

UNIVERSITY OF CAPE COAST

LABOUR TURNOVER AND ITS EFFECTS ON COCOA INDUSTRY IN  
THE BIA DISTRICT

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BY

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## **DECLARATION**

### **Candidate's Declaration**

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature: ..... Date: .....

Name: Peter Afari

### **Supervisor's Declaration**

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature: ..... Date: .....

Name: Prof. I.K. Acheampong

## **ABSTRACT**

This study was undertaken to find out the underlying reasons and effects of labour turnover among the Licensed Buying Companies (LBCs) operating in the Bia District of the Western Region of Ghana. The reason being that, the Ghanaian cocoa industry suffer devastating consequences of alarming rates of labour turnover. The employees have therefore been experiencing frequent job loss/job change. Accordingly, the hope of the researcher is that the result of this study will serve as a useful tool to mitigating the adverse effects of labour turnover in Bia.

Further, as a descriptive survey, stratified random sampling method was used to select the sample size from the population, while questionnaires and interviews were the instruments for data collection. Also, descriptive statistics such as cross-tabulations, chi-square tests and percentages were employed to analyse the data collected.

The main finding was the general perception of employees that labour turnover rate was high among the LBCs. Also, the main causes of labour turnover were found to be unsatisfactory pay and working conditions, management style, quest for further studies, inadequate training and motivation, and lack of promotion. It was however concluded that the notable adverse effects of labour turnover on the LBCs comprised lost of experienced and skilled staff, lack of employee loyalty, commitment and loss of farmers' goodwill. Hence, it is recommended that effective training and improvement in salary and other benefits will help reduce the alarming rate of labour turnover among the LBCs in Bia.

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## **DEDICATION**

To my son Richmond Mensah Jr, my siblings Richard Afari, Cecilia Afari, Amos Afari, Kojo Fordjour, Kwabena Bio, and my sweet mum, Maame Akosua.

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## **LIST OF ACRONYMS**

AAMC	-	Akuafu Adamfo Marketing Company
A/C	-	Accounts Officer
ADB	-	Agricultural Development Bank
AGL	-	Armajaro Ghana Limited
A' level	-	Advanced level
CIPD	-	Chartered Institute of Personnel and Development
CMC	-	Cocoa Marketing Company
COCOBOD	-	Cocoa Board
DECP	-	Dutch Employers Cooperation Programme
Dip	-	Diploma
DK	-	Depot Keeper
DM	-	District Manager
DO	-	District Officer
Eg	-	Example
Etc	-	Etcetera
GEA	-	Ghana Employers Association
GFL	-	Ghana Federation of Labour
Gh	-	Ghana
H	-	Hypothesis
HR	-	Human Resource
HRM	-	Human Resource Management
IS	-	Information System

IT	-	Information Technology
JSS	-	Junior Secondary School
KKL	-	Kuapa Kokoo Limited
Km	-	Kilometre
LBCs	-	License Buying Companies
L/C	-	Light Crop
LI	-	Legislative Instrument
Ltd	-	Limited
M/C	-	Main Crop
MSLC	-	Middle School Living Certificate
OECD	-	Organization for Economic Cooperation and Development
O' level	-	Ordinary level
PBC	-	Produce Buying Company
PCs	-	Purchasing Clerks
SG	-	Societe' Generale
SM	-	Sector Manager
SSSCE	-	Senior Secondary School Certificate Examination
TGL	-	Transroyal Ghana Limited
UK	-	United Kingdom
USA	-	United States of America
WERS	-	Workplace and Employee Relations Survey

## **CHAPTER ONE**

### **INTRODUCTION**

#### **Background to the study**

The human resource (labour force) of every business organization is very important and key to a successful business operation. Therefore, the labour force of an organization is that resource which combines, controls, manipulates or uses the other resources such as money, raw materials and equipment to achieve overall organizational objectives. However, if this labour force or human resource tends to exit the organization either through resignations or dismissals after a short stint, then certainly there exists what is termed high labour turnover or mobility. The concept of labour turnover is therefore the rate at which employees enter and leave an organization. Thus, Cascio (1992) described labour turnover as any permanent departure beyond organizational boundaries. Cascio (1992) continues that labour turnover in a human resource context therefore refers to the characteristic of a given company or industry, relative to the rate at which an employer gains and loses staff. At this point it is worth noting that just as people migrate from one place to another in search of favourable living conditions, so do employees leave their jobs for better jobs in other firms.

If an employer is said to have a high labour turnover, it most often means that employees of that company have a shorter tenure than those of other companies in the same industry. Similarly, if the average tenure of



employees in a particular sector is lower than that in other sectors, that sector can be said to have a relatively high labour turnover. In the USA for instance, according to the Department of Labour (2007), for the period 2001-2006, the annual labour turnover rate for all industry sectors averaged 39.6%, as compared to the Leisure and Hospitality sector which averaged 74.6%.

Further, labour turnovers according to Lewis (1983) can be classified as voluntary or involuntary. Within these classifications, labour turnovers fall into four categories. The first category is voluntary but uncontrollable (e.g. when an employee moves to another location not within commuting distance, decides to stay home to care for children or relatives, becomes a housekeeper, or decides to change vocations entirely or return to school). The second is involuntary but uncontrollable (e.g. retirement, disability and death). The third is voluntary and controllable (e.g. discharge for poor performance, for unacceptable conduct, for a pattern of attendance involving lateness or absenteeism). The fourth category is involuntary and controllable (e.g. resignation for any of a number of reasons). Employees who leave a job generally do so because they are dissatisfied somehow with the job and have few internal or external pressures to induce them to stay. Therefore, in order to actively find ways of reducing labour turnover, organizations need to identify those factors over which they do have some control and initiate necessary changes to reduce labour turnover attributable to these "controllable" factors.

Lewis (1983) continued that 'if absenteeism can be thought of as a life-draining disease, labour turnover is amputation.' Also, Yoder and Straudohar (1982) added that labour turnover has been a subject of manager concern and scholarly study for at least half a century. They further stated that labour

turnover is related to age and length of service as its rates are relatively high for young and short-service personnel, and relatively low for older and long-service employees.

Also, Marthis and Jackson (2000) argued that labour turnover is related to job satisfaction, and it occurs when employees leave an organization and have to be replaced. It therefore follows that the frequency of employees' movement in and out of an organization depicts a high labour turnover rate which poses a managerial problem in terms of human resource. But, a low rate of mobility is rather desirable and therefore demands no further action than a qualitative improvement. It is therefore imperative that every growth-oriented organization must strive to control its labour turnover or mobility rate.

For instance, the low labour turnover in Japan has often been explained by the argument that investment in firm-specific human capital is high among Japanese firms. Also in Japan, the prevalence of more long-term employment relationships coupled with better wage policies put labour turnover rate much lower. Another reason for this desirable trend is that Japanese firms are reluctant to hire workers away from other firms because of a history of social sanctions imposed on poaching firms (Hashimoto, Masanori, and Raisian 1985).

### **Causes of labour turnover**

High turnover often means that employees are unhappy with the work or compensation, but it can also indicate unsafe or unhealthy conditions, or that too few employees give satisfactory performance (because of unrealistic expectations or poor candidate screening). Low labour turnover

however indicates that none of the above is true, that is, employees are satisfied, healthy and safe, and their performance is satisfactory to the employer. Thus, many psychological and management theories exist regarding the types of job content which is intrinsically satisfying to employees and which, in turn, should minimize external voluntary labour turnover.

As cited by Armstrong (2006), the Chartered Institute of Personnel and Development (CIPD) stated that, 'labour turnover may be a negative function of job attitudes, low job satisfaction, combined with an ability to secure employment elsewhere, that is the state of the labour market. On the other hand, labour turnover is a normal part of organizational functioning, and while high labour turnover may be dysfunctional, a certain level of labour turnover is to be expected, and can be beneficial to an organization. This view is also shared by Boachie-Mensah (2006), according to him; the structure of the labour force can change since developments in the educational system can improve the competence of new workers entering the labour market.

Similarly, Yoder and Straudohar (1982) emphasized that there is another side to the labour turnover issue which suggests potential advantages. Consequently, labour turnover provides an opportunity to bring people with new skills and fresh ideas into the organization. Financial advantages may also result. For instance, in some jobs individual productivity does not increase much after a certain level of experience is acquired. Yet employees in these jobs may continue to receive longevity pay increase. If such an employee leaves, the replacement can usually be obtained at a lower salary, and pay can be more closely related to accomplishment. Labour turnover can also reduce the costs of funding pensions, thus it is no surprise some organizations

encourage labour turnover.

Further, Cascio (1992) stated that labour turnover may be functional, where the employee's departure produces a benefit for the organization, or dysfunctional, where the departing employee is someone the organization would like to retain. Cascio continued that high performers who are difficult to replace represent dysfunctional labour turnovers; low performers who are easy to replace represent functional labour turnovers. The crucial issue in analyzing labour turnover, therefore, is not how many employees are leaving but the performance and replaceability of those who are leaving versus those who are staying. Hence, the effect of labour turnover depends on its rate, the employees affected, and their replacement cost.

Furthermore, Wilson (1972) suggested that the concept of labour turnover as it is usually defined in labour studies is not the same as the measurement of labour turnover made by social scientists studying worker behaviour under a system of migrant labour. Therefore, according to Acheampong (2006), a labour turnover rate (based on labour turnover index) of 25% will be considered as satisfactory by most firms while a labour turnover of 100% will be considered a major problem. Also, Cole (2002) argued that on the balance, a small amount of labour turnover is a positive benefit, especially when an organization is going into decline, while for most organizations, however, the extra disruption and recruitment required to offset more than a small amount of labour turnover are unwelcome. Thus, the analysis of the numbers or rate, and the reasons why they leave provides information that will indicate whether any action is required to improve retention rates (Armstrong, 2006).

A study of labour turnover by Boxall and Purcell (2003) in New Zealand confirmed the view that motivation for jobs change is multidimensional, and no one factor will explain it. In the same vein, age, tenure, overall satisfaction, job content, intention to remain on the job, and commitment were all negatively related to labour turnover (that is, the higher the variable, the lower the labour turnover). Also, according to Asare-Bediako (2002), the quality of work life is determined by the extent or degree to which work and the work environment provide opportunity for employees to satisfy higher level needs such as the need for respect, attention, recognition, belonging and achievement. The quality of work life efforts have therefore fuelled the drive to improve human resource management practice which further improves and keeps labour turnover or mobility rates at appreciable levels, since employees offer performance and employers offer reward.

Furthermore, economic theoretical explanations of the concept of labour turnover are based on the premise that employees respond with rational actions to various economic and organizational conditions. Thus, employee turnover literature draws on human capital, utility maximization, and dual labour market models of economic processes (Miller, 1991). Each of the three domains of psychology, sociology, and economics has strong proponents in the employee turnover literature, and it is widely recognized that theoretical aspects from all the three are necessary to explain the process of labour turnover fully.

The researcher's interest in this area of study therefore hinges on his curiosity to unravel the basic reasons or causes and effects of labour turnover on organizational performance, control measures, and possible solutions to

reducing high labour turnover among the Licensed Buying Companies (LBCs) in the Bia District. Also, it is an undisputable fact that the adverse effects of labour turnover on industry, agriculture, banking, academia and other sectors of the economy draw back national economic development. Hence, the researcher sincerely believes that a study into the concept of labour turnover in the Ghanaian cocoa industry in the Bia District will go a long way to contributing to national economic growth, since cocoa is the major cash crop and source of foreign exchange for the national economy.

### **A brief history of the Ghanaian cocoa industry**

The cultivation of cocoa in commercial quantities began in Ghana about 1879 with cocoa pods brought from Fernando Po by Tetteh Quarshie. Peasant farmers in the country accepted the challenge, and with the support of government, established Ghana as the world's leading cocoa producer from 1910 until about 1979 when Ghana was overtaken by other countries. As a result of this sole effort of Tetteh Quarshie (by introducing cocoa into Ghana) a hospital was built in his memory at Mampong Akwapim, and also a round-about (circle) in Accra near Kotoka International Airport named after him.

Further, there are two harvests in the year, the main crop and the light/mid crop seasons. The main crop season begins in October and ends in April while the light/mid crop season is between May and August. Also, the Ghana cocoa market has been extensively liberalised since the mid 1980s. While the effect of liberalisation has been to raise output, it was found that cocoa production has increased both relative to land and, very substantially, relative to labour as a result. The Ghanaian cocoa industry has therefore gone through some reforms since then. And notable among these reforms was the

introduction of the multiple buying system which in turn increased the employment capacity of the industry. When the multiple buying system was introduced a number of companies were granted operating licenses by the Ghana Cocoa Board to trade in cocoa locally. This increase in the number of companies in the industry therefore brought in its wake labour turnover related problems of which the Bia District has suffered its fair share.

Furthermore, the Cocoa Marketing Company (CMC) Ghana Limited is a wholly owned subsidiary of the Ghana Cocoa Board solely responsible for purchase of cocoa beans from the LBCs and sale on the international market as well as to local cocoa processing companies in Ghana. However, the whole process starts from the head offices of the LBCs by transfer of cocoa buying money (Seed Fund) from Kumasi and/Accra through the banks to their districts on the field (Bia District in this case). The district operating team headed by a District Manager (DM), and supported by Accounts Officer (AC) and Depot Keeper (DK) buys the cocoa through Purchasing Clerks (PCs) who also buy directly from farmers at their buying posts known as the 'society'.

Additionally, it is important to note that within a political district there could be several cocoa districts as stipulated and demarcated by the Ghana Cocoa Board which regulates activities of the industry. All LBCs therefore operate under laid down policies and regulations spelt out by the BOARD. For that reason, in this study it will be realized that each of the LBCs has several cocoa districts within the Bia District. It is worth noting that the industry is one of the live-wires of Ghana's economy. As a result, in the past it accounted for 80 percent of foreign exchange and 70 percent of government revenue as Ghana was the world's leader in cocoa production. Thus, Ato Ahwoi, a cocoa dealer could not agree more but declared that "in the past cocoa was Ghana."

## **Statement of the problem**

The issue of labour turnover in Ghana has been a thorny one, though organized labour unions over the years have tried to find ways of reducing its seemingly alarming rates. This trend cuts across industry; agriculture, banking, academia and other sectors of the economy. For this reason, cocoa industry being the highest (about 64%) employer in the Bia District also has labour turnover rates which tend to be alarming. As a result, young graduates as well as other job seekers are employed in the cocoa industry in the Bia District only to either leave or lose their jobs after a short stint.

