funeral by buying a coffin for an employee who dies in service or for members of employees' immediate family. Moreover organizations are required to provide transport for employees to attend the funerals of colleagues and those of colleagues' relatives.

This is collaborated by Obeng -Fosu (1991) when he states that the far-reaching financial implications of these practices become obvious from a successful Workman's Compensation claim, arising from workers who, under the provisions of a collective agreement, had been selected by management to attend the funeral of a colleague and were involved in an accident while traveling to the venue of the funeral.

Also, Ghanaians have a culture of forgiveness which influences management on the issue of transgression and punishment. In the Ghanaian traditional society there is the tendency for a person who commits an offence, even a criminal one, to beg for forgiveness. This behaviour often extended to modern bureaucratic organizations and hence there is a tendency to beg for forgiveness for infractions of organizational rules. Gardiner (1996) comments that in the workplace, it is considered that:

Regardless of the seriousness of the transgressions, whether theft or drunkenness at work once the transgressor goes to 'beg' all should be forgivenesshe may even ask a politician or member of government to mediate on his behalf.

One then wonders how a staff who knows no one in an influential position will feel. Such a situation creates problems in the discipline of employees in organization as, culturally it is expected that the manager will forgive the transgressor; or be deemed to be wicked, unfeeling, insensitive and an uncaring person. Consequently, Ghanaian managers fail to invoke disciplinary action against employees for even gross misconduct because they do not want to incur the wrath of the employees and become unpopular in the organization. The issue of respect for the elderly also makes it difficult for a young manager to discipline older subordinates. Moreover, many organizations particularly in the public sector, base promotion and pay on seniority rather than merit or performance.

Debrah (2000) reiterates that, another socio-cultural issue that has a negative impact on management is time keeping. African culture does not emphasize the importance of time and time-keeping in organizational life as most Ghanaians have problems with time-keeping. Thus, lateness is endemic in Ghanaian organizations, with many people always arriving late for work or meetings. This has serious negative consequences for organizational performance and poses a challenge to Human resource management, in particular, on strategies needed to motivate employees to eliminate this unacceptable behaviour.

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Debrah (2000) continues that although there are both elements of femininity and masculinity in Ghanaian culture, in terms of organizational life, masculinity is emphasized. While the culture encourages people to be concerned about others and places importance on relationships, male chauvinistic behaviour pervades organizations. For instance, male employees often make jokes about the fragility of women and many men cannot reconcile themselves to the idea of working under a female boss. The competence or expertise of women is not, however, doubted and there are no wage differentials between male and females holding the same level of appointment. But, generally, the educational system and socialization practices tend to encourage women to train for feminine jobs such as nursing, teaching, secretarial and catering work. With the predominance of managerial positions being held by men, it becomes difficult for women to find role models and mentors to steer their careers in organizations.

FASL for example has had only one female in senior management since 1996. She resigned in 2002. There is currently only three female staff in middle management and majority of the female staff are clerks.

2.2 Government role in the economy

The government's predominant role in the economy as mentioned earlier has affected many organizations in the country. Most employers in Ghana today are not very particular about issues like retentive salaries, working conditions etc. This is because of the high rate of unemployment in the country. Budhwar (2001) states that in Ghana there is a growing concern about unemployment because of the retrenchment of workers, economic structural changes and in particular, the decline in the manufacturing sector. In

the late 1970s, manufacturing accounted for about 14% of GDP, in 1999 it was less than 10%.

According to Turner (1999), despite fifteen years of structural adjustment, Ghana remains fundamentally rural, commodity-dependent economy. Since 1989, the manufacturing sector has grown at a mere 2-3% per annum, with manufacturers' now facing high interest rates, infrastructural problems and aggressive competition from both the developed and developing world.

The current government's Private Sector Development and Golden Age of Business policies are yet to improve the economic situation of the country.

According to a report by the Trade Union Congress (TUC) General Secretary, Adu-Amankwah (2000), while the government has recognized the importance of the informal sector and its potential to employment, incomes and even the domestic industrial base, it has not demonstrated the corresponding financial commitment to it. The government budget for supporting the informal sector is at best adequate. On the other hand, non-governmental organizations also intervene in the informal sector, but again inadequate finance is the overriding constraint. GRATIS was established as a project in 1987 by the government of Ghana under the Ministry of Environment, Science and Technology to promote small-scale industrialization and provide employment opportunities, improve incomes and enhance the development of Ghana. This is done through the dissemination of appropriate technologies by developing and demonstrating marketable products and processes for micro and small-scale enterprises.

The TUC General Secretary further explains that GRATIS experiences a high rate of labour turnover in the project as a result of low remuneration and motivation for the workers. There is high level of worker dissatisfaction with poor working conditions of employment.

Working conditions are the worst in government organizations in Ghana. According to the Ghana Police Health Service (2002) report, three doctors resigned from the Police Health Service to take appointment with other organizations. Five nurses deserted and left Ghana to take appointments in the United Kingdom. One very important factor the report mentioned is the wide disparity in salaries and Additional Duty Hours (ADH) allowance. The ADH allowance for the Police Health professionals is far less than their colleagues in the Ghana Health Service. If the disparity is not bridged, more personnel are likely to leave for greener pastures according to the report.

However, the situation is not overly pessimistic. Some institutions, inspite of the poor economic conditions that exists in the country, have been able to weather the storms, make very good profits and take very good care of their staff, that has transcended to very low staff turnover. In the Daily Graphic of Wednesday, March 31, 2004 edition, HFC Bank (Gh.) Ltd., between the years of 2002 and 2003 recorded a net profit after tax increase from ₵8.5 billion to ₵17.8 billion. This is more than a 100% growth. The company has now changed from only a Mortgage Finance Institution to a Universal Banking Institution.

According to Hammond, H., the Kumasi Branch Manager, only one staff resigned from HFC from 2001 to date. It is obvious that staff are content with the working conditions.

It is not clear as to which level of staff turnover rates have to reach in order to inflict measurable damage. Derek Torrington et al (2002), emphasized that staff turnover rates vary from organization to organization. In some industries, it is possible to sustain highly successful businesses with turnover rates that would make it impossible to function in other sectors. They report that some chains of fast food restaurants in the United Kingdom are managing with turnover rates in excess of 300%. Meaning that the average tenure for each employee is only four months, yet the companies concerned rank among the most successful in the world. By contrast, in a professional service organization, 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 the business.

As mentioned in Chapter 1, some level of staff turnover is good for every organization. However, it is the degree that raises an alarm. Torrington et al (2000) collaborate this by making arguments in favour of a certain amount of staff turnover.

2.3 Argument For and Against Labour Turnover

Firstly, organizations need to be rejuvenated with "fresh blood" from time to time if they are to avoid becoming stale and stunted. This 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, which make organizations more dynamic.

Secondly, the writers argue that a degree of turnover helps managers to keep firmer control over labour costs that would otherwise be the case. This is particularly true of organizations, which are subject to regular and unpredictable changes in business levels. When income falls, it is possible to hold back from replacing leavers until such a time that it begins to pick up again. In this way, organizations are able to minimize staffing budgets while maintaining profit levels during leaner periods. Redundancy bills are also lower in organizations with relatively high staff turnover because they are able to use natural "wastage" as the main means of reducing their workforce before compulsory layoffs are needed.

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

They further gave arguments against staff turnover, which are equally persuasive. Firstly, the sheer costs associated with replacing people who have left, ranging from the cost of placing a recruitment advertisement, through the time spent in administering and conducting the selection process, to expenses and time required in inducting and training new employees. On top of these, there are less easily measurable losses sustained as a result of poorer performance on the part of less experienced employees. For larger organizations employing specialist recruiters can add up to millions of pounds a year,

with substantial dividends to be claimed from a reduction on staff turnover levels by a few percentage points.

The second major argument in favour of improving staff retention results from a straightforward recognition that people who leave represent a lost resource in whom the organization has invested money. The damage is even greater, when good people trained and developed at the organization's expense, subsequently choose to work for competitors. An effective remedy is to bond them to serve for a specified number of years before they leave.

Torrington et al finally reiterate the fact that high turnover rates are symptomatic to poorly managed organizations. People who are dissatisfied with their jobs and prefer to work elsewhere send negative signals to customers thus creating poor image for the organization in question.

They conclude by emphasizing the fact that the case for seeking to reduce staff turnover varies from organization to organization. Where replacement of employees are in plentiful supply, where new starters can be trained up quickly and where business levels are subject to regular fluctuation, it is possible to manage effectively with a relatively high level of turnover. It may make good business sense to do so if the expenditure required to increase employee retention is greater than the savings that would be gained as a result. However in other situations the case of taking action on turnover rates is persuasive, particularly where substantial investment in training is required before new starters are able to operate at maximum effectiveness. Companies, which achieve

turnover rates below their industry average, are thus likely to enjoy greater competitive advantage than those whose rates are relatively high.

It is however important to note that there is little an organization can do to manage staff turnover unless there is an understanding of the reasons for it. Information about these reasons is notoriously difficult to collect. Hamlyn (2002) states that companies, that are experiencing excessive labour turnover should take a careful look at what is causing the mass exodus and take immediate steps to stem the tide. She recommends exit interviews (i.e. interviews with leavers, about their reasons for resigning), but states that the problem here is whether the individual is willing to tell the truth, and this will depend on the culture of the organization, the specific reasons for leaving and the support that the individual will need from the organization in the future in the form of references. Despite their disadvantages, exit interviews may be helpful if handled sensitively and confidentially – perhaps by the impartial personnel or even external consultants. In addition, analyses of turnover rates between different departments and different job groups may well shed some light on causes of turnover.

ACAS (2001) also reiterates that dissatisfaction and problems contributing to high labour turnover are more likely to be brought directly to management's attention where there is effective joint consultation. The views of individual workers can also help point to problem areas through exit interviews and attitude surveys.

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2.4 Exit Interviews

Exit interviews may help in highlighting problem area within the organization and in identifying any characteristics, which may be common to leavers. They should be asked what they think is good or bad about the firm for e.g.

1. The job itself
2. Supervision and management
3. Pay and other terms and conditions of work
4. Training and career prospects with the organization
5. Working conditions and amenities
6. Equal opportunities

ACAS also emphasize that, it should be kept in mind that the worker may not always disclose the real reasons for leaving or their true views about the organization. To minimize distortions, it can help to:

1. Have the interview carried out by a person other than the immediate line manager
2. Conduct them away from the normal place of work
3. Explain that the interview is confidential
4. Explain fully the reason for the interview
5. Explain that the reason for leaving will not affect any future references or offers to work again for the organization.

2.5 Attitude Surveys

A revealing method of finding out what workers like and dislike about their jobs and their organizations, is the attitude survey according to ACAS. Existing workers are asked questions covering a whole range of work issues, often including topics such as pay, employment relations, equal opportunities, communication, participation arrangements, canteen facilities, organization's products and organization's image.

Attitude surveys can attempt to involve every worker by asking him or her to complete a written questionnaire (good questionnaire design). An important point that it stresses is that an attitude survey will raise the expectation of workers. The exercise can generate considerable goodwill towards the employer, but only if the results are freely communicated to workers and acted upon. If the expectations are ignored, the survey may well be counterproductive.

2.6 Reasons for Resignations

In many cases people leave for a mixture of reasons, certain factors weighing more in their minds than others. Hamlyn (2002) gave preventable causes of staff loss under one or several of the following:

1. Inflexible or non-market related payment package.
2. Absence of learning opportunities with slow career growth and poor job satisfaction.
3. Fear of stagnation in a company perceived not to be developing.
4. Constant and irrational moving of 'goalposts' by management.
5. Lack of feedback, positive affirmation and encouragement.

6. Little respect for individuality within the bigger corporate picture with limited opportunities for initiative.
7. Poor leadership styles leading to personality clashes and 'ganging up' against management.
8. Adverse corporate environmental factors such as lack of support and team spirit, excessive politics, inadequate resources, or personality clashes.

Torrington et al have used one approach to categorize the main reasons people have for voluntarily leaving a job – push and pull factors.

2.6.1 Push factors

With push factors they explain that, the problem is dissatisfaction with work or the organization, leading to unwanted turnover. A wide range of issues can be cited to explain such resignations. Insufficient development opportunities, boredom, ineffective supervision, poor levels of employee involvement and straightforward personality clashes are the most common precipitating factors. Organizations can readily address all of these issues. The main reasons that so many fail to do so is the absence of mechanisms for picking up signs of dissatisfaction. If there is no opportunity to voice concerns, employees who are unhappy, will inevitably start looking elsewhere.

2.6.2 Pull factors

The opposite side of the coin is the attraction of rival employers. Salary levels are often a factor here. Employees leave in order to improve their living standards. In addition there are broader notions of career development, the wish to move into new areas of work

with particular people, and more practical questions such as commuting time. For the employer losing people as a result of such factors there are two main lines of attack. First, there is the need to be aware of what other employers are offering and to ensure that as far as possible this is matched – or at least that a broadly comparable package of pay and opportunity is offered. The second requirement involves trying to ensure that employees appreciate what they are currently being given. The emphasis is on effective communication on any ‘unique selling points’ and of the extent to which opportunities comparable to those offered elsewhere are given.

2.7 Staff Retention Strategies

On staff retention strategies, the straight forward answer according to Torrington (2002) is to provide them with a better deal, in the broadest sense, than they perceive they could get by working for alternative employers. Terms and conditions play a significant role, but other factors are often more important. For e.g. there is the need to provide jobs that are satisfying, along with career development opportunities, as much autonomy as is practicable and above all, competent line management.