For instance, according to Bia District Assembly Socio-economic Data (2007); at the end of the 2003/04 cocoa season, three (3) Sector Managers, five (5) District Managers, three (3) Accounts Officers, two (2) Depot Keepers and as many as 17 Purchasing Clerks lost their jobs, while by the close of the 2004/05 season three (3) District Managers, one Accounts Officers and 11 Purchasing Clerks had their appointments terminated. Also, at the end of the 2005/06 season three (3) Sector Managers, six (6) District Managers, four (4) Depot Keepers and 14 Purchasing Clerks lost their jobs, though in the case of the Purchasing Clerks about half of them resigned voluntarily due to unsatisfactory working conditions.

Further, the 2006/07 cocoa season did not come to an end without casualties as once again one (1) Sector Manager, seven (7) District Managers, three (3) Accounts Officers, six (6) District Keepers and 23 Purchasing Clerks either resigned or had their appointments terminated. Similarly, the end of the 2007/08 season saw two (2) Sector Managers, three (3) District Managers, two (2) Accounts Officers, one (1) Depot Keeper and 15 Purchasing Clerks facing



dismissals, with a few resignations. Ideally, it is expected that employees will stay on their jobs for a considerable number of years, but the above statistics of the LBCs over the five year period present a nagging situation to all stakeholders including employers, the government, employees, financial institutions, the community etc in the Bia District. The situation therefore needs urgent attention hence, the researcher's quest to undertake this study.

### **Objectives of the study**

The main objective of this study is to examine the causes, effects and remedial measures of labour turnover in the cocoa industry in the Bia District.

The specific objectives of the study are to

- Ascertain the background characteristics of employees of LBCs in the Bia, and whether there is a link between these and labour turnover.
- Determine the underlying reasons of labour turnover among the LBCs operating in the District.
- Assess the effects of labour turnover on the operations of the LBCs
- Suggest measures to reducing labour turnover among the LBCs

### **Research questions**

- What are the background characteristics and the working conditions of the employees of the LBCs in the Bia District?
- What factors account for labour turnover among the LBCs in Bia?
- What effects does labour turnover have on the LBCs operations?
- What measures can help reduce labour turnover among the LBCs in Bia?

### **Significance of the study**

The study laid bare the reasons for labour turnover rates which tend to be alarming among the LBCs, and their effects on the socio-economic development of the Bia District. Also, this study has ascertained the rates of labour turnover of the LBCs operating in the Bia District, and suggested measures to mitigate them. Finally, this research would serve as a guide for the Managements of the various LBCs operating in the Bia District toward their human resource (HR) policy formulation and implementation as far as their effort to hire, train and retain employees is concerned.

### **Scope of the study**

This study was carried out in the Bia District in the Western Region of Ghana on labour turnover among the LBCs. The focus was on labour turnover among Area/Sector Managers, District Managers, Account Officers, Depot Keepers and Purchasing Clerks of the LBCs in the Bia District. Therefore, using statistical tools such as cross-tabulations, chi-square and frequency tables, prominent issues delved into included; relationship between labour turnover and background characteristics of employees such as age, sex, educational qualifications and marital status. Further, other relevant subjects looked at were causes of labour turnover, length of service, level of salary and fringe benefits, study leave, promotion, level of motivation and labour turnover perception among employees of the LBCs. Also, turnover intentions of employees, job security and impacts of resignations and terminations on the public image as well as the operations of the LBCs were part of the study.

Moreover, as stated above the focal point was on the field staff of the LBCs operating in Bia, so HR managers were the head office staff whose views were sampled on labour turnover related issues regarding the field staff. Finally, other staff on the field who did not form part of this research included transport staff, depot labourers and securitymen. The study thus covered the areas indicated above which the researcher deemed very relevant and central to the labour turnover discourse in the Bia District among the LBCs.

### **Structure of the study**

The main body of the study has been laid out in five chapters as follows: Chapter one contains the background to the study, statement of the problem and objectives of the study (main and specific). It also states the study's significance, research questions, scope as well as organization of the study. Chapter two reviews literature on labour turnover and relevant information pertaining to labour turnover in the Ghanaian Cocoa Industry in the Bia District.

Chapter three focuses on the profile of the Ghanaian Cocoa Industry in general, and Bia District in particular, and the major activities of the industry. This chapter also looks at the methodology by discussing the research design, target population, sample, research instruments, pilot study, data collection **techniques and analyses. Finally, while chapter four concentrates on labour** turnover and its effects on the cocoa industry in the Bia District, chapter five being the concluding chapter contains the summary of findings, conclusions, recommendations, limitations and suggestions for further research.

## **CHAPTER TWO**

### **REVIEW OF LITERATURE**

#### **Introduction**

This chapter seeks to determine and outline the main findings as well as the conclusions of previous studies which served as a yardstick or basis of comparison for the findings of this study. The chapter therefore looks at existing theories on the subject of labour turnover in an attempt to ascertain established findings and conclusions. Specifically, causes, effects, rates and suggested remedial measures of labour turnover are the main focus of the chapter. The literature review was thus in two fold. These included theoretical as well as empirical reviews. Furthermore, while the theoretical review was done on the concept of labour turnover with particular reference to theory and practice of labour turnover issues, the empirical literature review on the other hand dealt with researches done by others as spelt out in the rest of the chapter.

#### **Theoretical literature review**

According to Timperley (1974), most of the early work on labour turnover was initiated by the Tavistock Institute of Human Relations. This work identified labour turnover as a process that involved an examination of

survival patterns and the formulation of survival distributions. Perhaps the most significant thing about this work was the way in which it attempted to put forward behavioural reasons for the various survival distributions, identifying three major phases in the labour turnover process namely; the period of induction crisis, the period of differential transit, and the period of settled connection. Also, the work highlighted a number of important characteristics of the labour turnover process. Additionally, this research strongly advocated that in order to obtain a realistic understanding of labour turnover it is necessary to understand the relationship between organizational policies, conditions, the orientations to work, and careers displayed by individuals. Further, according to the Wachovia Corporation, as cited by Marfo-Yiadom and Boachie-Mensah (2009), concern for employers is to recruit, develop, motivate, reward, and retain personnel of exceptional ability, character and dedication by providing good working conditions, superior leadership, compensation on the basis of performance, an attractive benefit programme, opportunity for growth and a high degree of employment security.

Furthermore, Ryan (1996) argued that the concept of labour turnover refers to the movement of employees in and out of businesses or other establishments or ongoing jobs. However, the term is commonly used to refer only to 'wastage' or the number of employees leaving. Ryan added that high labour turnover causes problems for businesses as it affects both workers and firms. That is, while workers may need to learn new job-specific skills, firms incur the costs of hiring and training new workers. Further, as it is costly, lowers productivity and morale, and tends to get worse if not dealt with.

However, on the flip side, labour turnover does not only create costs since incoming workers may be more highly motivated, better educated and

more highly skilled. Hence, labour turnover may actually enhance firm performance. Thus, some level of labour turnover is important as indicated earlier, to bring new ideas, skills and enthusiasm to the labour force. For this reason, Ryan (1996) further stated that “natural” level of labour turnover can be a way in which a business can slowly reduce its workforce without having to resort to redundancies (this is often referred to as “natural wastage”).

Also, Ryan (1996) continued that longer-serving employees are more likely to stay, mainly because they become used to the work and the business and have an established relationship with those around them. Similarly, the aged nearing retirement have relatively lower labour turnover in order to merit their entitlements and benefits. Alternatively, low turnover may indicate the presence of employee ‘investments’ (also known as ‘side bets’) in their position, that is, certain benefits may be enjoyed while the employee remains employed with the organization, which would be lost upon resignation (e.g. health insurance, discounted home loans, redundancy packages, etc). Such employees would be expected to demonstrate lower intent to leave than if such ‘side bets’ were not present. Thus he said, in New Zealand for instance, the highest rate of labour turnover tends to be among those who have recently joined a business.

### **Benchmarking labour turnover**

A benchmark is something which can be measured and used as a standard yardstick that other things can be compared with. In connection with labour turnover however, Armstrong (2006) explained that benchmarking provides a valuable means or yardstick for determining the effectiveness of human resource policies and practices in organizations. Hence, labour

turnover rates prove very useful in benchmarking labour turnover. They however do not tell the whole story, but if labour turnover is significantly higher than in comparable organizations, this should stimulate action to investigate why this is the case and to do something about it. As a step further, benchmarking can be carried out by networking with other organizations, possibly forming a 'club' to exchange information regularly.

### **Labour turnover – an international perspective**

Labour turnover is higher in advanced countries as opposed to that of their underdeveloped counterparts, especially in Africa and parts of Asia as a result of low unemployment rates in the developed world coupled with stringent adherence to administrative and legal labour regulations and controls unlike those of the underdeveloped world. Thus, according to Maier (1952), it is a common practice in the USA to see a chunk of new employees quitting their jobs after a short spell. However, there are higher unemployment and dependency rates in the less developed nations which make employees very vulnerable, and in some cases at the mercy of their employers, thereby keeping labour turnover rates down. Consequently, some job seekers would just have to accept certain job offers irrespective of the attached conditions in order to make ends meet for their families as there are simply no alternative employment opportunities since the job market is not a vibrant one. It is therefore understandable that labour turnover in advanced countries tends to be higher than that of the underdeveloped countries.

Further, Organization for Economic Cooperation and Development (OECD) data for the 1970s to the 1990s show relatively high labour turnover rates in most advanced countries. According to these data, New Zealand has

been at the top of the ranking and Belgium, the Netherlands and the United Kingdom at the bottom. According to their data the high labour turnover rate for New Zealand was driven by both a very high job loss in the period measured and relatively high job gains. However, in the long-term there was a little upward trend in labour turnover in most nations. For example, in OECD countries, approximately 10-15% of workers quit their jobs every year (OECD Economic Outlook, 1998), with the quit rate for the UK estimated at approximately 10% in 2004 (Quintini and Martin, 2006). Further, the labour turnover rate for all employees as revealed by the Chartered Institute of Personnel and Development (CIPD) UK survey, as cited by Armstrong (2006), was 18.2%. It was 16.3% for full time employees and 21.5% for part-time employees. Overall, young employees as well as those in low paid jobs, have the highest rates of labour turnover. Nevertheless, Canadian researches indicated that in similar paying jobs, men and women's quit rates were similar according to the OECD data.

### **The Ghana employers association (GEA): 'labour act made simple'**

To help streamline and enhance labour management and, also minimize industrial disputes, the Ghana employers association (2008) launched a pocket-size document called 'Labour Act Made Simple', which the researcher believes would go a long way to reduce labour turnover in Ghana. The publication read: "The Ghana Employers' Association (GEA) has launched a pocket-size document called 'Labour Act Made Simple'. The document was launched by Lady Rimmelzwaal, the Royal Netherlands Ambassador to Ghana, at the 48<sup>th</sup> Annual General Meeting of the GEA at the



La Palm Royal Beach Hotel in Accra.

According to a statement by the association, the document was developed by the GEA, in collaboration with the Ghana Federation of Labour (GFL) and the Ghana Trades Union Congress (TUC), with funding from the Dutch Employers Cooperation Programme (DECP), Netherlands. It said the essential parts of the law had been published in separate booklets with contents, explanatory notes and procedures for implementation of the various provisions.

It said some of the topics published in the booklets include collective agreement, contract of employment, general conditions of employment, labour inspection, protection of employment, redundancy of labour, settlement of industrial dispute, termination of employment and trade unions and employers organizations. “It is the expectation of the GEA that this serialized publication will facilitate understanding of the Labour Act to help improve compliance and promote industrial peace and harmony for national development,” the statement said.

### **Review of the causes of labour turnover**

Lewis (1983) advocates the use of exit interviews to assist management in identifying and uncovering the reasons employees quit their jobs. It can help in solving actual or potential personnel problems leading to turnover. Consequently, Ryan (1996) states that in New Zealand, and many other countries high rate of labour turnover could be caused by many factors including the following;

The economy - Inadequate wage levels leading to employees moving to competitors. In exit interviews one of the most common reasons given for leaving (labour turnover) is the availability of higher paying jobs. According to Cascio (1992), some minimum wage workers in the USA for instance, report leaving one job for another that pays only 50 cents an hour more. Obviously, in a better economy the availability of alternative jobs plays a role in labour turnover, even though, this tends to be overstated in exit interviews.

The organizational culture – (Poor morale and low levels of motivation among workforce). It is sufficient to note here that the reward system, the strength of leadership, the ability of organizations to elicit a sense of commitment on the part of workers, and development of a sense of shared goals, among other factors, will influence such indices of job satisfaction, turnover intentions and labour turnover rate.

Unrealistic expectations (recruiting and selecting wrong employees, making them leave to seek more suitable employment) - this is about the unrealistic expectations and general lack of knowledge that many job applicants have about the job at the time that they receive an offer. When these unrealistic expectations are not met or realized, the worker becomes disillusioned and decides to quit.

The performance of the organization - an organization perceived to be in economic difficulty will also raise suspicion or fears of impending layoffs. Workers believe that it is rational to seek other employment especially when a buoyant local labour market is offering perhaps more attractive opportunities to employees.

The characteristics of the job - some jobs are intrinsically more attractive than others. A job's attractiveness will be affected by many characteristics, including its repetitiveness, challenge, danger, perceived importance, status, and capacity to elicit a sense of accomplishment. All these have the tendency to raise the rate of labour turnover.

The person - In addition to the factors listed above, there are also factors specific to the individual that can influence labour turnover rates. These include both personal and trait-based factors. Personal factors are things such as changes in family situation, a desire to learn a new skill or trade, or an unsolicited job offer. These trait-based or personality features that are associated with labour turnover are the characteristics that predict job performance and counterproductive behaviors such as loafing, absenteeism, theft, substance abuse on the job, and sabotage of employer's equipment or production. These traits can be measured and used in employee screening to identify individuals showing lower probability of labour turnover in the long-term.

### **Job satisfaction and labour turnover**

Job dissatisfaction leads to thoughts of quitting an organization, which in turn leads to an intention to search for other employment. Search intention also leads to a decision to leave or stay. As a result, intention to leave is the final step to labour turnover. Thus, Robbins (1998) adds that some studies in the USA showed that approximately 17-20% of nurse aides reported an intention to leave and eventually quitted their jobs. It therefore follows that when the job market is good workers move more easily to other positions, if

there is the desire to leave. But it is the intent to quit, coupled with greater opportunity to find alternative employment that makes labour turnover more likely. Labour turnover decisions therefore depend on both wanting to leave and being able to do so. Job satisfaction is most often considered the primary factor, but level of commitment to an organization also plays a key role in labour turnover.

Similarly, Lewis (1983) maintains that the basic reason why dissatisfied or satisfied employees remain on a job is inertia. That is, there is no force causing them to leave. Thus, the degree to which employees like their job is influenced by a combination of characteristics of the environment, the job, and the employee's personality. Satisfied employees are those who have freedom to make job-related decisions, work with people who are friendly, believe that working is an important part of life, have mobility within the organization, work for supervisors who actively assist their subordinates, contribute to the organization, and receive adequate monetary compensation. In fact, interpersonal outcomes such as satisfactory treatment by a supervisor, more strongly predict job satisfaction than tangible outcomes such as pay and promotion.

Moreover, among established employees, expectations can be influenced, or altered, by opportunity factors such as changes in the job market. When an employee is presented with an attractive alternative position, his or her expectations of the current job are likely to be increased, making it more difficult for the organization to meet these expectations. As a result, job satisfaction may erode, giving rise to an intent to leave. Even so, the longer employees have been with an organization, the less likely they are to leave. As

a consequence, in organizations with high labour turnover, the problem is often attributable to an inability to retain the newest employees.

Further, Porter, Bigley and Steers (2003) emphasize that the rewards an organization offers influence who is attracted to work for it and who will continue to work for it. They contended that, organizations that give the greatest rewards tend to attract and retain employees the most as high reward levels apparently lead to high satisfaction, which in turn leads to low labour turnover. Thus, individuals who are currently satisfied with their jobs expect to remain so, and may want to stay with the same organization. The objective should therefore be to design a reward system that is very effective at retaining the most valuable employees. To do this, the system must distribute rewards in a way that will lead to more valuable employees to feel satisfied when they compare their rewards with those received by individuals performing similar jobs in other organizations. The emphasis here is on external comparisons, so long as it is the prospect of a better situation elsewhere that induces an employee to leave.

### **New employees and labour turnover**

Maier (1952) adds that, it is a common experience to find employees quitting shortly after they are hired. This makes labour turnover for new employees highest at the outset. According to Maier (1952), in a study of labour turnover in the USA it came to light that labour turnover was 1,026% for employees of less than one month of service, but for employees with one to three months of service the labour turnover dropped to 226%. Maier further observed that, although many factors influence the rate of labour turnover, it is

apparent that one of the most important factors is the problem of finding a place in a work group. In an interview of employees promoted to new jobs in new work locations, the employees mentioned difficulties such as being lonely, finding the new associates different or aloof, being unsuccessful in finding friends, and being made to feel inferior. Some of them also talk of quitting, and some were trying to find ways to get back on their old jobs (at a reduced pay) without causing their former associates to think that they had failed. Maier continued that the addition of a new person to a group represents a change that involves everyone, and it is for the acceptance of that change that group discussions and decisions are so effective.

### **Wage differentials - a reason for labour turnover**

Variations in wages of employees at the same grade in a firm can be very crucial in labour turnover issues. When employees become aware that their colleagues at the same grade or position receive more wages than they do, intention to leave may set in if not addressed. Even where employees make external comparisons and realize unfavourable wage differentials with their colleagues at the same grades or positions in other firms the story remains the same as employees will begin to look elsewhere for better wage regimes. However, Acheampong (2006) argues that wage differential occurs because occupations differ in terms of supply and demand conditions, the nature of the jobs themselves, the degree of security and risk and prospects of future earnings and the non-pecuniary rewards offered together with cash earnings.

### **Skilled versus unskilled employees**

According to Robbins (1988), in the USA unskilled positions often have high labour turnover, and employees can generally be replaced without the organization or business incurring any loss of performance. The ease of replacing these employees provides little incentive to employers to offer generous employment contracts. Conversely, contracts may strongly favour the employer and lead to increased labour turnover as employees seek, and eventually find more favorable employment. However, high labour turnover rates of skilled professionals can pose a risk to the business or organization, because of the intellectual property (such as skills, training, and knowledge) which are eventually lost.

Also, given the natural specialization of skilled professionals, they are likely to be re-employed within the same industry by a competitor. Therefore, labour turnover of these individuals incurs both replacement costs and competitive disadvantage to the business. However, unskilled workers are at least three times as likely as other workers to say they were glad to have a job and the money they earned. A typical comment such as 'I get my daily bread through it' does not necessarily indicate job satisfaction, but it is enough in many cases to keep the man on the job, especially if the alternative is unemployment.

### **Profitability and labour turnover**

In the wake of a profit downturn, boards and managements of certain organizations resort to job cuts. However, job cuts also come with their attendant problems. Key among them being employee low morale and a feeling of job insecurity which in turn gives rise to turnover intention.

### **Push factors**

These stem from dissatisfaction with work or the organization. Issues relating to this problem include low wage levels, insufficient development opportunities, boredom, ineffective supervision, low level of employee involvement in decision-making, personality clashes among others. Also, if there is no opportunity to voice out grievances, employees who are unhappy will inevitably begin to look elsewhere.

### **Pull factors**

The flip side of the above situation is what other employers do, which tends to attract employees of rival organizations. Higher or favourable wage differentials, better opportunities elsewhere and high employee morale are some of the factors that account for this problem.

### **Effects of labour turnover**

As stated earlier, high labour turnover rates can have detrimental effects on clients and remaining staff members who struggle to give and receive quality services when positions are vacated and then filled by inexperienced personnel (Powell and York, 1992). Also, high rates can bring about clients' mistrust and discourage workers from remaining loyal to the organization or even those seeking to enter it. Additionally, labour turnover is costly and unproductively time-consuming, and it is responsible for the weary cycle of recruitment-employment-orientation-production-resignation/dismissal that is detrimental to the reputation of organizations which are entangled in it (Geurts, Sabine, Schaufeli, and Rutte 1999). The following are therefore some of the nagging effects of labour turnover on organizations:



### **Low level of employee commitment**

Job security takes away the fear which prevents total commitment of employees to the organization. The employment security debate rests upon the crucial question of how much value the company places on stability of employment within its overall philosophy. Whether organizations really believe that job stability gives the business a competitive advantage is determined by their rates of labour turnover. Obviously, where job insecurity is the order of the day, employees tend not to give off their best at the workplace as they mostly live in fear of losing their jobs.

### **Low productivity**

A high rate of labour turnover has the tendency to bring about low productivity where employees are aware that their positions are not secure. Employees who are not under intense supervision devote much productive time on rumour mongering about impending layoffs which may be unfounded.

### **High recurring training and development costs**

Once new employees come on board, they would have to go through the company's laid down training/orientation/induction programmes. These activities are organized at an extra cost to the organization depending on their frequency. However, with a low rate of labour turnover, a greater percentage of this cost could be avoided.

### **Lost of experienced and skilled personnel**

Labour turnover results in the lost of some of the very experienced and skilled employees either through voluntary or involuntary turnover. This adversely affects the organization since quality of output tends to suffer. It will therefore take some time for new employees to have control over their respective roles whereas existing employees would not have to go through that process. In terms of performance or output, however, it is the organization that loses.

### **Lost of public confidence**

When labour turnover rates become so alarming the public will begin to lose confidence in the operations of the organization. The future or survival (going-concern concept) of the organization will be in doubt to the public once they see employees moving in and out voluntarily or involuntarily. This is obvious because it is the employees who demonstrate what the organization represents through the delivery of quality output or service to the public. And if these same employees have uncertain future in the organization then eyebrows will surely be raised.

### **Empirical literature review**

This part of the review looks at relevant studies undertaken by researchers in various countries including Ghana on labour turnover:

Consequently, Creedy and Barry (1982) embarked upon a study and interviewed over 1,400 workers in sixteen factories on why they leave their jobs. Eight of the firms were in Accra and two each were in Tema, Kumasi,

Takoradi and villages in the Accra hinterland. Among the main reasons cited were styles of management which were autocratic in nature, low wage levels and longer working hours.

Therefore trained workers who become dissatisfied and subsequently leave may be difficult and expensive to replace. Job satisfaction thus became an important issue of concern for managers and social reformers. It was also realized that the image of the Ghanaian workers and their positions in society affected their period of stay on their jobs. That is, if the image appeared to be positive the employees stay longer, but if negative they soon quit after laying hands on more dignified jobs. A check on firms in Accra and Tema fifteen months after the preliminary survey showed that about 50% of the employees had left, though only about 20% of these left voluntarily.

Further, unskilled workers were at least thrice as likely as other workers to say they were glad to have a job and the money they earned. In one of the provincial firms included in the study, 83% of the workers complained that the pay was always late. One man said he had had only small 'advances' rather than his regular pay for several months. A packer said he was just pleased to be employed after eighteen months without work. A polisher commented, 'In fact, I don't like it, but because I can't get any other I am bound to it.' A watchman said, 'It's the money that keeps me here.' Labour turnover is often used as a measure or yardstick of job satisfaction, as it was argued that a worker who likes his job attends regularly and does not leave it for another. However, the above comments from the workers indicated that job satisfaction if measured only by labour turnover would not be accurate.

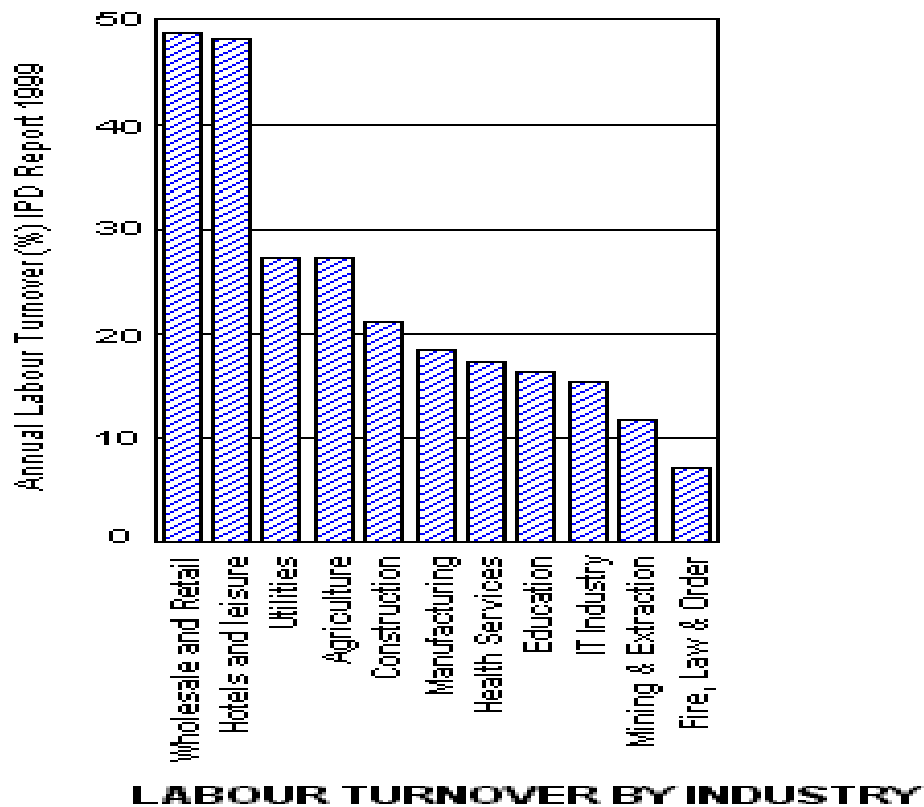
Creedy and Barry (1982) continued that another study of 1300 industrial workers in Kenya and Uganda at the same period found that 21% of

them had been at their jobs for at least ten years. This obviously indicates greater stability than even the provincial workers in Ghana at the time. It was strongly suspected that job stability was increasing in Ghana as it had in East Africa because the increased number of school leavers eager for urban work and the very slow growth of the economy have resulted in tremendous competition for the few jobs available. Also, labour turnover in manufacturing firms in Ghana was not particularly high, though management survey showed considerable variation by industry, ownership and nationality of managers.

Further, labour turnover was lowest in firms using craft production while annual rates of 5% and 9% were reported by furniture and textile firms. The highest rates were reported by firms producing cement blocks; they had an average annual labour turnover of 72%. This work is very heavy and workers tend to take a day off from time to time to rest or leave whenever they can find alternative employment, sometimes after only a day or two on the job. This study pointed out some interesting outcomes as follows; it was realized that autocratic style of management contributes to high labour turnover rate. Also, low wage levels coupled with longer working hours also add to the labour turnover problem. Additionally, labour turnover was generally lower when some but not all of the managers were Ghanaians. Further, positive worker image in society reduces labour turnover rate while the reverse holds for negative worker image. Moreover, unskilled workers tend to be more satisfied with their work since they have limited choices at their disposal compared to their skilled counterparts in terms of job change. Low labour turnover rate indicates job satisfaction albeit other factors which sometimes render this assertion inaccurate. Furthermore, labour turnover rates in Kenya and Uganda of 21% was lower than that of Ghana during the same period. Finally, there was a reduction in Ghana's labour turnover rate because of large

number of school leavers chasing few job openings at the urban centres, and also the retardation of national economic growth which was unable to curb the increasing unemployment.

The IPD 1999 UK Labour Turnover Survey as cited by Armstrong (2006) offers useful insights into labour turnover and the sectors where rapidity of it creates inevitable problems. It covered 706 organizations with a combined workforce of 1.2 million employees. The following bar chart gives labour turnover rates across various sectors of the economy, and also depicts an annual rate of labour turnover for the whole economy at around 20%. However, beside this figure there are large variations in labour turnover rates across occupations and industries.



**Figure 1: Labour turnover by industry**

Source: IPD report 1999

According to the IPD survey, labour turnover is highest among workers in the wholesale and retail trades, hotels, restaurants and leisure sectors. This is not however surprising given the low average wage rate on offer to employees in these jobs. Labour turnover is also high among sales workers, many of whom are employed on flexible short term contracts. At the same time labour turnover is lowest among managerial and administrative staff and in the public services. Finally, forty-one per cent (41%) of employers admitted there were major problems in finding the right staff, especially among professional workers.

Lewis (1983) found out from a study of labour turnover involving 406 employees of three companies in Boston USA, the following top ten reasons for their relatively low labour turnover rates. The statements are worded as they appeared on the questionnaire used in the study:

I wouldn't want to rebuild most of the benefits that I have now if I left the company, I have family responsibilities, and I have good personal friends here at work. Also; the company has been good to me and I don't believe in jumping from one company to another, I'm working to make ends meet and I don't want to take risks in a new job, I wouldn't like to look for a job on the outside. The rest are; I'm a little too old for starting all over, I wouldn't like to start all over learning the policies of a new company, I like to live in this area, and it is difficult to find a job.