Strategies that are well emphasized are

1. Pay.
2. Managing expectations.
3. Induction.
4. Family friendly HR practices.
5. Training and development.

Hamlyn (2002) proposes that to prevent extreme labour turnover organizations should:

1. Recruit intelligently and with foresight.
2. Give an honest picture of company
3. Commitment to training
4. Salary
5. Management style

ACAS (2001) also proposed that organizations that want to reduce labour turnover should pay particular attention to:

1. Recruitment and selection
2. Induction
3. Job training
4. Pay
5. Opportunities for career progression
6. Management style

2.7.1 Pay

There is some debate in the retention literature about the extent to which raising pay levels reduce staff turnover. On the other hand there is evidence to show that on the average, employers who offer the most attractive reward packages have lower attrition rates than those who pay poorly, an assumption that leads many organizations to use pay rates as their prime weapon in retaining staff (Cappelli, 2000). On the other hand there is evidence that suggest that pay is not always important than other factors in a decision to

quit ones job. Sturges and Guest (1999) in their study of leaving decisions in the field of graduate employment summed up their findings as follows:

As far as they are concerned, while challenging work will compensate for pay, pay will never compensate for having to do boring, unstimulating work.

This is further emphasized by Herzberg's motivation -hygiene theory. In Herzberg's original study (as cited by Mullins, 1999), 203 accountants and engineers were interviewed because of their growing importance in the business world, from different industries in the Pittsburgh area of America. He used the critical incident method. Subjects were asked to relate times when they felt exceptionally good or exceptionally bad about their present job or previous job. They were asked to give reasons and a description of the sequence of events giving rise to that feeling. Responses to the interview were generally consistent, and revealed that there were two different set of factors affecting motivation and work. This led to the two-factor theory of motivation and job satisfaction.

One set of factors are those which, if absent, cause dissatisfaction. These factors are related to job context, they are concerned with job environment and extrinsic to the job itself. These factors are the Hygiene factors or maintenance factors. They serve to prevent dissatisfaction. The other set of factors are those that, if present, serve to motivate the individual to superior effort and performance. These factors are related to job content of the work itself. They are motivators or growth factors. The strength of these factors will affect feelings of satisfaction or no satisfaction, but not dissatisfaction.

It is evident therefore that pay is a 'hygiene factor' rather than a motivator. This means that it can be a cause of dissatisfaction at work, but not of positive job satisfaction. 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.

The other problem with the use of pay increases to retain staff is that it is an approach that is easily matched by competitors. This is particularly true of 'golden handcuff' arrangements, which seek to tie senior staff to an organization for a number of years by paying substantial bonuses at a defined future date. As Cappelli (2000, p 106) argues, in a buoyant job market, recruiters simply 'unlock the handcuffs' by offering equivalent signing-on bonuses to people they wish to employ.

It is important that employees do not perceive their employers to be treating them inequitably. Provided pay levels are not considerably lower than those paid by an organization's labour market competitors, other factors will usually be more important contributors towards high turnover levels. Where the salaries that are paid are already broadly competitive, little purpose is served by increasing them further. The organization may well make itself more attractive in recruitment terms, but the effect on staff retention will be limited. Moreover, of course, wage costs will increase.

There is potentially more to be gained from enhancing benefits packages, because these are less easily imitated or matched by competitors. Where staff appreciates particular benefits, such as annual leave entitlements or health care schemes, they are more likely to have a positive effect on staff turnover than simply paying higher base wages.

2.7.2 Managing expectations

A major cause of job dissatisfaction, and hence of high staff turnover, is the experience of having one's hopes of new employment dashed by the realization that it is not going to be as enjoyable or stimulating as anticipated.

Several researchers have drawn attention to the importance of these processes in reducing high turnover during the early months of employment. For example Wanous (1992), Hom and Griffeth (1995) have emphasized the need is to strike a balance at the recruitment stage between sending out message, which are entirely positive, and those, which are realistic. In other words, it is important not to mislead candidates about the nature of the work that they will be doing.

Realistic job previews are most important when candidates, for whatever reason, cannot know a great deal about the job for which they are applying. This may be because of limited past experience or it may be because the job is relatively unusual and not based on a type of workplace with which job applicants are familiar with.

The importance of unmet expectations as an explanation for staff turnover is also stressed by Sturges and Guest (1999) in their work on the retention of newly recruited graduates. Here the problem is one of employers overselling graduate careers when competing with others to secure the services of the brightest young people:

False impressions are given and a positive spin put on answers to questions so as to deter able applicants from taking up alternative offers. As a result, graduates start work confident that their days will be filled with interesting work, that they will be treated fairly and objectively in terms of performance assessment, that their career development will be fostered judiciously, and that their working lives will in some way, be 'fun' and 'exciting'. That is fine if it really can be guaranteed. Unfortunately such is often not the case, and unsurprisingly it leads to early dissatisfaction and higher turnover rates than are desirable.

A solution, aside from the introduction of more honest recruitment literature, is to provide periods of work experience for students before they graduate. Vacations spent working somewhere is the best possible way of finding out exactly what a particular job or workplace is really like. The same argument can be deployed in support of work experience for young people who are about to leave school in order to enter the job market.

2.7.3 Induction

Another process often credited with the reduction of turnover early in the employment relationship is the presence of effective and timely induction. It is very easy to overlook in the rush to get people into key positions and it is often carried out badly, but it is essential if avoidable that early turnover is to be kept at a minimum. Gregg and Wordsworth (1999) show in their analysis of 840,000 workers starting new jobs in 1992 that as many as 17 % had left within three months and 42 % within 12 months. No doubt

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

In FASL, staff are usually recruited when they are urgently needed to start work. It is organized briefly by administration department and the staff are within a few days posted to the required department or branch to start work. This leaves the new staff to be 'inducted' by the new friends he/she makes, which is not a very healthy situation for the institution.

But as ACAS (2001) explains, induction has a number of distinct purposes, all of which are concerned with preparing new employees to work as effectively as possible and as soon as is possible in their new jobs. First, it plays an important part in helping new starters to adjust emotionally to the new workplace. It gives an opportunity to ensure that they understand where things are, who to ask when unsure about what to do and how their roles fits into the organization generally.

Secondly, induction provides a forum through which basic information about the organization can be transmitted. This may include materials about the organization's purpose, its mission statement and the key issues it faces. More generally, a corporate induction provides a suitable occasion to talk about health and safety regulations, fire evacuation procedures and organizational policies concerning matters like the use of telephones for private purposes.

Thirdly, induction processes can be used to convey to new starters important cultural messages about what the organization expects and what employees can expect in return. It thus potentially forms an important stage in the establishment of the psychological contract, leaving new employees clear about what they need to do to advance their own prospects in the organization. New starters will pick up all these matters in their first months of employment, but incorporating them into a formal induction programme ensures that they are brought up to speed a good deal more quickly, and that they are less likely to leave at an early date.

There is no fixed duration for an induction programme. For some jobs it can be accomplished effectively in a few days. For others, there is a need for some form of input over a number of weeks. What is important is that individuals are properly introduced both to the organization and to their particular role within it.

2.7.4 Training and Development

There are two widely expressed, but wholly opposed, perspectives on the link between training interventions and employee turnover. On the one hand is the argument that opportunities enhance commitment to an employer on the part of the individual employees making them less likely to leave voluntarily than they would if no training was offered. The alternative view holds that training makes people more employable and hence more likely to leave in order to develop their careers elsewhere. The view is thus put that money spent on training is money wasted because it ultimately benefits other employers.

In a recent article, Green et al. (2000) report research on perceptions of 1,539 employees on different kinds of training. They found that the overall effect is neutral, 19% of employees say that training was more likely to make them actively look for another job and 18% say it was less likely to do so. They also found the type of training and the source of sponsorship to be a significant variable. Training which the employer pays for is a good deal less likely to raise job mobility than that paid for by the employee or the government. Firm-specific training is also shown in the study to be associated with lower turnover than training which leads to the acquisition of transferable skills.

The most expensive type of training intervention involves long-term courses of study such as a Master of Business Administration (MBA) or Accountancy qualification. In financing such courses, employers are sending a very clear signal to the employees concerned that their contribution is valued and that they can look forward to substantial career advancement if they opt to stay. The fact that leaving will also mean an end to the funding for the course provides more direct incentive to remain with sponsoring employer.

FASL has recently given study leave to some of its staff to study for degrees and have bonded them as well. A lot of staff are happy about the situation and are looking forward to their turn to pursue further studies.

PROFILE OF FIRST ALLIED SAVINGS & LOANS LTD.

3.0 Introduction

First Allied Savings & Loans Ltd. (FASL) was incorporated as a limited liability company on 24 May 1995. The company was licensed by Bank of Ghana, under PNDC Law 328, (which is the Financial Institutions (Non-Banking) Law, 1993). This Law mainly entreats it to accept deposit from the public and provide credit facilities to businesses and customers. The company started operations on 25 September 1996.

The vision of FASL is to create an excellent institution, a leader in the provision of quality financial services to the micro and macro enterprise sectors. Its mission is therefore to offer convenient access to efficient, innovative and responsive financial services to micro & macro entrepreneurs on a sustainable basis.

FASL strives for excellence in product quality, productivity, and customer services, and to be a banker of choice in each market she serves. It also recognizes that its long-term success will be built upon trusting relationships with each other, customers and other stakeholders. FASL recognizes the importance of human resources and therefore, employs qualified persons, trains, develops and challenges them to deliver their best; and fairly rewards their contribution to the institution.

The institution operates two (2) Branch offices, and an Agency in Kumasi, the second largest city of Ghana. These are located at Adum, Asafo and Roman Hill respectively.

There is also a Distance Banking department that currently serves 22 villages around Kumasi.

FASL has an 8 member Board of Directors comprising 4 non-executive directors and 4 executive directors (management). The non-executive members of the board have diverse backgrounds and are seasoned professionals in both business and academia.

3.1 Major Activities

The services provided by FASL are as explained below:

3.1.1 Savings Deposit Account

This product targets individuals and businesses that want to put aside some funds for the rainy day, or wish to diversify their investments. Interest is paid quarterly on clients' savings accounts.

3.1.2 Current Account

This service is offered to individuals and businesses that require unlimited access to their funds.

3.1.3 Fixed Deposit Account

This is a fixed term depository product offered for terms of 1 month, 3 months, 6 months and 12 months.

3.1.4 'Susu' Savings Account

The 'susu' system is an informal grassroots savings movement that has been widely practiced in Ghana for over 50 years. The FASL 'susu' scheme is essentially a modification of the traditional 'susu', and is offered in 3 varieties namely Ordinary 'Susu', Golden 'Susu' and Golden Plus 'Susu'.

3.1.5 Loan Products

Loans or credit facilities granted to customers by FASL include individual loans, solidarity group loans, consumer credit, travel credit and Allied Mponata loan scheme.

Individual Loans

Individuals, enterprises and companies that have had an account (current) relationship with FASL for a minimum period of 6 months can apply for a loan for working capital purposes or for the purchase of fixed assets. Loans are granted for terms of up to 12 months.

Solidarity Group Loans

This product is designed to assist those in the informal sector whose skills and services have the potential to affect positively the economic development of their communities. It is also aimed at inculcating the banking culture among the 'un-banked' poor with productive skills. The nucleus of the product is the existence of a duly registered society, club or Association whose members have a common trade or vocation. Members of qualifying associations are required to open deposit account into which their takings would be paid. For funding purposes, members are organized into groups of between 5

and 10 group members as well as the associations executive are held jointly and severally liable for the repayment of any loan granted to the group. Members who are granted loan facilities are required to maintain compulsory savings account with FASL

Consumer Credit

This product is in collaboration with Kumasi Home Stores. FASL finances the purchase of consumer durables from Kumasi Home Stores after the customer has paid an initial deposit.

Travel Credit

This is short term and is meant for clients who need funds to purchase air tickets. They are expected to pay back the loan over a 3-month period.

Allied Mpontu Loan Scheme

This product was recently introduced. It is a hybrid product that combines attributes of 'Susu' and solidarity group loans. The loan is repayable over a period of 6 months with repayments made fortnightly. The 'Susu' contributions are made on group or individual basis daily or weekly. After the completion of the 'Susu' cycle, customers shall have qualified for FASL 'Susu' loan provided they have not defaulted in the repayment of their mpontu loan.

3.2 Staffing Position

The staffing position in FASL from 1996 to 2003 has been illustrated in Table 3.1. The breakdown with respect to positions has also been shown.

Table 3.1: Staffing Position (1996-2003)

<u>Position</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Directors	3	3	4	4	4	4	4	4
Managers	1	1	3	5	7	9	9	12
Officers	4	3	4	11	16	25	29	34
Clerical	3	12	26	38	35	40	44	43
Non-clerical	3	8	23	34	46	49	59	62
Total	14	27	60	92	108	127	145	155

Source: FASL Administration, 2003

From a mere 14 in September 1996, FASL staff strength has increased significantly by 1,007% in 2003. It is very important to note that inspite of this phenomenal increase there is no Human resource department. Human resource issues are handled alongside Finance and Administration.

It is worthy of note that in Table 3.1, the positions in FASL have been arranged in hierarchical order. Directors are the highest in position and the non-clericals are the lowest in rank.

3.3 Organizational Structure

FASL employs an effective organizational structure with clearly defined lines of authority from the top management level downwards. On top of the hierarchy is the Board of Directors, followed by the Managing Director and the Executive Directors who constitute the Management team. Reporting to the Managing Director but not in line are the Secretary and the Inspector. Refer to the organizational chart in Appendix 2.

3.3.1 Board of Directors

An eight (8) member Board of Directors (BOD) governs FASL. This is composed of four (4) non-executive directors and four (4) executive Directors. The Board is responsible for the formulation of the Institution's overall strategy and the monitoring of the operational activities of the management team.

3.3.2 Management Team

A team of competent management staff headed by the Managing Director carries out the management of FASL. The Managing Director is assisted by the Executive Directors, who supervises the various departments.

The Executive Director of Finance and Administration supervises the Treasury, the Accounts and the Administration departments.

The Executive Director for Operations, supervises the Banking Operations, the Distance Banking and the Credits Department.

The Executive Director for Planning, Monitoring and Marketing supervises Corporate Planning, Information systems and Marketing.

3.3.3 FASL Departments

FASL is made up of nine (9) departments. Each of these departments is either headed by a Departmental head – Manager or directly under the respective Executive Director. Only six (6) departments are however currently operational. These are Accounts, Inspection, Branch Operations, Distance banking, Credits and Marketing.

Branch Operations cover the activities of the Institution's branches. As mentioned earlier FASL operates two branches, one at Adum and another at Asafo with an Agency at Roman Hill, all in Kumasi. There is also the Distance Banking department, which caters for the group financing and Allied Mponu scheme. The Credits department offers various services such as Individual and Business Loans, Consumer Credit Loans, Travel and Tour loans and others. Managers who are assisted by Officers head the branches. The entire branch operations are under the direct supervision of the Executive Director for Operations.

The Inspection Department is responsible for conducting independent appraisal of all the institution's activities, financial or otherwise, in order to evaluate the adequacy and effectiveness of the institutions internal control system and the quality of performance in carrying out assigned responsibilities. A Manager assisted by Officers heads the department. The Manager reports directly to the Managing Director, as can be seen from the organizational chart (Appendix 2).

The Administration Department is responsible for the general administration of the institution. This involves organization dealing with all human resources issues, organization of meetings, office correspondence, provision of office logistics. There is only one assistant Manager who handles the department and reports directly to the Executive Director for Finance and Administration.

The Accounts and Treasury is currently operating as one department. Their major responsibilities are inter-bank and inter branch reconciliation, wages and salaries, reports to Bank of Ghana and preparation of final accounts for both management and shareholders. They are also responsible for the efficient management of the institution's funds so as to realize maximum returns. The Accounts Manager who is ably assisted by officers, reports directly to the Executive Director for Finance and Administration.

The Marketing Department currently being manned by a Manager and Officers are responsible for marketing FASL services to prospective customers. They also see to the institution of policies and procedures to ensure customer satisfaction. The manager reports directly to the Executive Director for Planning, monitoring and marketing.

DATA PRESENTATION, ANALYSIS AND DISCUSSIONS

4.0 Staffing Position

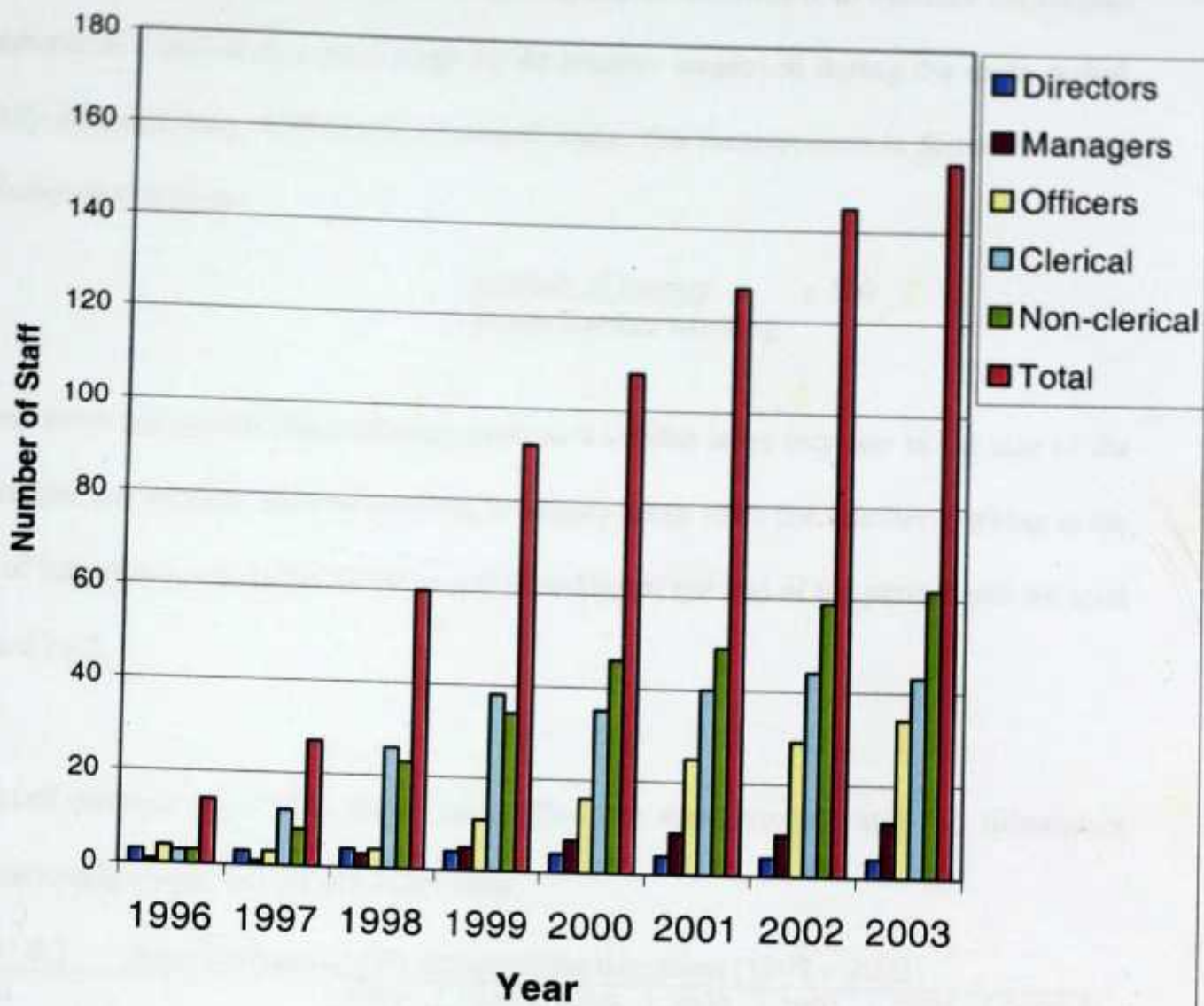
FASL, since the beginning of its operations in September 1996, has grown tremendously in its performance as a non-bank financial institution. It is worth mentioning that staff strength has also grown over the years. The table below shows its staff growth from September 1996 to 2003.

Table 4.1 Staffing Position of FASL (1996-2003)

<u>Position</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Directors	3	3	4	4	4	4	4	4
Managers	1	1	3	5	7	9	9	12
Officers	4	3	4	11	16	25	29	34
Clerical	3	12	26	38	35	40	44	43
Non-clerical (Cust. Intermediaries, Drivers, Cash checkers, Messengers)	3	8	23	34	46	49	59	62
Total	14	27	60	92	108	127	145	155

Source: FASL Administration, 2003

FIGURE 4.1 - Staffing Position of FASL 1996 - 2003



Source: FASL Administration, 2004

From a mere 14 in September 1996, FASL staff strength has increased significantly by 1,007% as at December 2003. (See Figure 4.1 and Appendix 3). It is very important to note that despite this phenomenal increase there is no human resources department. Human resources issues are handled by the Finance and Administration department. This is a serious defect that should be addressed.

4.1 Staff Turnover

The simplest and most usual way of measuring labour turnover is to measure the number of leavers in a period as a percentage of the number employed during the same period, usually on a quarterly, half yearly, or annual basis. The measurement is demonstrated by the following formula:

$$\frac{\text{Number of leavers}}{\text{Average number working}} \times 100$$

Unless there are special circumstances such as a sudden large increase in the size of the workforce, the average number working is usually taken to be the number working at the start of the period, and added to the number working at the end of the period, and the total divided by 2.

The staff strength of FASL, made up of the new appointments and the subsequent resignations/terminations are detailed below.

Table 4.2 Appointments and Resignations/terminations (1997 – 2003)

Period	1997	1998	1999	2000	2001	2002	2003
Staff strength as at 1 January	14	27	60	92	108	127	145
New appointments Jan – Dec	19	35	47	32	40	48	29
Total Staff	33	62	107	124	148	175	174
Resignations/Terminations Jan-Dec	6	2	15	16	21	30	19
Net employees	27	60	92	108	127	145	155

Source: FASL Administration, 2004

The turnover rates using the appointments and resignations/terminations from 1997-2003, as in Table 4.2 have also been calculated below.

$$\text{Year 1997: } \frac{\frac{6}{14+33}}{2} \times 100 = \frac{6}{23.5} \times 100 = 26\%$$

$$\text{Year 1998: } \frac{\frac{2}{27+62}}{2} \times 100 = \frac{2}{44.5} \times 100 = 5\%$$

$$\text{Year 1999: } \frac{\frac{15}{60+107}}{2} \times 100 = \frac{15}{83.5} \times 100 = 18\%$$

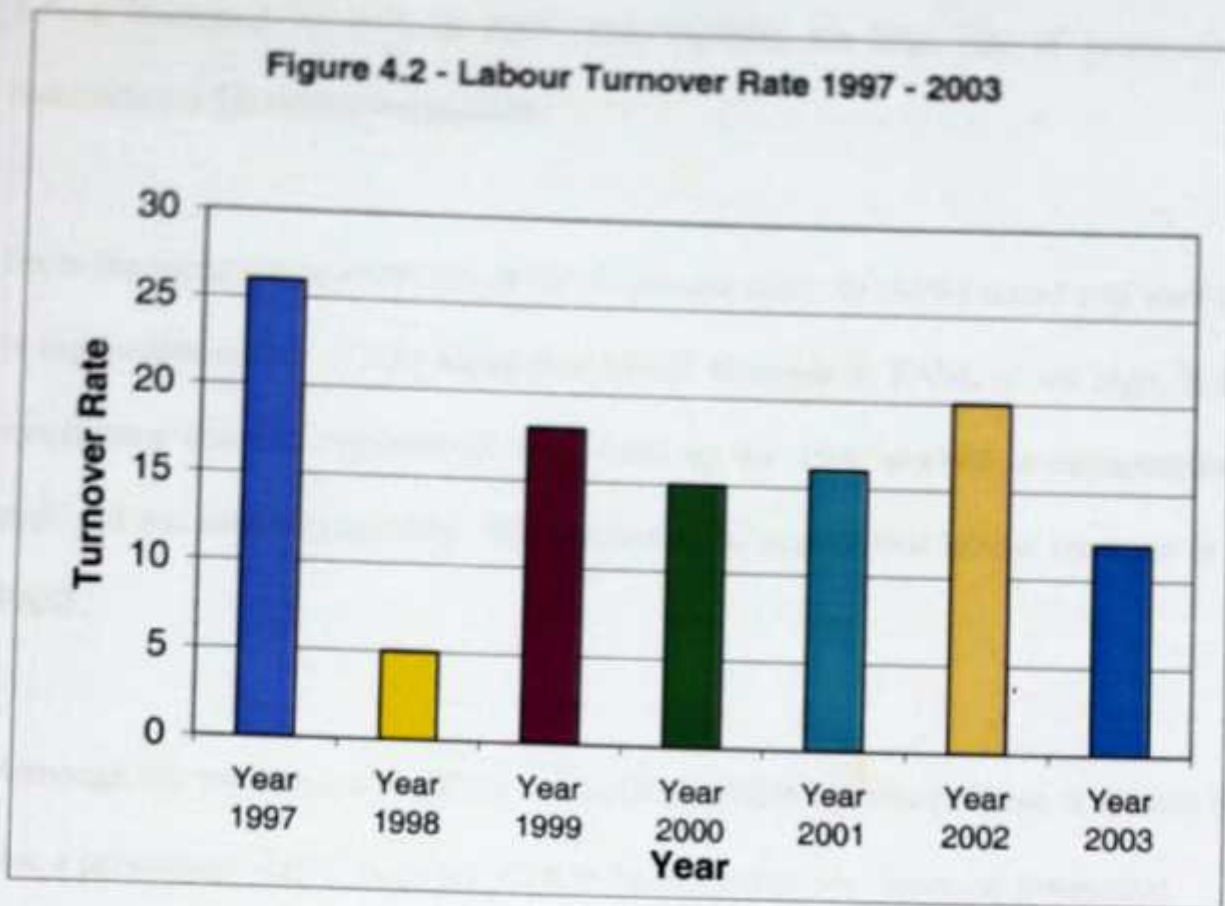
$$\text{Year 2000: } \frac{\frac{16}{92+124}}{2} \times 100 = \frac{16}{108} \times 100 = 15\%$$

$$\text{Year 2001: } \frac{\frac{21}{108+148}}{2} \times 100 = \frac{21}{128} \times 100 = 16\%$$

$$\text{Year 2002: } \frac{\frac{29}{127+175}}{2} \times 100 = \frac{30}{151} \times 100 = 20\%$$

$$\text{Year 2003: } \frac{\frac{19}{145+174}}{2} \times 100 = \frac{19}{159.5} \times 100 = 12\%$$

Figure 4.2 - Labour Turnover Rate 1997 - 2003



Source: FASL Administration, 2004

The labour turnover in 1996 was not included because FASL started operating in September of 1996. As can be seen from the calculations and subsequent graph in Figure 4.2, in 1997 the rate was 26%. This can be attributed to the fact that some of the staff gained admission to tertiary institutions and left to further their education. In 1998, it reduced to 5%. More new appointments characterized this year. In 1999, it rose up to 18%. This was a year characterized by dismissals due to embezzlement of funds in the Roman Hill Agency of the Institution. The turnover fell to 15% in 2000 and rose slightly to 16% in 2001. 2002 saw an increase again to 20%. There was however a fall to 12% in 2003. There were no significant salary increment for staff between 1999 and 2002. Salaries were very low in FASL as compared to other financial institutions in Kumasi.