Lewis (1983) concludes from the study that, about 80% of the respondents were not prepared for any change of job due to the unpleasant consequences of starting over again. Also some 20% of them had the notion that it is not easy out there on the job market, and therefore cherished their

jobs so much. Further, the responses suggest there was a real need for providing a positive work climate that will satisfy an employee's needs for self-fulfillment or self-actualization, if employees' turnover rate is to be reduced to a reasonable limit. Finally, it was established that most employees' decision to quit could be very personal. The outcome of this study reflects current trend prevailing in the cocoa industry in the Bia District.

According to Tett and Meyer (1993), an empirical study of labour turnover in Indian Information Technology (IT) Industry by Dr. Niharika Gaan working as an Assistant Professor in Centre for Management Studies, which is affiliated to Biju Pattnaik University of Technology revealed that labour turnover has been a major issue pertaining to IT personnel since the very early days of computing and continuing to the present. Thus, objective of the study was to empirically consider labour turnover from attitudinal perspective with a sample size of 308 information system professionals from giant companies of Indian software. This was investigated by examining the relationship between job satisfaction, organizational commitment and labour turnover and also finding the mediating effect of organizational commitment on the relationship between job satisfaction and labour turnover.

Retaining IT professionals is important for organizations, given the challenges in sourcing for IT talent. The study therefore made an attempt to develop understanding of the attitudes that stimulate employees to leave their employment. Research questions targeted IT worker demographics, such as age and gender and job satisfaction, salary, job tasks, and opportunity factors for both prior and current employment. Thus, looking at the background the hypotheses framed were as follows:

H1: Job satisfaction is positively related to organizational commitment.

H2: Job satisfaction is negatively related to labour turnover.

H3: Organizational commitment will be negatively related to labour turnover.

In other words organizational commitment mediates the relationship between job satisfaction and labour turnover.

Also, a pilot study was undertaken in local IT companies in Ahmedabad before undertaking the final survey. The purpose to undertake the pilot study was to understand the set up both holistically and to collect preliminary data about the software organizations. An open-ended interview was undertaken to find out the effect of attitudinal aspects of job satisfaction on labour turnover. The open-ended questionnaire contained eight questions which involved all the three variables and their effect on each other. About 25 interviews were conducted in four IT companies of Ahmedabad to confirm the objectives of the study.

After undertaking the pilot study, the final survey was decided and the author immediately went to places which were considered to be hub of IT industry in the country. Bangalore in India is considered home of the corporate giants in IT namely, Infosys, Wipro, Satyam, Compaq among others and was therefore chosen for the study. Out of 308 sample size of Information System (IS) professionals, data of 68 in number was collected from IT division of the companies. The rest of 240 respondents were covered in software companies and categorically 60 respondents from each group of professionals made up of programmers, system analysts, test engineers, and system administrators. As a consequence, the sample represented a wide range of roles performed by



information system (IS) professionals and also involved diversity in terms of gender and educational background.

Further, the initial stage of data collection involved briefing about the study on its impacts on the respondents and organization in terms of benefits. This was the prerequisites to get access to the organization they belong to as they were either personally approached or requested through mail. The average age of the respondents was 27 years and 4 months, carrying standard deviation of 2.3713. About 38.6% of IS professionals were carrying educational background in computer science. Majority of them had been in the occupation for 3 to 4 years. The distribution in terms of company tenure was slightly skewed towards employees serving for 2-3 years. The percentage of such employees came out to be 87% having standard deviation of 1.07.

The results indicated that job satisfaction was positively and significantly related to organizational commitment and negatively and significantly related to labour turnover. H1 predicted a positive relationship between job satisfaction and organizational commitment, H2 predicted a negative relationship between organizational commitment and labour turnover and H3 predicted that organizational commitment mediates the relationship between job satisfaction and labour turnover. Job satisfaction was predicting 18% of the variance in organizational commitment. It also indicated that job satisfaction was positively and significantly related to organizational commitment. Therefore, H1 was accepted.

Subsequently, with the use of hierarchical regression, labour turnover was regressed first on job satisfaction followed by organizational commitment. The results showed a significant and negative relationship between job

satisfaction and labour turnover, thereby supporting H2. Organizational commitment was found to explain only 11% of variance in labour turnover which was less than explained by job satisfaction. Finally, to test mediation, labour turnover was regressed on organizational commitment followed by job satisfaction. Job satisfaction was found to explain a significant amount of incremental variance in labour turnover. Thus organizational commitment cannot be said to mediate the relationship between job satisfaction and labour turnover, thereby resulting in rejection of H3. The findings of the study showed that job satisfaction was positively related to organizational commitment.

It was further noted that IT personnel have a stronger than average tendency to leave a current employer to work for another organization. Therefore, the IT industry is associated with high labour turnover trend. Since IT personnel exemplify highly skilled professionals and are at times referred to as knowledge workers, it is therefore imperative that human resource practitioners endeavor to find pragmatic ways of changing this undesirable trend of labour turnover among them.

According to the department of trade and industry technical report, (2005) in the year 2004, the UK Government funded the Workplace and Employee Relations Survey (WERS) as part of series of surveys conducted at British workplaces with regard to employee turnover and other industrial relations issues. The aim of the 2004 WERS was to examine labour turnover at the period at British workplaces. The population for the 2004 WERS was therefore all British workplaces with at least five employees each. The sample comprised 2,295 workplaces. The questionnaires were designed in four main

sections namely, the Management Questionnaire; the Worker Representative Questionnaire; the Financial Performance Questionnaire; and the Employee Questionnaire. For the purpose of the study, the focus was on the workplace level data elicited by the Management Questionnaire.

In the Management Questionnaire therefore, managers were asked to specify how many employees (full-time and part-time) were on the payroll 12 months ago and how many of these employees stopped working at the workplace as they were terminated or left voluntarily. The distinction between voluntary quits and other reasons for leaving the firm was particularly important for the study analysis since it allowed a close match between the theoretical framework and the empirical analysis.

The responses to this question were used to calculate the quit rate in each workplace. The average quit rate in the sample was 13.28%. Also, it was established that new hires were better skilled or more highly educated than incumbent employees. One implication of this was that firms with a low labour turnover rate may not necessarily have a more highly productive workforce. Using the information on the quit rate elicited from the Management Questionnaire, workplaces were labeled according to whether they were in the first, second, third or fourth quartile of the quit rate distribution. This was matched with the employee level information from the Employee Questionnaire, which up to 25 employees from each workplace were asked to complete, thereby yielding a sample of 18,634 employees. The employee level data included detailed information on human capital measures which were subject to further study.

Further, it came to light that all organizations were faced with the problem of employee turnover at one point or the other. Also, employees at various positions were influenced by their level of job satisfaction, and it was at that point they contemplate whether or not to leave their jobs. Finally, the study postulated that low labour turnover rate in an organization does not necessarily connote a highly productive workforce.

### **Measures that help reduce labour turnover**

According to Lewis (1983), guidelines for reducing labour turnover in an organization should include communication and encouragement. This could be done by keeping employees informed on organizational matters, establishing clear channels of communication between employees and management, and encouraging employees to creativity and self-improvement. Lewis further stated that results of numerous studies suggest four functional components to assist labour turnover reduction. These include the following:

When interviewing, match applicants to the job - two basic questions should receive affirmative answers before the supervisor hires someone; does the job match the person reasonably well? And, will this person be likely to stay with any job he or she takes? The person hired should be neither under nor overqualified and should show a reasonable degree of interest in the job activities required. The best predictor of all is the person's past performance.

Involve the employee in restructuring a job or a set of jobs - both labour turnover and group productivity are related to participation. The more the employee participates in job design, the higher the productivity and the lower the labour turnover. View employees as human beings to be treated with

human dignity- supervisors need to avoid viewing employees in mechanistic terms such as person-hours, units of production, or units of costs as outlined by McGregor's Theory Y. Each person has a degree of self-respect and will respond differently to different types of treatment. Supervisors must fit their methods of managing to the needs and motivations of the individual employees.

Establish an equitable and competitive wage and salary program - Employees must believe they are receiving fair treatment in relation to others doing the same work. Otherwise, they will become dissatisfied and turnover could eventually result. In addition, a fair, competitive program is basic in keeping turnover within acceptable limit.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **Introduction**

The Ghanaian cocoa industry has been plagued by numerous challenges over the years, and the present day situation is no different. One of these being unstable labour situation among the LBCs, particularly those operating in the Bia District of the Western Region. Hence, this study focused on labour turnover among the employees of the LBCs in Bia. Accordingly, in this chapter the researcher attempted to outline systematically the sequence in which views of the target population, who are the employees of the LBCs in the Bia District were sought, managed and analysed toward the desired outcome. Consequently, at the onset the chapter delved into a brief history of the Bia District and that of the Ghana cocoa industry, as well as the research design, data sources, target population, sample selection, sample size, research instruments, pilot study, data collection techniques, data management and analysis.

#### **A brief overview of Bia District**

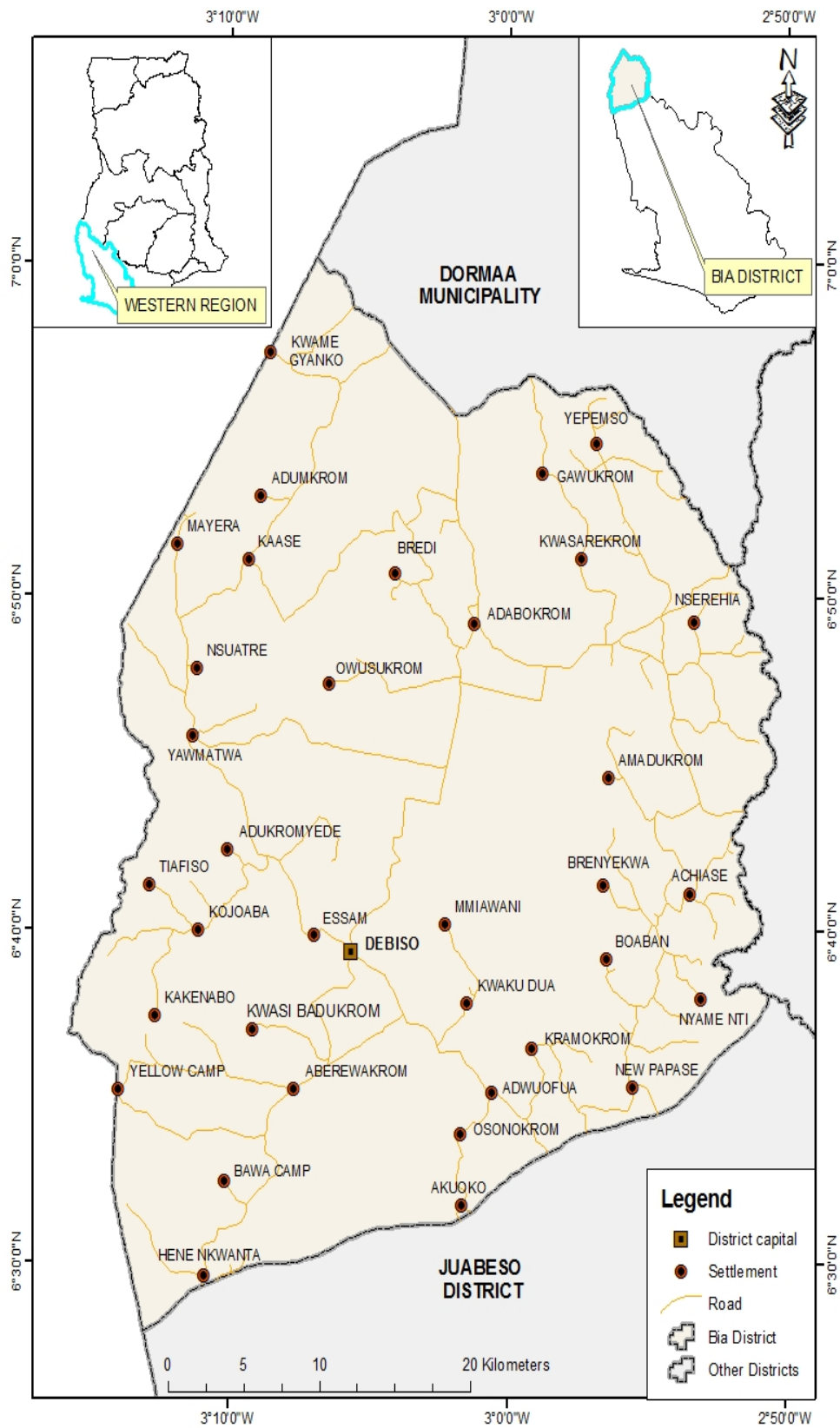
Bia District was carved out of the Juaboso Bia District by Legislative

Instrument (LI) 1762 in August 2004. The District shares boundaries with the Dormaa District to the north, Asunafo North District to the east, La Cote d'Ivoire to the west and Juaboso District to the south. The district capital, Essam-Debiso is located 420km to the north-west of Sekondi – Takoradi (the regional capital) and 250 km to Kumasi, the nearest commercial centre .The District has a total land area of 2,185.3 square kilometres, thus making it the seventh largest district in the Western Region of Ghana. There is also a large tract of virgin forest with different timber species including Game and Wildlife controlled forest reserves.

Further, as at 2007, the population of the district stood at 195,836 with 399 communities and scattered settlements. The district has diverse ethnic groups including Sefwis (indigenous), Brongs, Ashantis, Northerners, Ewes and Fantis. Also, the economy of the district is the agrarian type with minimal activities of secondary and tertiary sectors. Thus, agriculture (dominated by cocoa production) employs about 70% of the working population with the service sector and small-scale industries employing 26% and 4% respectively.

Also, there are three banking institutions in the district namely SG-SSB Bank, Agricultural Development Bank (ADB) and Kaaseman Rural Bank. There are 233 basic schools with one Senior High School. Bia District can also boast of a Magistrate Court and the Ghana Police Service. Further, the tourism attraction sites in the district are the Bia National Park and the Monumental Rock (Kofi Chebure Apaso) at Sukusuku. Finally, the road network is mainly feeder roads, with some of them unmotorable during the rainy season. (Socio-economic Data of Bia District).

Below therefore is the map of Bia District in the Western Region of Ghana depicting the geographical setting of the area:





## **Figure 2: Map of Bia District Assembly**

Source: Department of Geographic Regional Planning, (UCC) 2011

### **Research design**

The research is a descriptive survey of labour turnover in the cocoa industry in the Bia District, based on the objectives stated. Therefore, if labour turnover rates among the LBCs tend to be high, it comes with its associated dire consequences for developing countries such as Ghana. Further, the fact that the cocoa industry is undoubtedly the backbone of the country's economy is an indication that the outcome of this study would be very useful and of much interest to policy makers, especially on labour related issues in the industry.

Accordingly, the study design was such that the population was drawn from the five top LBCs operating in the Bia District which is also one of the highest cocoa producing districts according to Ghana Cocobod figures for 2007/08 main crop season. The LBCs included Produce Buying Company Ltd, Akafo Adamfo Marketing Company Ltd, Armajaro Gh. Ltd, Kuapa Kokoo Ltd, and Transroyal Gh Ltd. This is because LBCs represent one of the key players in the Ghana cocoa industry, and also this study happened to be the first of its kind among the LBCs in Ghana.

### **Primary data source**

Primary data source was obtained through interview of human resource managers at the various head offices of the LBCs in Kumasi, and administration of questionnaires to the remaining field staff in the Bia District.

### **Secondary data source**

Secondary data sources included relevant books on labour turnover as well as other bulletins and journals. Also, articles and annual reports of the LBCs in particular, and the Ghanaian cocoa industry in general, were reviewed for more data on the subject. Further, the internet also provided significant secondary data for the study.

### **Target population**

For the purpose of this study, a total of 50 staff, 10 each from the five major LBCs operating in the Bia District formed the target population. Therefore, the 10 staff members of each of the LBCs comprised Human Resource Managers at the head office, Regional/Area/Sector Managers, District Managers, Account Officers, Depot Keepers and Purchasing Clerks on the field.

### **Sample selection**

A stratified random sampling method has been used to select the sample size of respondents. This was because the staffs were of different educational backgrounds and job positions as stated above.

### **Sample size**

Employees of each of the five LBCs forming the target population were divided into six strata, and samples were drawn as follows;

Stratum 1 – Human Resource Managers (Head Office); 1X5 = 5

Stratum 2 – Regional/Area/Sector Managers; 1X5 to be drawn = 5

Stratum 3	– District Managers; 1X5 to be drawn	= 5
Stratum 4	– Account Officers; 1X5 to be drawn	= 5
Stratum 5	– Depot/Store Keepers; 1X5 to be drawn	= 5
Stratum 6	– Purchasing Clerks; 5X5 to be drawn	= <u>25</u>
<b>Total</b>		<b><u>50</u></b>

As indicated above, each of the five LBCs had 20% representation of the total sample drawn (total sample size = 50), thereby having 10 respondents per LBC for the study. Further, the nature of cocoa buying on the field is such that female worker population among LBCs is less than 10% of the total labour force. For that reason, female representation in the sample size was less than 10% as against their male counterparts who were a little over 90%.

### **Research instruments**

Questionnaires and interviews were the research instruments employed for the study. Questionnaires were personally administered in order to reduce errors and to ensure high response rate. Both open-ended (free answer) and closed-ended (pre-coded) questions were used. Also, three different categories of questionnaires were designed for the study. The first category was for regional/area/sector managers, district managers, account officers as well as depot keepers. While purchasing clerks fell under the second category, human resource managers formed the third and the final group who had their interview sections at their respective head offices.

Further, structured interview techniques were used to solicit information from the human resource managers at the various head offices of the LBCs with carefully designed 11 questions. Also, some of those questions

were part of the questionnaires for the other staff members on the field in the Bia District. For both questionnaires and interviews, specific areas from which questions were asked included educational background, working conditions and why employees frequently either lose/leave their jobs, among others. Eight (8) questions were on personal data, six (6) questions about employees' job functions, working conditions and performance expectations.

Furthermore, 11 questions were on factors that accounted for labour turnover as well as employers and employees' perception of labour turnover. These were in addition to the 11 questions designed for the interview sections with the HR managers at the various head offices in Kumasi. The number of questions therefore totaled 1,180 (25 x 45 respondents plus 11 x 5 respondents). This was because five out of the 50 respondents were the human resource managers of the five companies who went through the interview sections at their various head offices in Kumasi.

### **Pilot study**

A pilot study was undertaken in order to ensure very effective revision and vital corrections to the research instruments before actual administration to respondents. Thus, pre-testing of the questionnaires helped check validity of the research instrument. It also revealed and solved problems such as phrasing, sequence and ambiguity. Above all the pilot study enhanced accuracy and understandability of respondents. Finally, for easier accessibility and effective time management, the researcher's company (Akuafu Adamfo Marketing Company Limited) staffs were subjects of the pre-testing exercise.

### **Data collection**

Appointments were arranged with the human resource managers for the interview sections at their various offices in Kumasi. This exercise was done within two days due to their busy schedules. In the case of the other staff, the researcher traveled to the various cocoa districts within the Bia (Political) District to administer the questionnaires. Questionnaires were given out to respondents and were allowed three days to complete. That really put off any undue pressure on them.

### **Data analysis**

The data collected was first taken through quality checks, sorted out, categorized and transcribed. Further, as a descriptive survey, descriptive statistics were employed to analyse the data collected. These included cross-tabulations chi-square, frequencies and percentages which also enabled the researcher to examine the relationship between variables at a glance.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

#### **Introduction**

The purpose of this chapter is to analyse data collected on basis of respondents' personal information and labour turnover related issues including working conditions, motivation level, performance, expectations, reasons for labour turnover and its perception among employees', job satisfaction and measures to help improve labour turnover . Also, in this chapter the researcher intends to discuss the results in an attempt to determine or establish logical relationships between variables in relation to the survey questions and the specific objectives as stated in chapter one. Further, the discussion seeks to outline the main facts of the findings in order to draw comparisons with existing theory. Additionally, the first section of the analysis which forms a larger part of the chapter deals with the data obtained from the 45 field respondents, and then that of the HR managers at the various head offices of the LBCs.

Background characteristics - Table 1 below shows age of employees and their perception of labour turnover in their organizations.

**Table 1: Age of respondents and their perception of labour turnover in licensed buying companies**

Employee perception of labour turnover	Age of respondents										Total	
	24-31		32-37		38-43		44-49		50-55		N	%
	N	%	N	%	N	%	N	%	N	%		
Low	2	22.2	0	0	5	35.7	5	55.6	7	77.8	19	42.2
High	7	77.8	4	100.0	9	64.3	4	44.4	2	22.2	26	57.8
Total	9	100.0	4	100.0	14	100.0	9	100.0	9	100.0	45	100.0

Source: Field survey, 2009

Firstly, the researcher sought to identify the link between the ages of respondents and their perception of labour turnover in their respective LBCs. Therefore, while 42.2% of the 45 field respondents perceived turnover in their organization as 'low', 57.8% indicated that it was 'high' in their respective LBCs. Also, it could be seen from table 1 that while 22.2% of the 24 - 31 age group perceived turnover as low, 77.8% of the same age group viewed it as high. Also, with the 32 – 37 age group, 100% of the respondents in that range described turnover as high in their LBCs. Also, while 35.7% of the 38 - 43 age group perceived turnover to be 'low', 64.3% considered it as 'high'. Further, 55.6 % of the 44 - 49 age group viewed turnover as 'low' while 44.4% of them indicated that it was 'high'. Finally, while 77.8% of the last age group of 50 - 55 considered turnover as 'low', 22.2% pointed out that it was 'High'.

The above statistics show that employees of the LBCs viewed labour turnover as high because 77.8% indicated 'high' with only the 44 - 49 and 50 - 55 age groups being 22.2% saying it was 'low'. The rate of turnover among the LBCs operating in the District could therefore be seen as high based on the perception of the majority of the age groups. However, since only the 44 - 49 and 50 - 55 age groups indicated 'low' turnover, it confirmed Ryan (1996) assertion that labour turnover among the aged nearing retirement tended to be relatively lower so they could merit their entitlements and benefits. Though, it could be argued that the fact that the aged among the respondents perceived turnover as low in their organizations did not in itself mean turnover was low in those organizations, in reality it was the manifestation of their experience of low rate of employee movement in and out of their respective companies over the years.



Table 2 shows Sex of respondents and their labour turnover perception.

**Table 2: Sex of respondents and their perception of labour turnover**

Perception of labour turnover	Sex				Total	
	Male		Female		N	%
	N	%	N	%	N	%
Low	19	48.7	0	.0	19	42.2
High	20	51.3	6	100.0	26	57.8
Total	39	100.0	6	100.0	45	100.0

Source: Field survey, 2009

$X^2$ -test Degrees of freedom, sample size  $X^2(1, N=45) = 6.00, p=.05$

Details of the field respondents gender distribution shows that 87.0% of them were males with 13%.0 females. Thus, while 42.2% of the staff made up of only males argued that turnover was 'low' in their organizations, males and females combined representing 57.8% of the total field respondents of 45 contended that turnover was 'high' in their respective companies. And of the 39 males 48.7% viewed turnover as 'low' while the remaining 51.3% believed it was 'high'. Surprisingly however, all the female respondents representing 100% held the view that labour turnover was 'low'.

Due to the fewer number of female-worker population in the field work of LBCs in the cocoa industry in the Bia District female employees tended to have relatively a more stable labour turnover situation than their male counterparts. This could be partly so because female employees had lesser job expectations as far as working condition was concerned compared to male employees. Naturally it is believed that in our part of the world, men have more family responsibilities than women, hence men have more job

expectations in order to be able to shoulder all their responsibilities. Therefore, sex and labour turnover were interrelated to find out whether the relationship between sex and labour turnover is statistically significant as shown in Table 2. The results from the chi-square test suggest that the relationship between sex and labour turnover is statistically significant.

Table 3 gives details of married and unmarried respondents and their conflicting views on the subject of labour turnover in their various LBCs.

**Table 3: Marital status of respondent and their perception of labour turnover**

Perception of labour turnover	Marital status				Total	
	Married		Single		N	%
	N	%	N	%		
Low	18	46.2	1	16.7	19	42.2
High	21	53.8	5	83.3	26	57.8
Total	39	100.0	6	100.0	45	100.0

Source: Field survey, 2009

$X^2$ -test Degrees of freedom, sample size  $X^2(1, N=45) = 6.00, p=.05$

Marital status as a background characteristic of respondents helped in explaining and identifying patterns in labour turnover. Therefore, the total number of married and unmarried respondents who viewed turnover as ‘Low’ in their various LBCs was 42.2% while the number of those married and unmarried who perceived it as ‘high’ was 57.8% of the total field staff. Also, as 46.2% of those married described turnover to be ‘low’ the remaining 53.8% perceived it as ‘high’ in their respective organizations. Also, out of the unmarried respondents 16.7% indicated that turnover was ‘low’ while the

remaining 83.3% contended that it was ‘high’ in their organizations. In the final analysis therefore, it could be realized that there appears to be some association between employee’s marital status and turnover. Thus, a chi-square test was conducted to establish the relationship between employee marital status and labour turnover. The results in Table 3 show that the relationship between marital status and labour turnover is statistically significant.

Table 4 looks at the educational background of employees and their perception of labour turnover among the LBCs.

**Table 4: Educational background of respondents and their perception of labour turnover**

Perception of labour turnover	Educational background					
	Low (MSLC, 'O' / SSSCE/ 'A' level)		High (dip, degree)		Total	
	N	%	N	%	N	%
Low	18	42.9	1	33.3	19	42.2
High	24	57.1	2	66.7	26	57.8
Total	42	100.0	3	100.0	45	100.0

Source: Field survey, 2009.

The educational background of the respondents were categorized into ‘low’ and ‘high’ qualifications, where MSLC, JSS, O’level, SSSCE and A’level represent ‘low’, with ‘high’ denoting diploma, degree and professional qualifications. The data obtained from the respondents indicated that those with ‘low’ qualification who viewed turnover as ‘low’ were 42.9%, while 57.1% of the total perceived it as ‘high’. Captivatingly, out of 3 ‘high’ qualification holders, 33.3% contended that labour turnover was ‘low’ while

the remaining 66.7% observed that it was ‘high’. In summary therefore, 42.2% out of the 45 field respondents perceived turnover as ‘low’ whereas 57.8% indicated that it was ‘high’.

The above details show that respondents with ‘high’ educational qualifications were more likely to have high labour turnover rate as compared to their colleagues on the other side of the divide. This is in consonance with Robbins (1988) assertion that skilled employees tend to have high turnover rate than unskilled employees as their skills were always in high demand by rival companies or key competitors. It therefore follows that employees with ‘high’ educational qualification coupled with some level of on-the-job experience tend to have choices on the job market and also feel more secure in employment than those with ‘low’ qualification. Generally, unskilled and lowly qualified employees are first to see the axe during downsizing, and the story was not different among the LBCs operating in the Bia District.

Table 5 deals with length of service of employees in relation to how they perceived turnover in their organizations.

**Table 5: Length of service of respondents and their perception of labour turnover**

Employee perception of labor turnover	Length of service							
	1-5years		6-10year		10years+		Total	
	N	%	N	%	N	%	N	%
Low	12	40.0	6	54.5	1	25.0	19	42.2
High	18	60.0	5	45.5	3	75.0	26	57.8
Total	30	100.0	11	100.0	4	100.0	45	100.0

Source: Field survey, 2009.

X<sup>2</sup>-test Degrees of freedom, sample size X<sup>2</sup> (2, N=45) = 15.00, p=.05

Ranges have been assigned from 1 – 5 years, 6 – 10 years and above 10 years, so that the varying periods served by each employee could be taken care of. The analysis demonstrates that 40.0% of the 1-5years range indicated that turnover was ‘low’ while 60.0% argued that it was high. Conversely however, the 6 – 10 years range had 54.5% of its respondents describing turnover as ‘low’ while 45.5% observed that it was ‘high’ in their various LBCs. The last range which was for those who had served for more than 10 years had 25.0% of respondents who contended that turnover was ‘low’ while the remaining 75.0% claimed it was ‘high’ in their organizations. Based on the above statistics, the total number of respondents who perceived labour turnover as ‘low’ was 42.2% as against 57.8% who considered it as ‘high’.

In line with Ryan (1996) view that in New Zealand the highest rate of labour turnover tends to be among those who recently joined a business, 60.0% of those who had served for just between 1 – 5 years viewed turnover as high in their various LBCs. Contrary to this view, 75.0% of the employees of these LBCs who had served for more than 10 years rather thought turnover was high among their organizations. However, the chi-square test conducted established that the relationship between length of service and labour turnover is statistically significant as shown in Table 5.

Table 6 assesses how various categories of organization meet their employees’ expectations. Toward this direction the LBCs operating 100 and above districts are classified as ‘Large-size’ while those with less than 100 are ‘Medium-size.