It was increased by 40% in 2003. This explains the high rate of turnover and the reduction for the respective periods.

From the survey conducted, out of the 57 present staff, 50 (88%) stated that staff turnover is high while only 7 (12%) stated that labour turnover in FASL is not high. It is worth mentioning that the respondents who made up the 12% worked in departments where staff did not resign frequently. Management also asserts that labour turnover is high in FASL.

Although the industry average has not been available for comparison, it is well believed that a percentage above 10 leaves a lot to be desired in any financial institution.

4.2 Patterns of Resignations

As earlier mentioned, labour turnover occurs when workers leave an organization and need to be replaced by new recruits. This could be through resignations, dismissals and retirement. The study is mainly considering voluntary resignations, because they are not foreseen by management and therefore have a particularly disruptive effect.

The patterns of resignations in FASL have been discussed in three main ways.

- a. Positions and their levels of resignations
- b. The duration of stay of leavers
- c. Departments/branches and their levels of resignations

4.2.1 Positions and their Levels of Resignations

Out of the 109 leavers from 1997 to 2003 in FASL, the records of only 80 were available.

Out of this, 16 were dismissals mainly for embezzlement of funds, representing 20% of leavers on record.

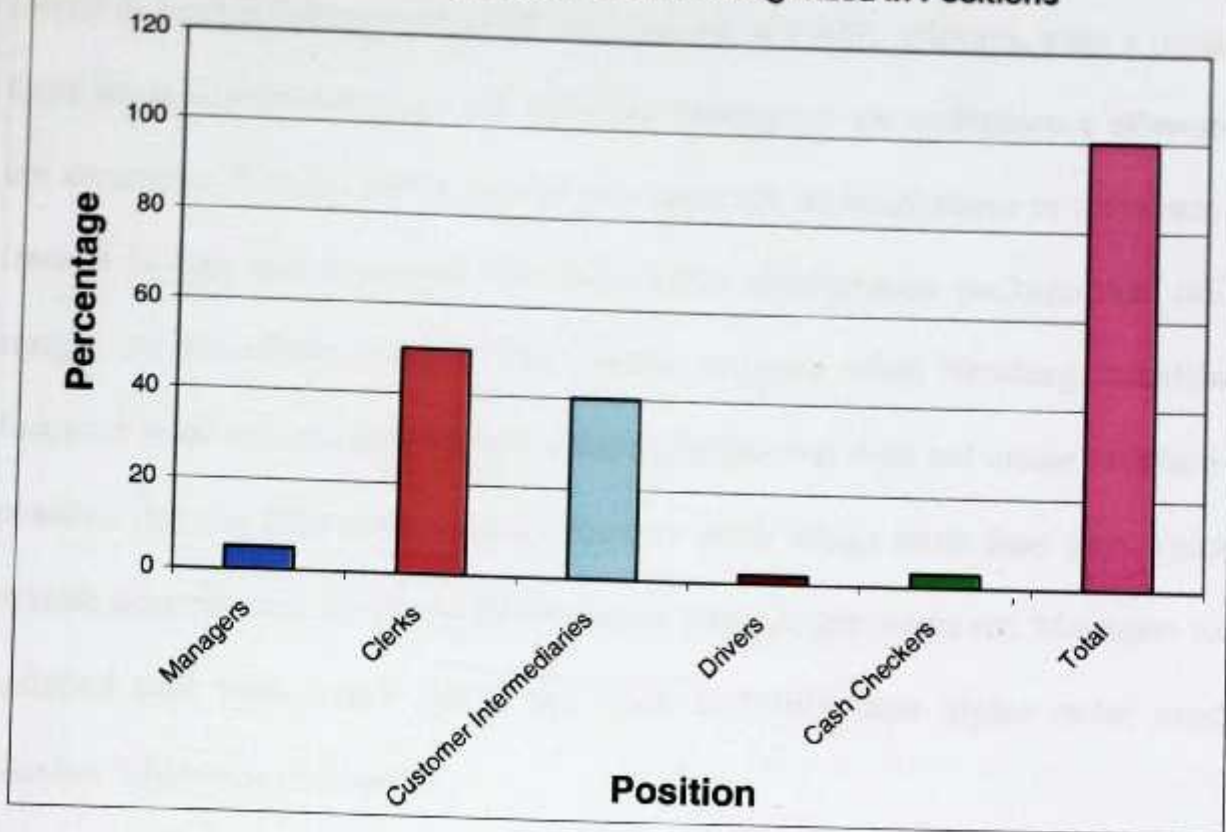
The remaining 80% (i.e. 64) on record were resignations. The breakdown of these resignations into the various positions is as seen in the table below.

Table 4.3 Resignations Of Staff Categorized In Positions.

Position	Resignations	Percentage
Managers	3	5
Clerks	32	50
Customer intermediaries	26	40
Drivers	1	2
Cash checkers	2	3
Total	64	100

Source: FASL Administration, 2004

Figure 4.3 - Resignations of Staff Categorized in Positions



Source: FASL Administration, 2004

From Table 4.3, 5% of the resignations are Managers. Clerical staff constitutes 50%. 40% are Customer intermediaries who are non-clerical staff. The other non-clerical staff, drivers and cash checkers constitute 2% and 3% respectively.

Clerical staff resigns more than any position in FASL. Customer Intermediaries are the second highest. This can be attributed to the very young staff employed straight from school. Most of these staff seek admission to Tertiary institutions to further their education and leave their positions.

Managers are the third as can be seen from the table above. No Officer or Director is on record as having resigned from the employment of FASL. Officers, after a maximum of three years service, are given car loans and subsequent car maintenance allowances that are attractive. This can partly explain why there are no resignations in that grade. It is of interest to note that Managers who have better remuneration package than officers do resign, yet no officer resigns. This clearly supports what Herzberg maintained that financial remuneration only removes dissatisfaction but does not create satisfaction. It is possible that the Managers were looking for other things more than pay, which might include opportunities for career development, prestige and status etc. Managers may have satisfied their basic needs and would want to satisfy their higher order needs as in Maslow's hierarchy of needs.

Only one Director retired in December 2002 and was replaced by another. Some of the Directors are shareholders and the remuneration package for the position is attractive. It therefore makes sense that none has resigned till date.

4.2.2 Duration of Stay of Leavers

The duration of stay of leavers of FASL has been categorized from under 1 year, and 1 year to 5 years. Again this has been considered with respect to positions.

Table 4.4 Leavers Duration Of Stay - Customer Intermediaries

Years	Resignations	Percentage
Under 1 yr	10	38
1	9	35
2	2	8
3	3	11
4	-	-
5	2	8
Total	26	100

Source: FASL Administration, 2004

From Table 4.4, 38% of customer intermediaries who leave do so when they are under 1 year with FASL. 35% leave when they are a year. 8% for leavers spent 2 years and 5 years each. 11% of the leavers spent 3 years in FASL. Their early exit is because of their educational aspirations. More details on the reasons are given in the subsequent sections.

Table 4.5 Leavers Duration of Stay - Clerks

Years	Resignations	Percentage
Under 1yr	11	34
1	10	32
2	3	9
3	7	22
4	1	3
5	-	-
Total	32	100

Source: FASL Administration, 2004

From Table 4, 34% of clerks left under 1 year, while 32% spent 1 year. 9% were 2 years. 22% of the leavers were 3 years and 3% were 4 years. The reasons are discussed in more details in the pages ahead.

Table 4.6 Leavers Duration Of Stay – Managers

Year	Resignations	Percentage
Under 1 year	-	-
1	-	-
2	1	33
3	-	-
4	2	67
5	-	-
Total	3	100

Source: FASL Administration, 2004

From Table 4.6, 2 out of the 3 Managers stayed 4 yrs with FASL. Only one stayed for 2 years.

Leavers Duration of Stay - Drivers And Cash Checkers:

None of this category of staff stayed beyond one year.

It must be emphasized here that the study has shown that the higher the position, the higher the duration of stay and the lower the position, the lower the duration of stay.

Customer Intermediaries and Clerks leavers mainly stayed for a maximum of one year. A higher percentage of them staying under one year. The reasons for this situation have been discussed in the subsequent sections of this study.

4.2.3 Departments/Branches and their Level of resignations in FASL

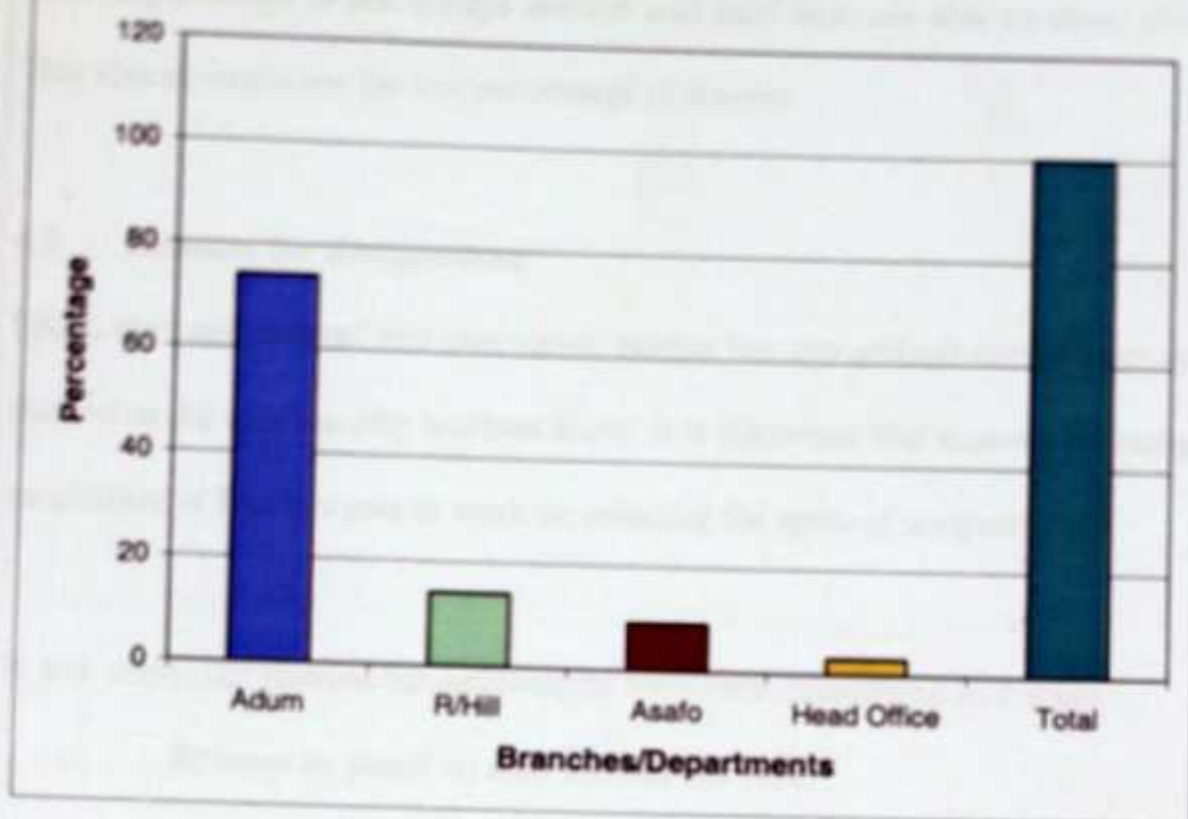
As earlier discussed, FASL is made of various branches and departments and the resignations have come from them. With the records available, the departments/branches where the leavers worked have been considered.

Table 4.7 Branches/Department where leavers worked

Branch/Department	Resignations	Percentage
Adum	47	74
Roman-Hill	9	14
Asafo	6	9
Head office	2	3
Total	64	100

Source: FASL Administration, 2004

FIGURE 4.4 - Branches/Departments of Leavers in FASL



Source: FASL Administration, 2004

From Table 4.7, Adum branch had 74% of leavers, Roman Hill Agency had 14% and Asafo Branch had 9% of leavers. Head office however had only 3%. Figure 4.7 further gives a pictorial view.