**Table 6: Size of organization and meeting of expectations**

Expectation met	Size of organization					
	Medium size		Large size		Total	
	N	%	N	%	N	%
Yes	7	25.0	4	23.5	11	24.4
No	21	75.0	13	76.5	34	75.6
Total	28	100.0	17	100.0	45	100.0

Source: Field survey, 2009

$X^2$ -test Degrees of freedom, sample size  $X^2(1, N=45) = 17.00, p=.05$

Therefore, while 75.6% of the 45 field respondents working for both medium and large-size LBCs said their expectations were not met, 24.4% indicated that their expectations were met. Also, out of 28 respondents who belonged to the medium-size LBCs 25.0% of them said their job expectations had been met, while 75.0% answered in the negative. Further, of those who worked for the large-size LBCs 23.5% answered in the affirmative, with the remaining 76.5% indicating that their expectations were not met. It could therefore be seen that generally, irrespective of the size of an LBC operating in the Bia District, employees' job expectations in terms of fringe benefits and other conditions were not met. As a result, Table 6 shows that the relationship between size of firm and meeting of expectation was found to be statistically insignificant when the two variables were interrelated.

Employees usually form a mental picture of what they envisage to receive from their employers as part of their employment package, however, in most cases their hopes become mere illusions, unfulfilled desires and hot dreams. It was therefore, very appropriate when Lewis (1983) admonished that guidelines for reducing labour turnover in an organization should include

encouragement and communication by keeping employees informed on organizational matters.

**Size of organization and effort toward meeting expectations**

Using the category of LBCs in terms of size to determine their efforts towards meeting employee expectations the following ratings; ‘below average’, ‘average’, ‘good’ and ‘very good’ were adopted so that efforts made by the organizations could be assessed at various levels as denoted in Table 7 below;

**Table 7: Size of organization and rating of organizations’ efforts toward expectations**

Rating of expectation	Size of organization					
	Medium size		Large size		Total	
	N	%	N	%	N	%
Below average	4	14.3	5	29.4	9	20.0
Average	10	35.7	5	29.4	15	33.3
Good	13	46.4	5	29.4	18	40.0
Very good	1	3.6	2	11.8	3	6.7
Total	28	100.0	17	100.0	45	100.0

Source: Field survey, 2009.

X<sup>2</sup>-test Degrees of freedom, sample size X<sup>2</sup> (2, N=45) = 17.00, p=.05

The pattern of rating was such that the highest rating went for ‘good’ that is 40.0% of the respondents, followed by ‘average’ with 33.3%, then came ‘below average’ with 20.0%, and lastly ‘very good’ with 6.7% of respondents. Also, while 14.3% respondents of medium-size LBCs indicated ‘below

average' 29.4% respondents of large-size LBCs perceived their organization's efforts to be 'below average'. These sum up to 20% of the total count of 45. Additionally, employees of medium-size and large-size LBCs who contended that it was 'average' are 35.7% and 29.4 % respectively. With this, the total employees who considered their LBCs efforts towards meeting their job expectations to be 'average' under both categories amounted to 33.3% of the entire count of 45.

Also, 46.4% of medium-size and 29.4% of large-size LBCs respectively rated their organizations' efforts as 'good'. Therefore, the entirety of respondents who rated their LBCs effort as 'good' was 40%. Further, 3.6% respondents of medium-size category viewed their LBCs' effort as 'very good' with 11.8% respondents under large-size giving it the same rating. This thus makes it 6.7% respondents out of 45 who acknowledged that their organizations' efforts were 'very good' towards meeting their job expectations. Generally, the above figures mean that majority of employees of the LBCs operating in the Bia District perceived their companies' efforts toward meeting their job expectations as 'good' or 'average' which in itself is an indication that so much was being done by these LBCs to satisfy their workforce. Impliedly, this had the tendency to help reduce labour turnover rate where it was high. The chi-square test of the relationship between size of organization and effort toward meeting expectation was therefore found to be statistically significant when the two variables were interrelated.



Table 8 looks at how employees of various classes of LBCs in terms of size rate their salary as well as other fringe benefits. Yardsticks used in rating include ‘unsatisfactory’, ‘satisfactory’ and ‘very satisfactory’.

**Table 8: Size of organisation and rating of salary and other fringe benefits**

Rating of salary and other fringe benefits	Size of organization					
	Medium size		Large size		Total	
	N	%	N	%	N	%
Unsatisfactory	11	39.3	5	29.4	16	35.6
Satisfactory	16	57.1	12	70.6	28	62.2
Very satisfactory	1	3.6	0	.0	1	2.2
Total	28	100.0	17	100.0	45	100.0

Source: Field survey, 2009.

$X^2$ -test Degrees of freedom, sample size  $X^2(2, N=45) = 17.00, p=.05$

The assessment of the respondents therefore shows that while 35.6% of them rated salary and other fringe benefits as ‘unsatisfactory’, 62.2% estimated them at ‘satisfactory’, and finally 2.2% put them at Very satisfactory. Also, 39.3% and 29.4% of the respondents of large-size LBCs and medium-size LBCs respectively viewed their salary and fringe benefits as ‘unsatisfactory’. Additionally, employees of medium-size LBCs who perceived their salary and other benefits as ‘satisfactory’ were 57.1% of while 70.6% of respondents of the large-size LBCs agreed that it was ‘satisfactory’. Further, 3.6% of the respondents of the medium-size category acknowledged it to be ‘very satisfactory’, but none of the large-size LBCs respondents perceived it as such.

From the foregoing, it is evident that a greater number of the employees of both medium-size and large-size LBCs (35.6% and 62.2%) perceived their salary and other fringe benefit as 'satisfactory' or 'unsatisfactory' but not 'very satisfactory'. This therefore confirmed the fact that employees of these LBCs were not very satisfied with their salary and other fringe benefits. And that had the tendency to trigger more labour turnover related problems for the organizations if not attended to appropriately. This is because employees' salary and other fringe benefits were as important as their employment itself just as Porter, Biggly and Steers (2003) emphasize that the rewards an organization offers influence who is attracted to work for it. Consequently, the relationship between size of organization and rating of salary and fringe benefits was found to be statistically significant when the two variables were interrelated through chi-square test as demonstrated on Table 8.

Table 9 depicts size of organization (medium-size and large-size) versus reasons for not granting study leave with or without pay for employees, specifically Purchasing Clerks (PCs) who for the purpose of this study were 24 in number.

**Table 9: Size of organisation and reasons for not granting study leave**

Reasons for not granting study leave	Size of Organisation					
	Medium size		Large size		Total	
	N	%	N	%	N	%
Have not started yet	1	7.7	0	.0	1	4.2
Always go out to buy cocoa	3	23.1	2	18.2	5	20.8
Care for workers	1	7.7	0	.0	1	4.2
Decision of management	1	7.7	0	.0	1	4.2
They are wicked	1	7.7	0	.0	1	4.2
Marketing clerk works on commission base	0	.0	1	9.1	1	4.2
Organization is run on commission	0	.0	1	9.1	1	4.2
No reason /can't tell	5	38.5	5	45.5	10	41.7
No study leave	0	.0	1	9.1	1	4.2
Better employment	1	7.7	0	.0	1	4.2
Organization invariably	0	.0	1	9.1	1	4.2
<b>Total</b>	<b>13</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>

Source: Field survey, 2009.

In the first instance, PCs who worked with the medium-size LBCs were 13 and the following were their responses; 7.7% of the respondents said the company ‘had not started yet’, 23.1% said they were ‘always busy out there buying cocoa’, another also said the LBC ‘cared for workers and would be granted study’. Further, 7.7% of them said ‘it was the decision of Management’, while another one also said the ‘company’s Management were wicked’. Also, 38.5% could not give any reasons, whereas one respondent

claimed he hoped for 'better employment opportunity elsewhere'. Similarly, those of the large-size LBCs provided the following responses; 18.2% said they were 'always busy out there buying cocoa', while another 18.2% said PCs worked on commission bases and were therefore not permanent employees to merit study leave'. Here too, 38.5% failed to give any reasons while 9.1% of the respondents said 'no study leave was granted' whereas the last respondent said the 'organization did not grant study leave'.

Inferring from the above responses it could be realised that the highest frequency was those who could not give any reasons, representing 38.5% of medium-size LBCs and 45.5% of large-size LBCs respondents respectively. This is followed by those who also claimed to be busy always buying cocoa out there for their organizations who were made up of 23.1% out of 13 medium-size LBCs respondents and 18.2% out of 11 large-size LBCs respondents. The other reasons variously given were insignificant. The above means that the LBCs operating in the Bia District had no justifiable reasons for not granting study leave for employees. However, since study leave with pay formed part of employment package in most organizations it would be very ideal for these LBCs to reconsider their position on this subject since that will help keep turnover rates at desirable limits.

Table 10 illustrates the responses given by respondents in an attempt to assess their performance in their various organizations.

**Table 10: Size of organisation and employees' assessment of their performance**

Employees' assessment of their own performance	Size of organization					
	Medium size		Large size		Total	
	N	%	N	%	N	%
Average	3	10.7	0	.0	3	6.7
Good	14	50.0	7	41.2	21	46.7
Very good	11	39.3	10	58.8	21	46.7
Total	28	100.0	17	100.0	45	100.0

Source: Field survey, 2009.

$X^2$ -test Degrees of freedom, sample size  $X^2(1, N=45) = 17.00, p=.05$

Therefore, while 46.7% of the respondents assessed themselves as 'good' and 'very good' respectively, 6.7% assessed themselves as 'average' performers. Further, as 10.7 % of respondents under the medium-size category rated their own performance as 'average', none of the large-size LBCs respondents rated their own performance as 'average'. Also, while 50.0% of the medium-size LBCs employees assessed their own performance as 'good', 41.2% of the large-size LBCs respondents also rated their performance as such, thereby putting the total at 46.7%. Moreover, while 39.3% of medium-size LBCs employees assessed themselves as 'very good', 58.8% of large-size LBCs respondents stated the same rating. This also puts the overall number of respondents who rated themselves as 'very good' at 46.7% of the entirety of 45 field respondents. As the popular African adage goes; "nobody points their left finger at the way to their hometown". And that showed how rational all the respondents wanted to be. This is thus a true reflection of how everyone's

desire to be proud of their personal achievements and also to associate themselves with positive developments can be demonstrated. In spite of this it was possible that the Managements of the LBCs had contrary views of these perceptions of their employees. Table 10 therefore shows that the relationship between size of organization and employees' assessment of own performance was found to be statistically significant when the chi- square test of the two variables was conducted.

Table 11 analyses employees' intention to leave current jobs and also how they perceive labour turnover in their organizations.

**Table 11: Employees labour turnover perception and their intention of leaving current job**

Employee perception of labour turnover	Intention of leaving current job						Total	
	No response		Yes		No		N	%
	N	%	N	%	N	%		
Low	2	50.0	8	33.3	9	52.9	19	42.2
High	2	50.0	16	66.7	8	47.1	26	57.8
Total	4	100.0	24	100.0	17	100.0	45	100.0

Source: Field survey, 2009.

$X^2$ -test Degrees of freedom, sample size  $X^2(2, N=45) = 41.00, p=.05$

Employees declared their intentions of either leaving or otherwise and also indicated how they perceived labour turnover in their respective LBCs. Therefore, 42.2% of the entire field respondents declared the rate of labour turnover in their LBCs as 'low' while the remainder of 57.8% said it was rather 'high'. The above figures were in consonance with the intentions of the employees since those who were indifferent on intention to leave had an

evenly divided (50.0% apiece) view of the labour turnover rate. However, labour turnover rates appeared to be on the ascendancy looking at the two extremes of 42.2% for low and 57.8% for high labour turnover respectively.

This also means employees were not satisfied with the prevailing conditions of service and therefore warranted some vigorous attention. Also, 33.3% of those who expressed intention to leave viewed the rate of turnover as 'low' while the remaining 66.7% perceived it as 'high'. Further, 52.9% of respondents whose intention of leaving was 'no' indicated 'low' labour turnover while 47.1% declared it as 'high'.

However, the relationship between employees' intention to leave and labour turnover was found to be statistically insignificant according to the chi-square test as depicted in Table 11. This is because labour turnover intentions among employees and the actual labour turnover rate prevailing in an organization could be said to be the same always since people's perception of issues differ in many respects. It could therefore be seen that majority of employees who did not have decisions of job change believed that labour turnover situation in their organizations was stable, though there may be differing opinions among a section of them. Moreover, it appeared a number of the employees who did not have intention of changing job rather had the impression that labour turnover in their organizations was not stable. It thus, follows that sometimes employees of an organization may not be happy with their jobs but will be hanging on because there are no immediate choices available that they can take advantage of in order to better their living standards.

Table 12 presents employee resignations and terminations as against perception of labour turnover.

**Table 12: Reasons for resignations and terminations and labour turnover perception of employees**

Reasons for employee labour turnover	Employee perception of labour turnover				Total	
	Low		High		N	%
	N	%	N	%		
Shortage of cocoa	10	66.7	5	33.3	15	100.0
Prefinancing	3	50.0	3	50.0	6	100.0
Poor performance	2	40.0	3	60.0	5	100.0
In adequate motivation and promotion	0	.0	1	100.0	1	100.0
Poor welfare	1	100.0	0	.0	1	100.0
Management style	0	.0	2	100.0	2	100.0
Better avenues	1	100.0	0	.0	1	100.0
Don't Know	0	.0	3	100.0	3	100.0
Unsatisfactory pay and working conditions	0	.0	3	100.0	3	100.0
Operational hazards and inadequate training	1	20.0	4	80.0	5	100.0



Inability to deliver	1	33.3	2	66.7	3	100.0
Total	19	42.2	26	57.8	45	100.0

Source: Field survey, 2009.

Table 12 illustrates the outcome of sampled views of respondents on their perception of labour turnover in their organizations in relation to reasons why employees lose or leave their jobs. Therefore, the two main descriptions used were either ‘low’ or ‘high’ perceptions of turnover. From the above discourse and in line with their opinion on labour turnover 42.2% of the entire field respondents considered turnover as ‘low’. Agreeably, the remaining 57.8% of respondents with ‘high’ labour turnover perception had much to talk about on the reasons. Therefore, among the reasons, ‘Shortage of cocoa’, ‘Pre-financing’ and ‘Operational hazards because of lack of training’ had the highest frequency indicating that these were the most common or prominent reasons which accounted for employees who lost or left their jobs in the Bia District. Also, with 42.2% and 57.8% ‘low’ and ‘high’ turnover perceptions respectively indicate that the frequency of employees’ movement in and out of the LBCs is high with justifiable reasons.