It is worth mentioning that Adum and Asafo branches, and Roman Hill Agency all do banking operations. The work is very tedious and mainly involves cash receipts and payments. The nature of the work is routine and not challenging. It is also characterized by late closing of staff. The 'Susu' department is also under this category. This accounts for the high percentage of leavers in these departments. In this case even if the pay is good they might not be motivated according to Herzberg's hygiene theory.

Head office comprises of Accounts, Credits, Inspection and Head office itself. Work in these departments is not always tedious and staff here are able to close about 5.00pm. This also accounts for the low percentage of leavers.

4.3 Reasons for Resignations

FASL does not conduct exit interviews, neither has any attitude survey been conducted to determine the reasons why workers leave. It is important that reasons for resignations are established if FASL wants to work on reducing the spate of resignations.

In this study, the reasons for resignations have been considered in 2 ways.

- a. Reasons as stated on staff records in FASL
- b. Reasons as per the research conducted

4.3.1 Reasons as stated on staff records in FASL

These are mainly Personal reasons and Educational reasons. Some however just vacated their positions with no reasons given. Although their appointments were terminated, they have been considered in this study because it was obvious that they left for some particular reasons.

The reasons on record (on file) in FASL are considered with respect to positions in the following tables.

Table 4.8 Reasons - Customer Intermediaries Records

Reason	Resignations	Percentage
Personal	2	8
Education	20	77
Vacation of Post	4	15
Total	26	100

Source: FASL Administration, 2004

Table 4.8 shows that 8% of customer intermediaries resigned for personal reasons. 77% also resigned from FASL with the reason of furthering their education. 15% vacated their post with no reason at all.

Table 4.9 Reasons - Clerks Records

Reason	Resignations	Percentage
Personal	8	25
Education	20	62
Vacation of post	4	13
Total	32	100

Source: FASL Administration, 2004

Table 4.9, shows the reasons clerical staff gave for leaving the employment of the institution. 25% gave personal reasons. 62% stated education as their reason for resigning, and 13% vacated their positions.

Table 4.10 Reasons - Managers Records

Reasons	Resignations	Percentage
Personal	1	33
Education	2	67
Total	3	100

Source: FASL Administration, 2004

In Table 4.10, out of the 3 managers who resigned, one was for personal reasons and the two were for education.

Drivers and Cash Checkers Records

Workers in both positions gave personal reasons for leaving the employment of FASL.

It must be mentioned that staff of FASL are generally very young. The Clerical staff and the Customer Intermediaries are mostly Senior Secondary School graduates who are aged between 18 years and 24 years. About 90% of them have no working experience and are employed fresh from school. Those with good passes are employed as Clerks and those with poor passes are employed as Customer Intermediaries. Those with good passes are offered admission to Tertiary Institutions in the country and subsequently leave the employment of FASL. This is a significant factor in the labour turnover rate.

The Customer Intermediaries can also be referred to as 'Susu' Collectors. They go to customers to collect daily 'Susu' contributions. They hardly sit in the office and are always on the move. The salaries and allowances are tied to how much collections they

are able to make at the end of each month. This is not easy for most of them since they have to walk around in the sun for several hours every working day whilst their colleagues sit in air-conditioned offices. The desire for the Ghanaian to work in a prestigious environment is evident here and their being referred to as 'Susu' collectors does not motivate them. During the private students' examinations time (i.e. October-November), such staff are all seen preparing feverishly to re-sit their examination papers. It is therefore not surprising that most of them resign to further their education. Furthermore, due to their inexperience, quite a number vacate their positions without informing management of their decisions.

4.3.2 Reasons as per research conducted

The research revealed that people resign from their positions for various reasons. Although reasons were given in letters of resignations by leavers, it is believed that there are other reasons why people resigned from the employment of FASL. Views from present staff, former staff, and management have been sought.

Reasons for Resignations – Present Staff View

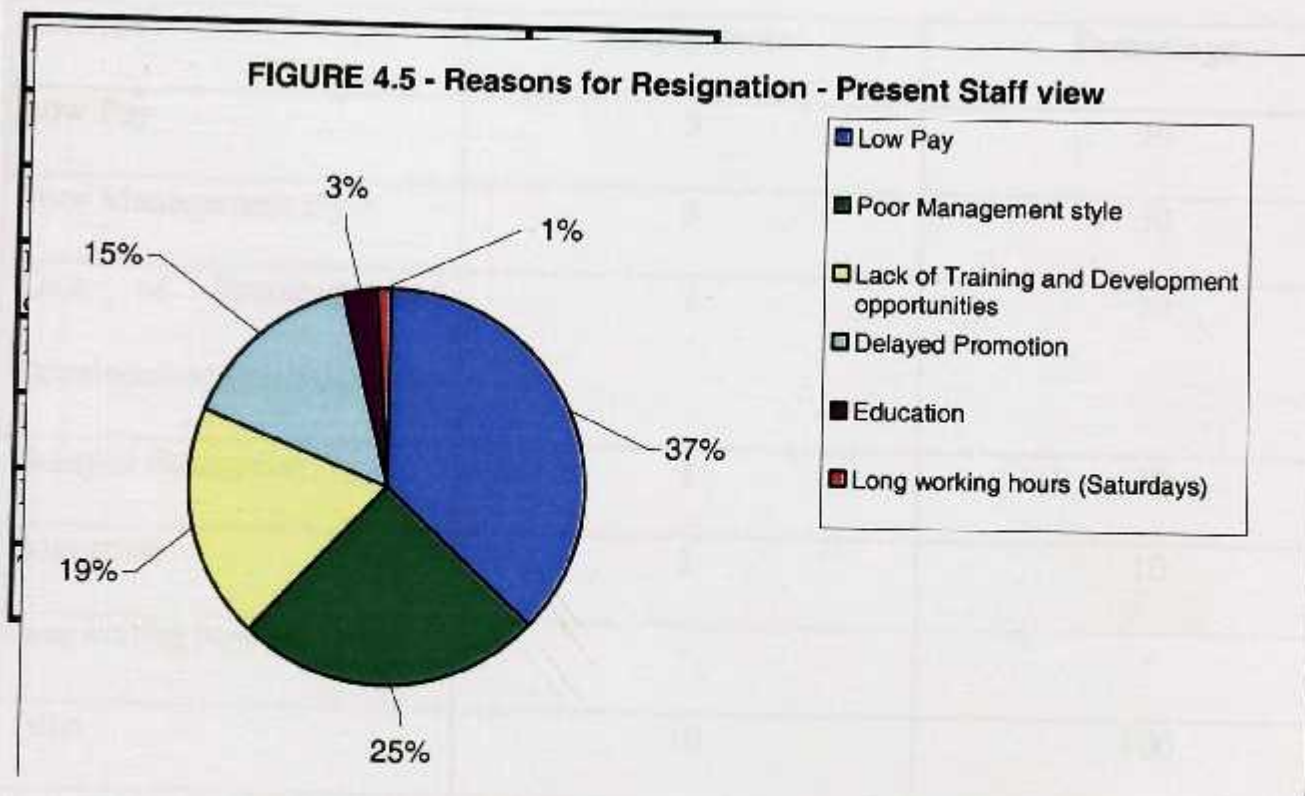
Below are the results of the survey conducted on present staff of FASL.

Table 4.11 Reasons for Resignations – Present Staff View

Reasons	Respondents	Percentage
Low Pay	21	37
Poor Management style	14	25
Lack of Training and Development opportunities	11	19
Delayed Promotion	8	15
Education	2	3
Long working hours (Saturdays)	1	1
Total	57	100

Source: Author's field survey, 2004

FIGURE 4.5 - Reasons for Resignation - Present Staff view



Source: Author's field survey, 2004

From Table 4.11 Figure 3, 37% of the present staff stated that resignations are because of the low salaries paid to FASL staff. 25% are of the view that resignations were because of the poor Management style exhibited by management and supervisors. 19% stated that resignations were because of lack of training and development opportunities. 15% stated that resignations were because of the delayed promotions in FASL. Only 3% and 1% think that they leave because of education and long hours of work respectively.

Reasons for Resignations – Management View

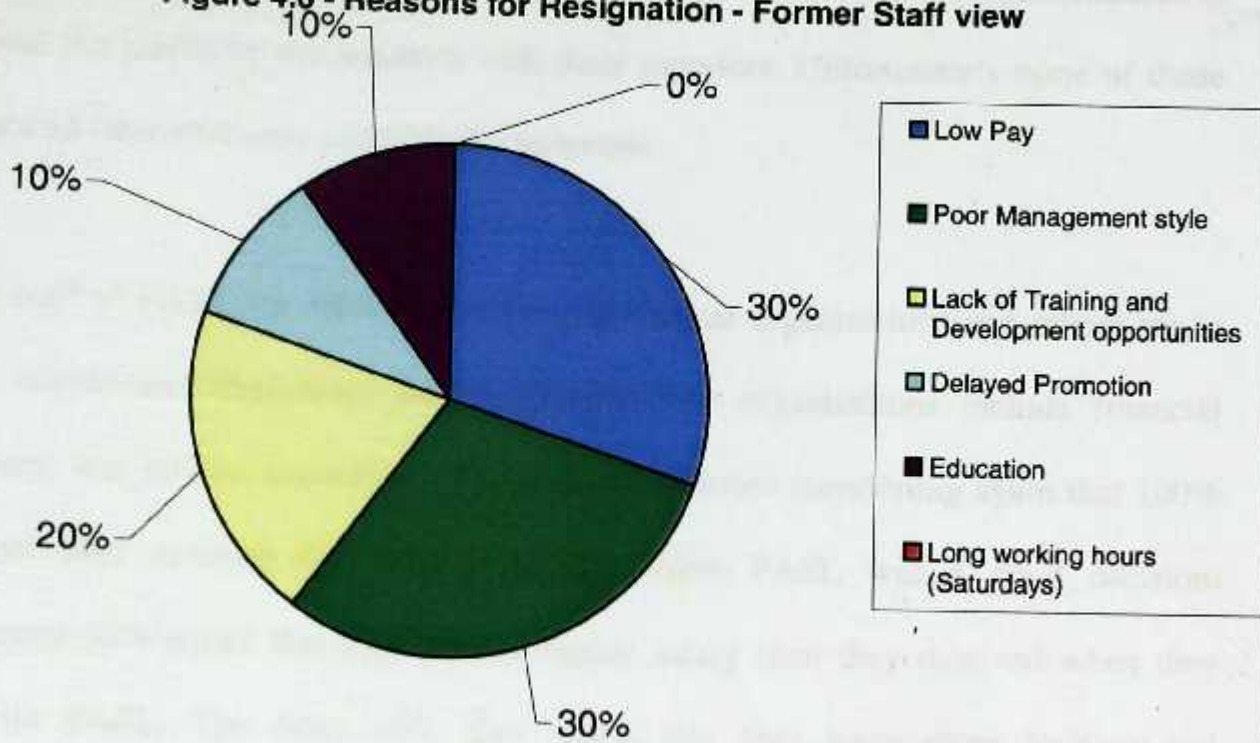
In an interview with some members of management, it came to light that in management's view resignations are as a result of the low salaries paid to workers and the recruitment policy. The recruitment policy of FASL has been to recruit young people with very good passes who unfortunately, eventually go back to school.

Table 4.12 Reasons For Resignations- Former Staff Views

Reasons	Respondents	Percentage
Low Pay	3	30
Poor Management style	3	30
Lack of Training and Development opportunities	2	20
Delayed Promotion	1	10
Education	1	10
Long working hours (Saturdays)	-	-
Total	10	100

Source: Author's field survey, 2004

Figure 4.6 - Reasons for Resignation - Former Staff view



Source: Author's field survey, 2004

From Table 4.12, 30% of former staff admitted that they resigned because of the low pay they received from FASL. 30% also mentioned that they resigned because of the poor management style. 20% of former staff stated that they resigned because of lack of training and development opportunities. Lack of promotion and educational reasons also had 10% each of the respondents.

One then wonders why former staff in their letters of resignations gave either personal or educational reasons. In discussions with these former staff, it became obvious that they were not sure of management's reaction to the real reason for their resignation so they preferred to write either personal or educational reason.

This again brings to the fore, management style that makes it difficult for subordinates to talk about the reality of the situation with their superiors. Unfortunately none of those who vacated their post were available for interview.

Former staff of FASL are currently working in various organizations and others are in tertiary educational institutions in the country. The organizations include financial institutions, Vat service, consultancy firms etc. It is worth mentioning again that 100% of former staff asserted that their resignation from FASL was a good decision. Furthermore 50% stated that they receive higher salary than they received when they were with FASL. The other 50% also stated that they have more training and development opportunities for themselves now than they use to have in FASL therefore they do not regret leaving FASL. Some of the facilities they enjoy now include prestigious working environment, free snacks and lunch at work, free transportation, etc. which FASL does not provide. All the respondents also indicated that the labour turnover situations in their respective institutions are very low as compared to what they experienced in FASL.

4.3.2.1 Low Pay

FASL over the years has paid salaries lower than other financial institutions. Some employees in other financial institutions receive 100% or more of the salary received by staff of FASL. However the volume of work is no different and staff of FASL even work on Saturdays with no overtime payment.

From the survey, it is obvious that Management is pretty much aware of the low salaries, apart from both present and former staff, yet nothing serious has been done about it over the years.

4.3.2.2 Poor Management Style

The vertical communication channel is very essential in every organization. This has two dimensions. Communicating upwards (from subordinates to superiors) and downwards (from superiors to subordinates).

In FASL downward communication is predominant i.e. from superiors to subordinates. These are mainly instructions, orders, commands, directives, queries etc. done through memoranda, circulars etc. upward communication, from subordinates to superiors is hardly evident apart from replies to queries. This makes it difficult for staff to be actively involved in the decision making process of the institution. Directives are usually given from the top with no consultation with the shop floor staff. This makes implementation of directives very difficult yet there is usually no opportunity for staff to communicate their observations officially to management.

The work in FASL is in itself very monotonous and one has to do the same things over and over again every day. This stifles initiative and management does not encourage the use of initiative.

From the survey, Management did not consider its style as an issue but it is ranked on the same level as pay for former staff and the second after pay for present staff.

4.3.2.3

Lack of Training and Development Opportunities

Training in FASL is mainly on the job. Some staff are made to attend courses at Management Development and Productivity Institute (MDPI), GIMPA, Ghana Banking College and a very few International ones. However, these external training programmes are attended by positions of Chief Clerk and above. Those below are not given the opportunity to attend such training programmes.

In the early years of the operation of FASL, consultants were invited to organize in-house training programmes for all categories of staff. However this has been halted for over three years now. Staff below the Chief Clerk grade therefore rely only on on-the job training. It must be noted again that once staff are assigned to a particular position they hardly get rotated to other positions. Their knowledge acquired on the job is restricted to their specific positions. The survey conducted showed that out of the 57 present staff, only 23 had been rotated on the job between 1 to 8 years of their stay with FASL. 33 out of the 57 respondents had been on their same designations for their duration of stay with FASL. The details can be seen in the Table below.

Table 4.13 Staff on the same job schedule

No. of Years with FASL	Respondents	Percentage
1	1	3
2	6	18
3	12	37
4	3	9
5	8	24
6	1	3
7	2	6
Total	33	100

Source: Author's Field survey, 2004

Table 4.13 shows the number of staff who have not been rotated on the job since they started working for FASL. 3% of these have worked for 1 year on the same job schedule. 18% have been doing the same thing for 2 years. For 3 years 37% of the total of 33 have also not been rotated. 9% of such staff have not been rotated after 4 years. 24% of the 33 have worked for 5 years on the same job schedule. 3% and 6% out of the 33 have worked for 6 and 7 years respectively on the same job.

This situation is likely to create monotony in the work of such staff since they have been doing the same thing over the years. It also does not give these staff the opportunity to develop themselves by learning other things apart from what they do.

Furthermore, with the external training programmes, there are no clear-cut ways of identifying who should and who should not attend. The performance appraisals that are done twice a year are meant to identify the training needs of staff and help them improve upon themselves. However the courses staff attend does not directly relate to their training needs.

The training programmes organized by the external organizations are not made specifically for FASL use. They are advertised and FASL plans its training schedule according to their plan. The courses are sometimes not relevant to the work of FASL and staff have problems applying what they learnt.

It is worth noting that some staff have been in the employment of FASL for 3 years and over and have never had the opportunity to attend any external training programme although they are Chief Clerks and above. However some other colleagues have gone, time and again and it is obvious that they all have the same training needs. This no doubt demoralizes these colleagues. It is not surprising therefore that 19% of present staff feel their colleagues resign as a result of the problems with training in FASL and 20% really resigned as a result of it.

4.3.2.4 Delayed Promotion

Promotions are awarded after performances have been appraised at the end of the working year. The conditions of service stipulate that promotions can be awarded after 3 years of good performance in a particular position. Before the promotion, incremental jumps are awarded annually. However there are situations where staff have been

promoted earlier than the required number of years, supposedly for exceptionally good performance (which of course only management notices). On the other hand there have also been situations where staff have stayed unnecessarily too long at a position with reasons no one but management seems to know.

At the time of performance appraisals, there are almost always negative sentiments on their results from staff because of promotions and non-promotions. Management on such occasions gives no explanations. From the survey on reasons for resignations, it was revealed that 10% of staff resigned because of this problem and 15% of present staff consider it as an issue. Management however does not consider this as an issue or reason why people resign, which may explain why this system still persists.

The survey conducted revealed that out of the 57 respondents, 31 had been promoted between their two to eight years stay with FASL. However, 26 had not been promoted for their number of years of service for FASL. The details are shown below.

Table 4.14 Delayed Promotions for Present Staff

No. Of Years with FASL	Respondents	Percentage
1	2	8
2	7	27
3	12	46
4	3	11
5	2	8
Total	26	100

Source: Author's field survey, 2004

Table 4.14, shows the number of years of staff whose promotions have delayed in FASL. 8% of these staff have spent one year with FASL. 27% have spent two years. 46% have notably spent three years and are yet to be promoted. 11% have spent four years and 8% are five years with FASL and have still not been promoted.

It is not surprising that after a year or two years of service, a staff is not promoted. It becomes a problem when a staff is not promoted beyond the three years as can be seen from the table above. If it is not inefficiency on the part of the staff, then it leaves much to be desired. At the time of this study, promotions have not been made for the year. It is hoped that those three years and over will be promoted.

4.3.2.5 Long hours of work

It is a well known fact that staff in financial institutions close very late or have long hours of work. Apart from this, FASL staff work six days a week with no additional allowance. Only 1% of present staff considered it as an issue while no former staff resigned because of it. It is obvious that staff would not complain about working for long hours if salary and allowance levels are attractive.

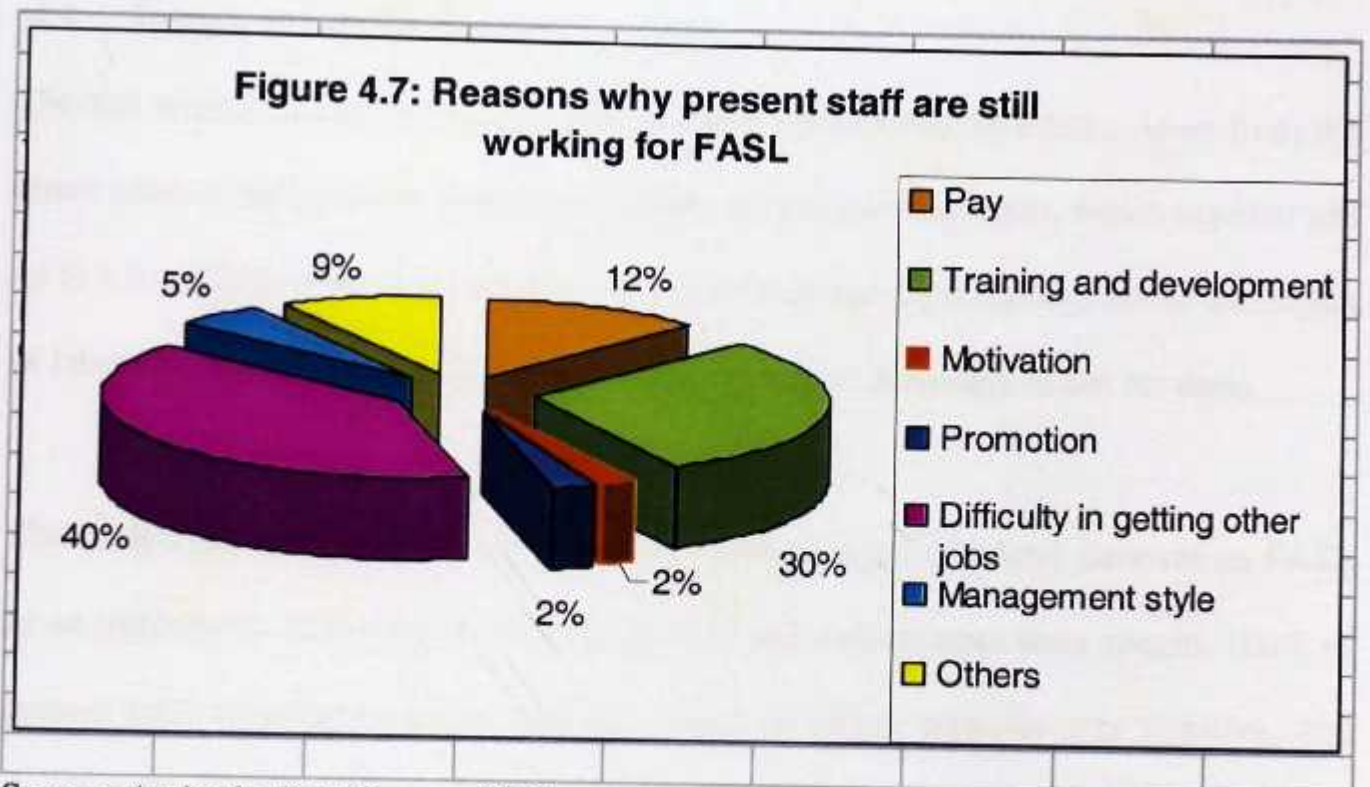
Reasons why present staff are still working for FASL.

Looking back at the reasons present staff gave for resignations of their former colleagues, one wonders why they are still working for FASL with all these problems persisting.

Table 4.15 Reasons why present staff are still working for FASL.

Reason	Respondents	Percentage
Pay	7	12
Training and development	17	30
Motivation	1	2
Promotion	1	2
Difficulty in getting other jobs	23	40
Management style	3	5
Others	5	9
Total	57	100

Source: Author's field survey, 2004.



Source: Author's Field Survey, 2004

The survey in Table 4.15 and the subsequent figure 4.7, shows that 12% of present staff are with FASL because they expect the pay would rise and be more attractive. 30% are still with FASL because they expect to be trained and developed. 2% for motivation and 2% also for promotion. 40% are still working because of difficulty in getting employment elsewhere. 5% are still working with the hope that management style will change for the better in the near future. 9% however gave other miscellaneous reasons e.g. desire to work in Kumasi, gaining experience, etc.

It is obvious from this study that a high percentage of the present staff are still working because they have no option available to them now. If the situation does not change, and they get other employment offers, it is likely that they would also join the train of leavers. A lot is therefore expected from management to stem this tide.

4.4 Impact of Labour Turnover on FASL

The full impact of high labour turnover is rarely appreciated by FASL. Apart from the direct costs of replacement, there are a number of other obvious costs, which together add up to a formidable sum. It is therefore very important that organizations assess the impact of labour turnover to enable them know whether its level is healthy or not for them.

The study considered both the positive and negative impact of labour turnover on FASL as an institution. Views from both present staff and management were sought. 100% of present staff respondents stated that the impact of labour turnover was negative. The results of the study can be seen in the table below.

Table 4.16 Impact Of Labour Turnover (negative) – Present Staff View

Impact	Respondents	Percentage
High Recruiting cost	1	2
High Staff training Costs	27	47
Low productivity	13	23
Overburdening staff	11	19
Poor image of institution	4	7
Low morale of present staff	1	2
Total	57	100

Source: Author's field survey, 2004

In the study on the impact of the labour turnover on FASL, 2% stated that recruiting cost increase. 47% also stated that new staff training cost is high. 23% admitted that productivity is seriously affected. 19% stated that when staff resign those remaining become overburdened with additional work. 7% think that the image of the institution is affected. The morale of staff is affected according to 2% of present staff.

Impact of Labour Turnover – Management View

In an interview, management alluded to the fact that the staff remaining is overburdened with work. Manpower planning needs of the respective branches and departments becomes very difficult and as a result performance fluctuates. The poor image of FASL to the public was also an issue management seemed to be concerned with. All these affected the revenue of the institution as whole.

However management saw a positive impact of labour turnover on FASL. These are the new ideas new employees bring, lower labour costs that is experienced when staff numbers reduce and the shedding off of poor performers.

4.4.1 High Recruitment/Replacement costs.

This is quite difficult to estimate and can therefore be easily overlooked. It is not surprising that only 2% of the present staff considered it and management overlooked it totally.

The following costs can be considered in recruitment:

Advertising

Interview time

Administrative and secretarial costs (stationary, postage etc.)

In recruiting new staff in FASL, sometimes advertisements are made in the print media. This is very costly especially in well-patronized papers. However, in most cases, time is taken by the Company Secretary to go through files of already received applications for invitations to interview. It must be mentioned here that the secretary takes considerable time to do this. Letters are mailed to applicants, which have cost.

Mainly it is Directors and managers who sit for long hours to conduct the interview. These are the highly paid staff in the institution. The productive man-hours used here cannot be overemphasized. Sometimes if interviewees do not impress them, another

interview is organized for new applicants. It is therefore quite strange for management to overlook the costs associated with recruitment and replacement.

4.4.2 High Staff Training costs.

The induction process for new staff in FASL takes only one week. New staff are then posted to their respective branches or departments. This is quickly done because of the urgent need to fill a vacancy. The training here is on-the-job and is done by supervisors and colleagues of the new entrant. The study revealed that 47% of present staff stated that staff training costs are very high. It is very obvious to them because they are directly involved in it. It is not surprising to see new staff fumbling all over to get a small job done. The waste they generate cannot be overemphasized here. Those in the central accounts units of the branches are always seen throwing away vouchers on which they have made mistakes. Those who are made cashiers also create a lot of shortages due to overpayments.

The time used by supervisors and colleagues in getting them trained is also very important. It sometimes takes months to get new staff well versed in their normal duties and responsibilities which costs the institution a lot in terms of productive man-hours of experienced staff and wastage of resources available for work.

4.4.3 Poor image of the Institution

It is said that first impressions are lasting impressions. Whatever impression created where the customer is involved is very important. Customers may make or break any organization. Situations where new and inexperienced cashiers over pay or under pay them are very critical.