While 66.7% of respondents who cited ‘Shortage of cocoa’ as a reason for losing or leaving jobs perceived labour turnover as ‘low’, 33.3% of them claimed it was ‘high’ among the LBCs. Also, in an evenly expression of opinions, while 50.0% of those who mentioned ‘Pre-financing’ indicated ‘low’ turnover, so did the other 50.0% deemed turnover to as ‘high’. Further, whereas 40.0% of those who stated ‘Poor performance’ perceived labour turnover to as ‘low’, 60.0% of them described it as ‘high’. Also, 100.0% of the respondents who ‘cited ‘Lack of

motivation and promotion’ as a reason indicated ‘high’ turnover perception. However, for ‘Poor welfare’ as a reason why employees lost/left their jobs, 100.0% of respondents perceived labour turnover as ‘low’.

Moreover, 100.0% of the respondents who maintained that ‘Management style’ was a reason stated ‘high’ turnover perception. Similarly, 100.0% of respondents who stated ‘Better job avenues elsewhere’ perceived turnover as ‘high’. This also implied that generally, labour turnover the LBCs was mostly due to certain pertinent reasons such as those cited by Ryan (1996); the economy, the organizational culture, unrealistic expectations, performance of the organization, the characteristics of the job, the person among others.

Table 13 looks at the impacts of employee terminations and resignations on the LBCs using labour turnover perception as a basis. The impact is denoted as ‘positive’ or ‘negative’ depending on the responses from respondents’. Considering the final count of the figures it could be seen that 42.2% of the respondents perceived labour turnover as ‘low’ though they had diverse opinions on impacts of terminations and resignations.

**Table 13: Effects/Impacts of employee resignations and terminations as against their labour turnover perception**

Employee perception of labour turnover in their organizations	Impact of employee resignations and terminations on organizations				Total	
	Positive		Negative		N	%
	N	%	N	%		
Low	6	75.0	13	35.1	19	42.2

High	2	25.0	24	64.9	26	57.8
Total	8	100.0	37	100.0	45	100.0

Source: Field survey, 2009.

$X^2$ -test Degrees of freedom, sample size  $X^2(1, N=45) = 37.00, p=.05$

Nevertheless, the rest of 57.8% viewed labour turnover as ‘high’ but had different views about terminations and resignations considering their impacts on the operations and image on the LBCs. Also, 75.0% of the respondents who indicated ‘positive’ impact perceived labour turnover as ‘low’ whereas 25.0% viewed it as ‘high’. Despite the fact that 35.1% of those who described the impact as ‘negative’ considered labour turnover as ‘low’, the remaining 64.9% viewed labour turnover as ‘high. It was not however surprising that over half of the entire field respondents indicated that terminations and resignations had ‘negative’ impact on their LBCs in Bia. This is because, as would be expected terminations and resignations could not have had a positive impact on an organization’s operations and image rather than a negative impact. However, based on the chi-square test the relationship between labour turnover and impacts of terminations/resignations was found to be statistically insignificant when the two variables were interrelated.

Table 14 illustrates job security of employees and labour turnover perception

**Table 14: Employees assessment of job security and their perception of labour turnover**

Employee perception of labour turnover	Employees assessment of job security		
	Low	High	Total

	N	%	N	%	N	%
Low	9	33.3	10	55.5	19	42.2
High	18	66.7	8	44.5	26	57.8
Total	27	100.0	18	100.0	45	100.0

Source: Field survey, 2009.

$X^2$ -test Degrees of freedom, sample size  $X^2(1, N=45) = 18.00, p=.05$

Employees' assessment of their job security was juxtaposed to the perception of labour turnover in their LBCs. Job security was therefore assessed on basis of 'low' and 'high'. Among the field staff who judged their job security as 'low', there were conflicting opinions in terms of how they perceived labour turnover. Generally therefore, while 42.2% considered labour turnover as 'low', 57.8% of the total 45 field respondents viewed it as 'high'. Thus, 33.3% of those who described job security as 'low' viewed labour turnover as 'low' while the rest of 66.7% opined that it was 'high'. Further, 55.5% of those who deemed job security as 'low' also perceived labour turnover as 'low' while the remainder of 44.5% described turnover to be 'high'.

Finally, the fact that 33.3% and 66.7% of respondents who perceived labour turnover as 'low' and 'high' respectively described their job security as 'low' was an indication that more than half of the employees of the LBCs operating in the Bia District did not feel secure on their jobs. However, employees would always want to have an uninterrupted employment relationship with employers, not even those with turnover intentions would want to be apprehensive with their employers. Nonetheless, the relationship between employees' assessment of job security and labour turnover was found

to be statistically insignificant when the two variables were interrelated through chi-square test as shown in Table 14.

Table 15 assesses the level of motivation among employees as against labour turnover perception in their respective organizations.

**Table 15: Employees assessment of level of motivation and their perception of labour turnover**

Employees perception of labour turnover	Employees assessment of level of motivation									
	Very low	%	Low	%	High	%	Very high	%	Total	%
Low	2	33.3	2	14.3	10	50.0	5	100.0	19	42.2
High	4	66.7	12	85.7	10	50.0	0	.0	26	57.8
Total	6	100.0	14	100.0	20	100.0	5	100.0	45	100.0

Source: Field survey, 2009.

Employee motivation as a major element in the turnover discourse determines to a larger extent the level of productivity and also influences labour turnover intentions among an organization's labour force. Respondents therefore indicated their feelings about the level of motivation in relation to turnover perception in their respective LBCs. Further, while they were generally divided on labour turnover perception to be either 'low' (42.2%) or 'high' (57.8%) they also indicated their thoughts on motivation as 'very low', 'low', 'high' and 'very high'. Though, the level of motivation seemed fairly high labour turnover was still high (57.8% 'high' as against 42.2% 'low').

Also, among respondents who described the level of motivation as 'very low,' 33.3% perceived labour turnover as 'low' and the remaining 66.7%

contended that it was 'high'. Similarly, while 14.3% of the respondents who maintained that the level of motivation in their organizations was 'low' perceived labour turnover as 'low', 85.7% of them viewed it as 'high'. Also, those who described motivation level as 'high' were equally divided (50.0% apiece) in terms of labour turnover perception. Further, 100.0% of respondents who described the level of motivation as 'very high' contended that labour turnover was 'low' to affirm their believe that the level of motivation among the LBCs which was very high accounted for the low labour turnover. The above statistics give credence to Porter, Bigley and Steers (2003) assertion that the rewards an organization offers influence who is attracted to work for it and who will continue to work for it.

Table 16 underscores the reasons why employees keep working for their organizations as against their labour turnover perceptions.

**Table 16: What keeps employees working for the companies and their perception of labour turnover**

Employees perception of labour turnover	What keeps employees working for their organisations									Total	
	Pay		Promotion		Management style		Difficulty in searching for a job		N	%	
	N	%	N	%	N	%	N	%			
Low	3	33.3	2	100.0	6	85.7	8	29.6	19	42.2	
High	6	66.7	0	.0	1	14.3	19	70.4	26	57.8	
Total	9	100.0	2	100.0	7	100.0	27	100.0	45	100.0	

Source: Field survey, 2009

What actually inspires, motivates or deters them to resist the temptation of leaving is the primary concern at this point. And the analysis shows that while 42.2% of the entire respondents perceived labour turnover as 'low', the remainder of 57.8% asserted that labour turnover was 'high' in their LBCs in Bia. Thus, the underlying reasons included 'Pay', 'Promotion', 'Management style', and 'Difficulty in searching for jobs elsewhere'. Accordingly, respondents indicated what kept them working for their LBCs in Bia by selecting the requisite reasons from those above. As a result, 33.3% of those who considered 'Pay' as the driving force propelling them to stay viewed labour turnover as 'low' while 66.7% also described it as 'high'. Further, 100% of the respondents who cited 'Promotion' described labour turnover as 'low' in their organizations.

Furthermore, 85.7% of the respondents who selected 'Management style' as what inspired them to continue working for their organizations perceived labour turnover as 'low' while 14.3% viewed it as 'high'. However, 29.6% of those who considered 'Difficulty in searching for jobs elsewhere' as their reason for staying perceived labour turnover as 'low' with 70.4% of the respondents considering it as 'high'. Finally, the analysis above shows that sometimes employees continued to stay on their jobs not only because they were satisfied with their conditions of employment such as 'Pay', 'Promotion', 'Management style' etc but also because of difficulty in securing jobs elsewhere as well as other related reasons. This was evident in Creedy and Barry (1982) study of over 1,400 factory workers when some of the workers passed the following comments; a packer said he was just pleased to be employed after eighteen months without work. A polisher commented, 'In

fact, I don't like it, but because I can't get any other I am bound to it.' A watchman said, 'It's the money that keeps me here.' Similar reasons could apply to employees of the LBCs operating in Bia since certain work related issues cut across every business enterprises irrespective of the industry.

### **Analysis of the responses of HR managers**

This part of the chapter forms the phase two of the analysis which represents responses from the HR managers from the various head offices of the LBCs. The data collected from the HR managers have therefore been analyzed and discussed in a systematic manner as follows; while 60% of the five HR manager respondents were males, the remaining 40% were females. The male respondents outnumber their female counterparts, and this is an indication of the fact that in the Ghana cocoa industry in general, female worker population is always smaller compared to that of males, and the story of the LBCs operating in Bia is no exception.

Table 17 looks at the reasons assigned by HR managers for employees' rampant resignations and terminations in the cocoa industry in Bia District.

**Table 17: Reasons for employees' resignations and terminations in Bia**

Reasons	Sex					
	Male		Female		Total	
	No	%	No	%	No	%
Corruption	1	20.0	0	.0	1	12.5
Environmental factors	0	.0	1	33.3	1	12.5
Shortages	1	20.0	1	33.3	2	25.0
Job opportunities elsewhere	0	.0	1	33.3	1	12.5
Better conditions of	1	20.0	0	.0	1	12.5



service elsewhere						
Inadequate funding	1	20.0	0	.0	1	12.5
Competition among the companies	1	20.0	0	.0	1	12.5
Total	5	100.0	3	100.0*	8	100.0

Source: Field survey, 2009

Approximated figure\*

The statistics in Table 17 show that three of the respondents (a female and two males HR managers) came out with two reasons each, thereby putting the total response count at eight. Also, the fact that all the reasons were considered by the HR managers as factors which accounted for employees' job loss was an indication that turnover had many causes and dimensions among the LBCs. These reasons as catalogued by the HR managers included; 'Corruption'(12.5%), 'Environmental factors'(12.5%), Shortage in cocoa supply by farmers'(25.0%), Job opportunities elsewhere'(12.5%), 'Better conditions of service' elsewhere'(12.5%), 'Inadequate funding' (12.5%), and 'Competition among the companies'(12.5%). Each reason represented individual respondent's view of the situation. Analytically, corruption by the staff of the LBCs had the tendency to cost them their jobs.

Also, environmental factors such as draught or excessive rainfall and shortage in cocoa supply by farmers had the tendency to put employees out of jobs. Similarly, better job opportunities and conditions of service elsewhere were always so tempting and brought about turnover intentions. Additionally, LBCs with inadequate financial base more often faced stiff competition from those with sound financial background and this resulted in poaching of their experienced and competent staff.

Table 18 explains how the HR managers perceived labour turnover

among the LBCs operating in the District.

**Table 18: Human resource managers' impression of labour turnover among the Licensed Buying Companies**

Impression	Sex					
	Male		Female		Total	
	No	%	No	%	No	%
Low	2	66.7	2	100.0	4	80.0
High	1	33.3	0	.0	1	20.0
Total	3	100.0	2	100.0	5	100.0

Source: Field survey, 2009

X<sup>2</sup>-test Degrees of freedom, sample size X<sup>2</sup> (1, N=45) = 2.00, p=.05

The general impression of respondents was that labour turnover was low since 80.0% of them shared this view. And this figure (80.0%) represents 66.7% of males and 100.0% of females. Similarly, the 20.0% who believed turnover was 'high' constitute 33.3% of males. This view as expressed by the HR managers meant that the LBCs operating in Bia did not have labour turnover problems, contrary to the views put across by their employees on the field. This is because while responses of the field staff were tilted towards high turnover level, the HR managers' responses were rather inclined to low turnover level. Impliedly so, this is not surprising because the contrasting positions of the HR managers and the field staff in their organizational hierarchy could best be described as a continuum on which they were located

at extreme ends. As a result, the HR managers in this capacity represented the mouthpiece of their organizations' managements and were not expected to denigrate their organizations of which they were members. But this is not to deny the fact that the HR managers were suppose to have more accurate statistics on movement of employees in and out of their organizations.

Also, sampled were HR managers' views on whether their various managements interfered in their HR policies formulation and implementation which were supposed to improve labour turnover situation in their LBCs. All five respondents did not seem to have had such an experience from their respective managements. Therefore, they declared that they had their independence in formulating and implementing HR policies in their organizations. With such a degree of independence the HR managers would be expected to be apt, especially in managing labour turnover related issues in order not to allow the situation to escalate to alarming proportions. Table 18 shows that the relationship between HR managers' impression of labour turnover among the LBCs and labour turnover was found to be statistically insignificant when the two variables were interrelated through chi-square test. Table 19 presents reasons for high financial risk and labour turnover problems.

**Table 19: Reasons for high financial risk**

Reasons for high financial risk	Sex					
	Male		Female		Total	
	No	%	No	%	No	%
Cocoa involves high financing	1	50.0	0	0.0	1	25.0
D. M. runs away with	0	0.0	1	50.0	1	25.0

huge sums of money						
Inability to evacuate	0	50.0	1	50.0	1	25.0
Stocks						
Low commitment	1	0.0	0	0.0	1	25.0
Total	2	100.0	2	100.0	4	100.0

Source: Field survey, 2009

Analysis of the reasons for the perceived high financial risk associated with the Ghana cocoa industry and its effects on labour turnover among the LBCs was undertaken. Four main reasons were therefore enumerated for respondents to confirm or state otherwise. These included; ‘Cocoa involves high financial risk’, ‘District Manager (DM) runs away with huge sums of money’, ‘Inability to evacuate stocks’, ‘Lack of commitment’. Accordingly, 80.0% indicated their confirmation of the aforementioned reasons while 20.0% failed to accept the above reasons as being related to labour turnover problems among the LBCs. By their responses, the HR managers (80.0%) confirmed the assertion that many employees lose their jobs in the cocoa industry because they run into huge losses, and are unable to account for cocoa buying funds as well as cocoa stocks.