High labour turnover usually implies that the organizations concerned have poorly managed human resources. It usually suggests that people are dissatisfied with their jobs or with their employer and would prefer to work elsewhere. It thus sends negative signals to customers and helps create a poor image in the labour market, making it progressively harder to recruit good performers in the future. There has been cases where some applicants have been successfully interviewed but have failed to report for duty as expected of them.

4.4.4 Overburdened staff

When a staff resigns, before a new one is employed, the old staff holds the fort. Holding the fort means taking over the duties of the resigned staff. This transcends to late closing from work and constant ill health as a result. The cycle then continues from there. Staff in FASL are not paid overtime for closing late because it is assumed that it would encourage staff to delay in executing their duties. Not even in this situation when it is obvious that it is through no fault of the staff. Occasionally when supervisors recommend payment of overtime, the amount paid is far from attractive. The staff's normal salary is used in the calculation and taxed after that. To add insult to injury, one has to be chasing this meager amount of money for days before it is paid to him or her.

Supervisors, no matter the circumstance are not paid overtime in FASL. They stay late in the office with the other staff and yet there is no benefit for staying late.

4.4.5 Low morale of staff

Staff morale usually in such times is on a down turn. Despite the fact that staff are overburdened, there is no motivation from management to encourage staff to continue working selflessly. Increasing labour turnover then becomes a cycle. Low morale causes more staff to leave, increasing the dissatisfaction of those who remain and so on.

Managers and supervisors aggravate the situation by an inappropriate response to worsening conditions. For example, as available trained labour diminishes, disciplinary measures against unauthorized absenteeism and other forms of indiscipline are relaxed. Sometimes some staff feel unfairly treated and are demoralized as a result.

The spate of resignations results in pressure to recruit. Sometimes these replacements do not match organizational requirements. These new recruits are more likely to leave, especially as supervisors have less time to give them adequate induction training. The supervisors in FASL do the training alongside their normal work schedule. The training therefore becomes a secondary issue to them.

It is therefore not surprising that bad situations worsen and it affects the morale of the existing staff.

4.4.6 Low productivity

From the afore going, it suffices to state that productivity suffers a lot. Experienced staff instead of using their time to work productively for the institution use their whole time teaching and correcting new entrants. Work is always delayed and customer's turnaround time in the institution is increased. Customers obviously are not happy because as the adage goes 'time is money'.

4.4.7 Poorly skilled workforce

Labour turnover in FASL results in poorly skilled workforce, because employees leave once they are trained and consequently become more valuable. Investment in training will not pay off if employees do not remain long enough to return the investment. New staff and even temporary staff whose work output is always questionable is a characteristic of the central accounts department in the Adum branch of FASL. This is a department that always handles entries for all the other branches and salaries for all FASL customers. The effect of the constant use of inexperienced staff is very devastating.

The damage is even greater because leavers of FASL who do not further their education, choose to work for competitors. Institutions like Ecobank, Standard Chartered Bank, Apex Bank have benefited immensely from former staff of FASL, while FASL has had to manage with poorly skilled workforce all the time in their very busy departments and branches.

The impact of labour turnover is not only negative as discussed earlier. There are very important positive points that are worth discussing.

4.4.8 New ideas

As mentioned earlier, although high labour turnover is not healthy for any organization, zero turnover is not a desirable state either. New employees have the advantage of bringing diverse backgrounds and fresh perspectives to business.

Organizations need to be rejuvenated with 'fresh blood' from time to time if they are to avoid being stale and stunted. This is particularly true at senior management levels, where new leadership is often required periodically to drive change forward. At the end of 2002 when a Director retired, the new director who was younger brought a new feel of life to the organization and did things in a more practical way. An expatriate staff that has been recently employed for the credits department also makes this fact very evident. His participatory style of working and assertive nature has never been seen in FASL and all staff, including Directors and Managers attest to this. After the liquidation of the Cooperative Bank, some staff were employed from there and one notably made a tremendous impact on the Adum branch operations. He introduced several new methods of work. This helped work progress at a very productive pace. Although he resigned shortly after, his resignation was met with so much grief from both management and staff alike.

4.4.9 Lower labour costs

In 2002 FASL was overstaffed according to management. It was very difficult for it to consider laying some staff off. Staff resignations were therefore welcome news to them and their way of shedding off unwanted numbers of staff. In this way FASL was able to minimize its staffing budget. Its redundancy bill was therefore not a question at all.

4.4.10 Loss of poor performers

Labour turnover is a very good way for any institution to automatically shed off poor performers and employ good performers in their place. In 1997, FASL employed a staff who had a very questionable character. After several warnings on his performance, he voluntarily resigned after he completed serving his probation. This was quite a relief to management.

SUMMARY, RECCOMENDATIONS AND CONCLUSION

5.0 Summary

The study has been on the labour turnover situation in First Allied Savings and Loans Limited and its impact on the company as a whole from September 1996 to December 2003.

Literature was reviewed on related work in this area. Several writers have written on the need to motivate human resources because it transcends to higher productivity. Examples of multinational companies were given (Xerox) which have been able to perform because they put measures in place that made workers feel important. Some socio-cultural and economic reasons were given to explain why it is not easy for most Ghanaian companies to emulate these examples apart from a very few ones (e.g. Home Finance Company Ltd.)

Writers made arguments for and against labour turnover, stressing that as much as high labour was bad, zero turnover was no good. Reasons for resignations as reviewed by writers included non-market related payment package, absence of learning opportunities, limited opportunities for development, poor leadership among others. Staff retention strategies writers proposed included competitive salaries, induction, training and development, managing expectations of new staff, opportunities for career progression to mention only a few. The literature was reviewed from mainly, books, periodicals, articles etc. and the writers included Kopelman (2000), Obeng-Fosu (1991), ACAS (2001),

Hamlyn (2002), Debrah (2000), Kigundu (1989), Torrington et al (2002), Nzelibe (1989) among others.

The profile of FASL was considered. The staffing position from 1996 to 2003 was shown. The organizational structure was drawn and discussed, showing the Board of Directors on top, management team and the various departments that make up FASL.

The growth trend of the staff was analyzed in the fourth chapter. This has increased notably by 1007% from 1996 to 2003 but notably no human resources department has been set up to handle only human resource issues. Staff turnover rates for the various years have also been calculated and the trend analyzed.

The pattern of resignations in FASL have also been analyzed with respect to

- a. Positions and their levels of resignations
- b. Duration of stay of leavers
- c. Departments/branches and their levels of resignations

It was found out that a higher percentage of resignations came from clerical staff, followed by Customer intermediaries. The duration of stay was analyzed with respect to positions and was found that most Customer Intermediaries and Clerical staff left within 1 year, while the minimum for Managers was 2 years. 74% of the resignations came from the Adum branch, which is the main branch of FASL and the busiest of all the departments. Roman Hill was the second and Asafo branch the third in resignations. Head office ranked lowest.

Reasons for resignations were gathered as per records of leavers on file and the survey conducted. From the survey, present staff viewed reasons for resignations of their colleagues were as a result of low salaries earned by staff. Poor management style ranked second with present staff. Former staff interviewed left FASL mainly because of low salaries and poor management style mainly. Management viewed resignations as a result of mainly low salaries and the recruitment policy of FASL.

However the records on file gave only personal and educational reasons for leavers for all the grades (Clerks, Customer Intermediaries, managers, cash checkers, and drivers.) however 13% of clerks and 15% of customer intermediaries vacated their posts during the period under study.

On the impact of labour turnover on FASL, the survey on present staff showed the following results. 47% high training cost, 23% low productivity, 19% overburdened staff, 7% poor image of the institution, high recruiting cost and low staff morale both had 2% each. Management however had the view that staff was overburdened, and the image of the institution was affected. Management however also thinks there was a positive aspect of the high labour turnover in FASL because of the fresh ideas it brought in and also its lowering of staff costs by naturally shedding off staff.

5.1 Recommendations

The following recommendations have been made to help in minimizing the negative impact of the high labour turnover on FASL.

5.1.1. Competitive salaries

Present staff and management view the current salaries as low. Salaries in FASL should therefore be made competitive to other financial institutions. This will make those other institutions less attractive to staff of FASL. Management promised to increase salaries by 50% annually from 2004 until it is at par with its competitors. However instead of January, the salary increment was effected in April with no arrears paid. If management wants staff to believe in their plans, it should do as is expected, otherwise more staff will be lost before the contemplated increment.

Attractive overtime rates should be paid to staff that deserve it. Supervisors should also be paid overtime when they have earned it

5.1.2 Training and Development opportunities

Giving equal opportunities to all staff of FASL can reduce the problem with training and development mentioned earlier. Emphasis should be placed on the training needs of the staff and not whether the staff is a Chief Clerk or below. The appraisal on performance should be properly utilized to highlight the training needs of individuals.

The training programmes should therefore be prepared to suit such needs, not to suit the external training programmes of Management Development and Productivity Institute (MDPI), Ghana Institute of Management and Public Administration (GIMPA), etc.

To ensure effective on-the-job training, the new employee should gradually be introduced to each stage of the job. He or she should be able to do each task satisfactorily before moving on to the next. The supervisors in charge of on-the-job training should devote sufficient time to this task and give it no lower priority than his or her duties; otherwise there is a real danger that the trainee will be neglected. Management should in such times also consider the work schedule of such supervisory staff.

All staff should be given the opportunity to develop themselves. Both study leave, with and without pay should be made available to staff who qualify and depending on the exigency of the situation. They should be bonded with a reasonable number of years and this will in effect make them return after their education to work for FASL.

5.1.3 Induction

Labour turnover is highest during the first year of employment in the Clerical and Customer intermediary grades. This may indicate inadequacies in induction. When new workers start, there is a good deal of information, which they need quite apart from training for the specific job, before they can properly settle down and feel part of the organization. The induction programme for new FASL staff is very brief. It takes about two hours a day for only a week. It is important to realize that it is more than a simple administrative chore and should not be skimped, even if it is short.

A good and honest impression of the organization helps new workers settle down and learn their jobs quickly. Expectations that cannot be met should not be raised.

There should be early provision of smartly presented information about the company, including conditions of service. Extra care should be taken for the induction of new school leavers and others entering employment for the first time, which characterizes most of FASL staff.

5.1.4 Job rotation

The various departments/branches in FASL have all got different volumes of work. Some are more tedious than others and the study has shown that the departments that are very busy experience a high level of resignations than the less busy departments. Staff should as much as possible be rotated through departments. Some staff have been in particular departments for 3 years and more without any change.

Job rotation would afford staff the opportunity to also develop themselves and be more versatile so that any vacancy can easily be filled from within. Through rotating staff on the job, their strengths and weaknesses would be more highlighted and the necessary correction made so that square pegs would not be put in round holes. The best of staff abilities would be utilized to the benefit of FASL.

5.1.5 Equal Promotional Opportunities

Promotions should be awarded based on the results of the performance appraisal recommendations by supervisors and not what management thinks. Supervisors work

directly with staff and management does not. It should also be obvious to all staff that the promotion is well deserved, otherwise it should be as in the conditions of service.

It is important that the conditions of service is updated and all anomalies and ambiguities straightened out, such on promotions and study leave. Copies should be made available to all staff so that every aspect of the organization is well understood.

5.1.6 Management style

To improve management style, Directors, managers and supervisors should be trained in management skills. All communication lines should be open, both vertical and horizontal. This must not lose sight of the lines of authority. Situations where junior staff reports issues directly to Directors should not be encouraged.

Staff views should be sought through suggestion schemes, with respect to changes in their areas of work. New ideas should not be imposed on them.

Disciplinary procedures should be clear to all supervisory staff and known to everyone. Supervisory staff should be well trained in its use and management should support them in applying them.

5.17 Setting up of a Human Resource Department

FASL has come a long way since September 1996. From a staff strength of 14 to 155 in December of 2003, it is necessary that a human resource department be set up to handle only human resource issues. Human resource is the engine of growth of any organization

and if time and effort is put in handling such issues it will go a long way to help the organization.

The department can then conduct exit interviews for leavers, where the reasons for leaving can be sought and the necessary measures put in place to avoid further leavers leaving for the same reasons. The department could again conduct attitude surveys to know the problems in the institution at a particular point in time to curb the rate of attrition within FASL.

5.1.8 Motivation

The need for recognition, security and sense of belonging is important in determining workers morale and productivity than anything in most cases. The mere act of showing people that you are concerned about them usually spurs them on to better performance. 'Someone upstairs cares' syndrome should be seen at play as in Elton Mayo's Hawthorne experiments. When people spend a large portion of their time at work as it is in FASL, they must have a sense of belonging, of being part of a team. When they do, they produce better result.

Various reward schemes such as rewards for exceeding targets, extra ordinary performance, non-absenteeism, etc. should be implemented to motivate staff. Annual bonuses that are sometimes given to staff should be restructured and made more enticing.

5.1.9 Recruitment and Selection

The policy of recruiting very young staff, highly qualified and inexperienced should be reviewed. More experienced and matured staff should be recruited and trained for the job. Well-trained staff or professional recruiters should undertake the selection process. The Human Resources Department when set up would be in a better position to undertake the recruitment. The selection should be made devoid of any personal influences as much as possible.

5.2 Conclusion

The level of labour turnover is an indication of the health of the organization. Whilst some labour turnover is unavoidable – and indeed healthy – a high labour turnover is an indication of problems within the organization, which need to be addressed

In terms of the financial bottom line and the overall workings of an organization, it makes sense to lower avoidable staff turnover. Where there is a glut of some skills and a desperate shortage of others, staff that makes a valuable contribution to an organization and fit in with corporate culture is priceless. Any measures that are put into place in order to restrict unnecessary staff attrition will have a far reaching impact on welfare of staff and ultimately the welfare of the institution.

The study has brought out the labour turnover situation in FASL over the years. This, it is believed is on the high side. Management is aware of this situation and its consequences to the organization as a whole.

It is hoped that although FASL is currently adjudged as one of the best savings and loans companies in the country, management would not be complacent and overlook this situation. If it is to do better than it is currently doing and have a considerable impact on the economy and stakeholders, it must urgently address the issues highlighted in this study.

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APPENDIX 1(A)

QUESTIONNAIRE FOR PRESENT STAFF

1. When were you employed?

2. What was your grade when you were employed?

3. What is your current grade?

4. What branches/departments have you worked?

5. Would you say that labour turnover is high in FASL?
YES NO
6. Why do you think people leave FASL?
- | | | | |
|-----------------------------|--------------------------|---------------------|--------------------------|
| a. Pay | <input type="checkbox"/> | b. Management style | <input type="checkbox"/> |
| c. Training and development | <input type="checkbox"/> | c. Promotion | <input type="checkbox"/> |
| d. Others | ----- | | |
7. Do you think their resignation has a positive or negative impact on FASL?
Negative Positive

8. If negative, give reasons for your answer.

a. High recruiting cost

b. High staffing cost

c. Low productivity

d. Overburdening staff

e. Poor image of institution

f. Low morale of present staff

9. If positive, give reasons.

10. Why are you still working with FASL?

a. Pay

b. Motivation

c. Training and development

d. Promotion

e. Difficulty in getting other jobs

f. management style

g. Others-----

11. What suggestions would you want to make to improve the labour turnover situation of FASL?

APPENDIX 1(B)

QUESTIONNAIRE FOR EX-STAFF OF FASL

1. Who is your current employer?

2. What were your reasons for leaving?

a. Low salaries

b. Poor management style

c. Lack of training and development

d. Lack of promotion

e. Others.....

3. Would you say that your resignation from FASL was a good decision?

YES

NO

4. Give reasons for reasons for your answer.

a. Higher salary

b. Good management style

c. Training and development opportunities

c. Promotion

e. Other (Specify).....

5. What is the labour turnover situation in your company?

a. Low

b. very Low

c. High

d. Moderate

6. What facilities are you currently enjoying which you were denied at FASL?

9. What suggestions would you make to avert more resignations?

APPENDIX 1(B)

QUESTIONNAIRE FOR EX-STAFF OF FASL

1. Who is your current employer?

2. What were your reasons for leaving?

a. Low salaries

b. Poor management style

c. Lack of training and development

d. Lack of promotion

e. Others.....

3. Would you say that your resignation from FASL was a good decision?

YES

NO

4. Give reasons for reasons for your answer.

a. Higher salary

b. Good management style

c. Training and development opportunities

c. Promotion

e. Other (Specify).....

5. What is the labour turnover situation in your company?

a. Low

b. very Low

c. High

d. Moderate

6. What facilities are you currently enjoying which you were denied at FASL?

9. What suggestions would you make to avert more resignations?

APPENDIX 1 (C)

QUESTIONNAIRE FOR MANAGEMENT

1. Do you think labour turnover is high in FASL?

YES

NO

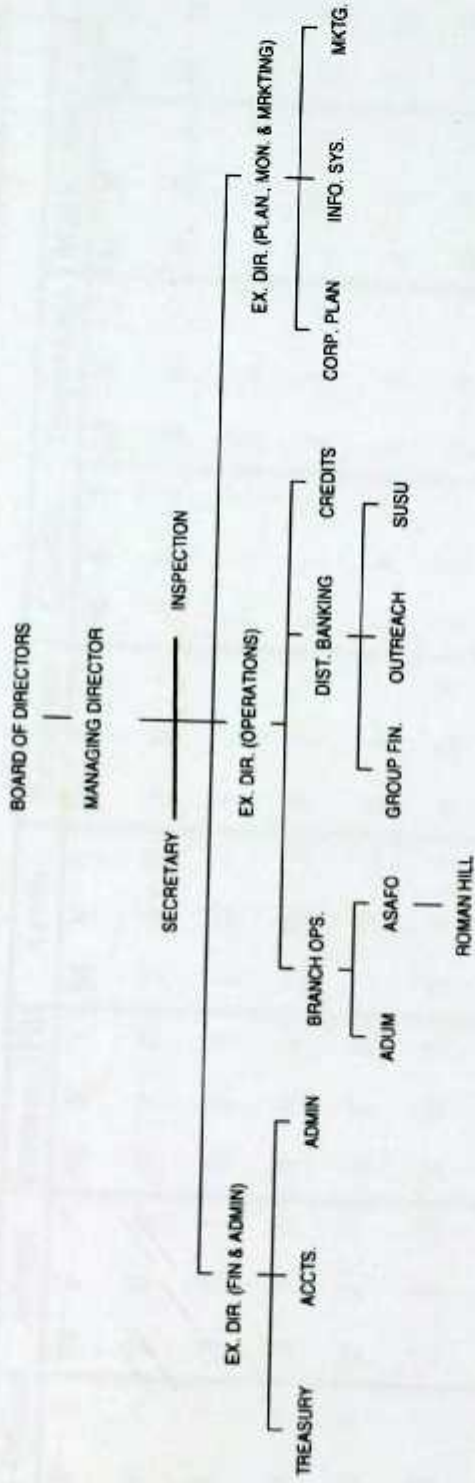
2. Give reasons for your answer?

3. What is the impact on the organization as a whole?

4. What are the measures being put in place to improve the labour turnover situation in FASL?

APPENDIX 2

Organizational Structure of FASL



APPENDIX 3 (A)

SUMMARY OF STAFF STRENGTH AS AT 31 DECEMBER 2003

Description	Head Office		Adum		Roman Hill		Asafo		Accounts		Credits		Inspection		Marketing		Dist. Bkg		Temporary		Total												
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	T										
Directors	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	4								
Managers	0	1	2	0	0	0	1	0	1	1	0	1	1	1	2	1	0	1	1	0	1	0	0	9	3	12							
Officers	3	1	4	2	3	5	4	0	4	3	0	3	2	1	3	6	1	7	2	0	2	1	0	1	5	0	5						
Clerical	4	4	8	9	4	13	6	2	8	3	5	8	0	1	1	1	0	1	1	0	1	1	0	1	26	17	43						
Non-Clerical	2	0	2	7	3	10	3	0	3	3	1	4	0	0	0	3	0	3	0	0	0	0	0	0	20	4	24						
Customer Ints.	0	0	0	0	15	15	0	10	10	0	5	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38						
TOTAL	13	6	19	20	25	45	13	12	25	10	11	21	3	2	5	12	2	14	4	2	6	3	0	3	9	8	17	0	0	0	87	68	155

Staff Strength as @ 1 January 2003

- 145

Add new appointments from 1 January 2003 to 31 December 2003

- 29

Less Staff Resignations/Termination of Appointments from 1 Jan. 2003 to 31 Dec.. 2003

174

- 19

Staff Strength as @ 31 December 2003

- 155

APPENDIX 3(B)

SUMMARY OF STAFF STRENGTH AS AT 31 DECEMBER 2002

Description	Head Office			Adum			Roman Hill			Asafo			Accounts			Credits			Inspection			Marketing			Dist. Bkg			Temporary			Total					
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T			
Directors	5	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	5
Managers	1	0	1	1	0	1	1	0	1	1	0	1	1	0	1	1	0	1	1	0	1	1	0	1	1	0	1	1	0	1	0	0	0	8	1	9
Managers	1	1	2	0	0	0	0	0	0	2	0	2	2	1	3	7	2	9	1	0	1	1	0	1	1	0	1	6	0	6	0	0	0	23	6	29
Clerical	0	1	1	13	6	19	6	2	8	3	4	7	0	1	1	2	0	2	1	0	1	1	0	1	1	0	1	3	1	4	0	0	0	29	15	44
Non-Clerical	2	0	2	7	2	9	3	0	3	2	1	3	0	0	0	3	0	3	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	18	3	21
Customer Ints.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38	38	0	0	0	0	38	38
TOTAL	9	2	11	21	10	31	12	3	15	8	5	13	3	2	5	13	2	15	3	0	3	3	0	3	3	0	3	11	39	50	0	0	0	83	63	146

Staff Strength as @ 1 January 2002

Add new appointments from 1 January to 31 December 2002

Less Staff Resignations/Termination of Appointments from 1 January to 31 December 2002

Staff Strength as @ 31 December 2002

- 127

- 48

175

- 29

- 146

APPENDIX 3 (C)

SUMMARY OF STAFF STRENGTH AS AT 31 DECEMBER 2001

<u>Description</u>	<u>Head Office</u>			<u>Adum</u>			<u>Roman Hill</u>			<u>Accounts</u>			<u>Credit</u>			<u>Asafo</u>			<u>Dist. Bkg.</u>			<u>Total</u>		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
Directors	4	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	4
Managers	2	-	2	1	1	2	1	-	1	1	-	1	1	-	1	-	1	-	1	-	1	8	1	9
Officers	2	1	3	3	2	5	2	-	2	2	1	3	6	1	7	2	1	3	3	-	3	19	6	25
Clerks	1	4	5	8	5	13	6	2	8	2	-	2	2	-	2	2	3	5	3	1	4	25	15	40
Customer Inter.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29	29	-	29
Non-clerical	2	-	2	8	2	10	2	-	2	-	-	2	2	-	2	2	1	3	1	-	1	17	3	20
	<u>11</u>	<u>5</u>	<u>16</u>	<u>20</u>	<u>10</u>	<u>30</u>	<u>11</u>	<u>2</u>	<u>13</u>	<u>5</u>	<u>1</u>	<u>6</u>	<u>11</u>	<u>1</u>	<u>12</u>	<u>7</u>	<u>5</u>	<u>12</u>	<u>8</u>	<u>30</u>	<u>38</u>	<u>73</u>	<u>54</u>	<u>127</u>

APPENDIX 3 (D)

SUMMARY OF STAFF STRENGTH AS AT 31 DECEMBER 2000

<u>Description</u>	<u>Head Office</u>			<u>Adum</u>			<u>Roman Hill</u>			<u>Accounts</u>			<u>Credit</u>			<u>Asafe</u>			<u>Dist. Bkg.</u>			<u>Total</u>				
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T		
Directors	4	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	4
Managers	1	-	1	1	1	2	1	-	1	-	-	-	1	-	1	-	-	1	-	-	1	-	-	6	1	7
Officers	1	1	2	4	1	5	-	-	-	1	-	1	3	1	4	3	-	3	-	1	-	1	-	13	3	16
Clerks	1	1	7	9	9	16	5	3	8	3	-	3	2	-	2	3	2	6	1	-	1	-	1	21	15	35
Customer Inter.				-	16	16	-	7	7	-	-	-	-	-	-	-	4	5						-	27	27
Non-clerical	1	-	1	10	3	14	3	-	3	-	-	-	-	-	-	1	-	1	1	-	1	-	1	16	3	19
	<u>7</u>	<u>2</u>	<u>9</u>	<u>22</u>	<u>30</u>	<u>52</u>	<u>9</u>	<u>10</u>	<u>19</u>	<u>4</u>	<u>-</u>	<u>4</u>	<u>6</u>	<u>1</u>	<u>7</u>	<u>8</u>	<u>6</u>	<u>14</u>	<u>4</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>4</u>	<u>60</u>	<u>49</u>	<u>109</u>

APPENDIX 3 (E)

SUMMARY OF STAFF STRENGTH AS AT 31 DECEMBER 1999

<u>Description</u>	<u>Head Office</u>			<u>Adum</u>			<u>Roman Hill</u>			<u>Finance</u>			<u>Credit</u>			<u>Asafo</u>			<u>Total</u>							
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T					
Directors	4	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	4			
Managers	1	-	1	1	1	2	-	-	-	-	-	-	-	-	1	-	1	-	1	-	1	4	1	5		
Officers	-	1	1	3	1	4	1	-	1	1	-	1	2	3	1	2	3	1	-	1	-	1	7	4	11	
Clerks	-	-	-	10	11	21	3	4	8	3	-	3	-	3	3	-	3	1	3	4	1	3	4	20	18	38
Customer Inter.	-	-	-	-	10	10	-	6	6	-	-	-	-	-	-	-	-	-	3	3	-	-	-	19	19	
Non-clerical	1	-	1	8	2	10	3	-	3	-	-	-	-	-	-	-	-	2	-	2	-	-	13	2	15	
	<u>6</u>	<u>1</u>	<u>7</u>	<u>22</u>	<u>25</u>	<u>47</u>	<u>7</u>	<u>10</u>	<u>17</u>	<u>4</u>	<u>-</u>	<u>4</u>	<u>2</u>	<u>6</u>	<u>4</u>	<u>2</u>	<u>6</u>	<u>5</u>	<u>6</u>	<u>11</u>	<u>5</u>	<u>6</u>	<u>11</u>	<u>48</u>	<u>44</u>	<u>92</u>