A further analysis of the reasons given pointed to the fact that, high financial risk was inherent in the operational activities of LBCs in the cocoa industry. Actually, cocoa purchases involve huge sums of money being circulated from the government to the LBCs through their field staff to individual farmers who grow the cocoa. There is therefore an element of risk of losses at every stage of the funds management process, especially where the commitment of the staff involved is questionable. Therefore, just as 80.0% of the HR manager respondents indicated, to say labour turnover problems were

related to the high financial risk associated with the operations of LBCs is an understatement.

Table 20 gives details of employees' terminations and resignations.

**Table 20: Reasons for employees' terminations and resignations from company**

Reasons for Employees Terminations and Resignations	Sex					
	Male		Female		Total	
	No	%	No	%	No	%
Pay	2	66.7	1	50.0	3	60.0
Management style	0	0.0	1	50.0	1	20.0
Inadequate training	1	33.3	0	0.0	1	20.0
Total	3	100.0	2	100.0	5	100.0

Source: Field survey, 2009

Based on the responses from HR managers, an analysis was done on reasons why their respective employees resign or have their appointments terminated after relatively a short period of service. Thus, three basic areas were in focus namely; 'Pay', 'Management style' and 'Lack of training'. In response, 60% (made of 66.7% of males and 50.0% of females) of the total considered 'Pay' as the defining factor that brought about employee resignations and terminations. However, while 20% representing 50.0% of female respondents viewed 'Management style' as the cause of turnover, the remaining 20% which also represents 33.3% of males mentioned 'Lack of training' as the reason for turnover problems. These figures as they appear on Table 20 reveal that all the three reasons have the tendency to either motivate

or demoralize staff depending on their direction. However, pay stood out as the major turnover determinant among the three reasons. Further, the HR managers by their responses have acknowledged that pay rise, good management style or effective staff training and development tend to put off turnover intentions among employees. It therefore followed that employees were always sensitive to things that affected their working life as well as personal wellbeing, and if they considered their working environment as satisfactory then the zeal to die for company was evoked and vice versa. Employees are rational and therefore respond to stimuli appropriately either to the benefit or detriment of their organizations, and employees of the LBCs in Bia were not different.

Table 21 analyses HR managers' impression of level of motivation among the LBCs thereby indicating how both males and females perceived it. Consequently, while 20.0% of the respondents representing 50.0% of the females described motivation as 'low' the remainder of 80% (100.0% males 50.0%) viewed it to be 'high' in their LBCs. This means employees were being motivated to an appreciable level. Also, it is common knowledge that every employee wishes to be motivated so they could reciprocate with performance in line with Asare-Bediako (2002) assertion that employees offer performance while organizations offer rewards.

**Table 21: Human resource managers' views on level of motivation**

Views on level of Motivation	Sex					
	Male		Female		Total	
	No	%	No	%	No	%
Low	0	.0	1	50.0	1	20.0

High	3	100.0	1	50.0	4	80.0
Total	3	100.0	2	100.0	5	100.0

Source: Field survey, 2009

Therefore, since as much as 80% of the HR managers of the Bia LBCs contended that motivation was high in their organizations it became imperative that its impact on turnover is evaluated to determine the benefit being derived thereon. Low motivation level therefore had the tendency to develop turnover intention that will eventually result in labour turnover among the employees of the LBCs operating in Bia. It is therefore heartwarming that the level of motivation as described above was consistent with that of the field respondents pointed out earlier in this chapter. This means both the field respondents and the HR managers were to some extent satisfied with the level of motivation.

Table 22 provides details of how the HR managers assess salary and fringe benefits on offer to employees among the LBCs.

**Table 22: Human resource managers' ratings for salary and other fringe benefits**

Ratings for Salary and Fringe Benefits	Sex					
	Male		Female		Total	
	No	%	No	%	No	%
Unsatisfactory	0	.0	1	50.0	1	20.0
Satisfactory	3	100.0	1	50.0	4	80.0
Total	3	100.0	2	100.0	5	100.0

Source: Field survey, 2009

It could be seen that only 20.0% of the respondents described salary and fringe benefits among the LBCs as ‘Unsatisfactory’ while the remaining 80.0% advocated for ‘Satisfactory’. But this figure (20.0%) also represents 50.0% of the female respondents while the 80.0% is made up of 100.0% of the males and 50.0% of females respectively. Further, with 80.0% of respondents rating their salary and benefits as satisfactory was an indication that from HR managers’ perspective, the level of salary and fringe benefits did not affect labour turnover among the Bia LBCs so much. This therefore confirms Lewis (1983) view that interpersonal outcomes such as satisfactory treatment by a supervisor, more strongly predict job satisfaction than tangible outcomes such as pay and promotion.

Obviously, once 80.0% of the HR managers have earlier in this chapter indicated that motivation level was high among their LBCs it is not surprising the same trend emerged in the assessment of salary and fringe benefits. Therefore, if these benefits of employees were overwhelmingly satisfactory as pointed out by the HR managers then it is hoped that turnover problems of the LBCs operating in Bia would reduce. This is because, here again, the field respondents’ view of salary and fringe benefits was not consistent with those of their senior counterparts (HR managers).

Table 23 shows HR managers’ analysis of how often employees lose or leave their jobs among the LBCs.

**Table 23: Human resource managers’ perception of how frequent employees leave or lose their jobs**

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How frequent employees leave or lose	Sex
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their Jobs	Male		Female		Total	
	No	%	No	%	No	%
Not often	2	66.7	1	50.0	3	60.0
Often	1	33.3	1	50.0	2	40.0
Total	3	100.0	2	100.0	5	100.0

Source: Field survey, 2009

In response to how frequent employees leave or lose their jobs, 60% of the HR managers indicated the incidence of employee losing or leaving jobs as 'Not often', whereas 40% viewed its occurrence to be 'Often' as depicted on Table 23. The statistics further reveal that more males (66.7%) than female (50.0%) respondents indicated 'Not often'. This signified the fact that from male HR managers perspective turnover was stable among the LBCs while their female counterparts thought of an even situation.

Also, while 33.3% of male respondents described the occurrence as 'Often', it is 50.0% of females who came out with the same response to once again confirm the different perceptions both gender had about the issue. It is therefore clear that a major proportion of the HR managers believed employee turnover was modest in their various LBCs operating in Bia, though this seemed incongruent with the field responses analysed earlier in this chapter. This is because the field survey rather suggested an unstable labour turnover situation among the employees of the LBCs operating in the Bia District. Perhaps the HR managers were only basking in their own confidence that all was well, which might not necessarily be the situation on the field.

Finally, Table 24 analyses measures being adopted by HR managers to help reduce the incidence of employee labour turnover in their individual

LBCs.

**Table 24: Human resource managers' suggested measures to improve Labour Turnover**

Suggested Measures to Improve Labour Turnover	Sex					
	Male		Female		Total	
	No	%	No	%	No	%
Frequent monitoring of D. O's	0	.0	1	50.0	1	20.0
Improvement of benefits	0	.0	1	50.0	1	20.0
Improvement of salaries	1	33.3	0	.0	1	20.0
Rationalization of salaries	1	33.3	0	.0	1	20.0
Stable turnover measures	1	33.3	0	.0	1	20.0
<b>Total</b>	<b>3</b>	<b>100.0*</b>	<b>2</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>

Source: Field survey, 2009

\*Approximated figure.

As a result, five separate but related suggestions were outlined by the respondents to help bring down the seemingly unstable labour turnover situation in their companies. Therefore, while the female respondents (20.0% + 20.0% = 40.0%) suggested 'Frequent monitoring of District Managers (DMs)' and 'Improvement of benefits', their male counterparts (20.0% + 20.0% + 20.0% = 60.0%) also suggest 'Improvement of salaries',

‘Rationalization of salaries’ and ‘Other stable turnover measures’. Impliedly, the fact that each of the respondents except 50.0% of the females appeared to appeal for improvements in salary and other benefits was an indication that employees were not pleased with their conditions of service.

Moreover, the foregoing figures show that 80% of the managers thought of specific measures which they would use to deal with the situation at their own level. Even the 20.0% of the respondents who were not very specific demonstrated some will to deal with the situation on hand. Also, the fact that all the HR manager respondents came out with suggestions was an indication that they really appreciated the need to improve upon their employee labour turnover situation even if they did not expressly admit its urgency in their respective LBCs. And since there is always a room for improvement and the need for measures to better the state of affairs for the LBCs in the Bia District in the area of employee turnover cannot be overemphasized.

In summary, this chapter dealt with the data received from respondents based on carefully designed research instruments in the form of questionnaires and interviews in line with the research questions and specific objectives for the study. For the purpose of clarity and consistency the data analysis was divided into two folds, the first section taking care of the field data and the second part dealing with responses from the HR managers. Accordingly, analysis was done on respondents’ personal data, reasons and perception of labour turnover, conditions of service, job security, motivation, job satisfaction and measures to improve labour turnover among the LBCs operating in the Bia District.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **Introduction**

This chapter being the final chapter of the study contains the findings obtained from the study. Its purpose is therefore to outline and highlight the inferences that could be drawn from these findings. Also, since the study was necessitated by the researcher's quest to delve into labour turnover issues in the cocoa industry in the Bia District, it is imperative that the outcome and its implications be given prominence as integral part of the study in order to help improve upon the status quo in the District. As a result, the composition of this chapter is based on the relevant issues to be dealt with, which are the summary of findings, conclusion, recommendations, and also limitations as well as suggestions for further research.

## **Summary**

The findings obtained from the study generally indicate high rates of labour turnover among the five companies that participated in the study. This was evident since out of the 45 field respondents 57.8% perceived labour turnover as 'High' as against 42.2% who described it to as 'Low'. This is however in contrast with the perception of the five HR manager respondents as only 20% of them described turnover as ' High' with the remaining 80% perceiving it as 'Low'. Obviously these trends of turnover rates among the LBCs could not have existed without underlying causes or reasons. In other words, the rates of turnover whether low or high represent or are indicative of the existence of certain fundamental phenomena or observable facts, either positive or negative prevailing in these organizations operating in the cocoa industry in the Bia District.

Accordingly, reasons accounting for high rates of labour turnover among the LBCs operating in Bia include low salary levels, mismanagement, pre-financing of cocoa buying monies to farmers, desire for further studies and poor performance. The rest are ineffective staff welfare systems, shortage in cocoa supply, lack of promotion, inadequate training and motivation and unsatisfactory working conditions.

Also, considering age in relation to turnover it was realized that younger employees tend to perceive its prevalence as higher compared to older employees who viewed it as low among the LBCs, which also gives credence to Ryan (1996) assertion that turnover among the aged nearing retirement tends to be relatively low so they could merit their entitlement and benefits. In terms of sex of the respondents, both males and females perceived turnover as high among their LBCs operating in Bia, albeit a few exceptions

on the part of the males. Moreover, married employees tend to have relatively low turnover than their unmarried counterparts, and this is in line with Lewis (1983) findings that some respondents claimed they could not leave their jobs in search of others because of family responsibilities.

It was also noted that employees with higher educational qualification have the tendency to leave their jobs more frequently than their lowly qualified counterparts, because comparatively it is easier for them to find jobs elsewhere. This confirms Robbins (1988) assertion that skilled employees tend to have higher turnover rate than unskilled employees. Additionally, turnover is high even among the longer-serving employees of the LBCs in Bia contrary to Ryan (1996) conclusion that the highest rate of turnover tends to be among those who have recently joined a business. Further, job expectations of most employees of the Bia LBCs have not been met by their employers, and efforts being made in that direction still appear to be below what is expected. Hence, salary and fringe benefits of both large-size and medium- size LBCs employees are unsatisfactory. In the same vein both categories of LBCs do not grant their employees study leave, though without any justifiable reasons. Therefore, over half of the respondents indicated intention to leave their current jobs for better opportunities elsewhere as more than half of them described their job security as low. Meanwhile, against this backdrop, in assessing own performance majority of the respondents rated themselves very highly which is not surprising though.

Level of motivation therefore among the LBCs is below average, however, employees keep working for their companies mainly because of difficulty in searching for jobs elsewhere. Consequently, in the long-term

resignations and terminations have negative impacts on the operations and image of the LBCs operating in the Bia District. Thus, both large-size and medium-size LBCs have their fair share of the turnover problem in Bia.

Interestingly however, the HR managers generally rated the level of salary and fringe benefits, motivation and job security among the LBCs higher compared to what the field staff stated. Also, there was a unanimous response from the HR managers that there is no unwarranted interference from their top management hierarchies in the formulation and implementation of HR policies. They further contend that labour turnover problem in the cocoa industry in Bia is related to the high financial risk nature of the industry rather than being considered as something emanating from the LBCs. Finally, the HR managers pointed out certain measures that if put in place will help minimize labour turnover problems in the Bia District among the LBCs. These according to them include improvement in salaries and other benefits, effective staff training, granting of study leave, promotion, effective staff welfare and frequent monitoring of field staff, especially district managers.

## **Conclusions**

The researcher also observed the following conclusions from the study:

Firstly, labour turnover tends to be higher among younger employees compared to their older counterparts, especially those nearing retirement so they could merit their entitlement and benefits. Also, turnover is more prevalent among male employees than females though slightly. Moreover, married employees have relatively low turnover than the unmarried, probably because they could not leave their jobs in search for others because of family

responsibilities. Finally, it was realized that educational qualifications of the purchasing clerks in the District were predominantly MSLC/JSS, with a few having SSSCE or O'level. However, those of the regional/area/sector/district managers, accounts officers and depot keepers were made up of SSSCE/O'level, A'level, diploma and university degree. As a result, the highly educated employees are likely to leave their jobs more often than those with low qualification, because comparatively it is easier for them to find jobs elsewhere. Hence, skilled employees tend to have higher turnover rate than their unskilled counterparts.

Secondly, it came to light that low salary levels, losses/shortages in cocoa stocks, poor performance, management style, non-promotion of deserving staff, lack of training and development as well as other unsatisfactory working conditions were the leading reasons why employees lose or leave their jobs among the Bia LBCs. High financial risk nature of the industry is also largely responsible for the labour turnover problem in the cocoa industry in Bia. Additionally, none of the LBCs in the Bia District has any HR policy on study leave, hence employees of both large-size and medium-size LBCs are not granted study leave to enable them further their education. This eventually affects employees' job security and the level of motivation adversely and therefore adds to the labour turnover problem. Generally, the LBCs operating in Bia have not been able to meet job expectations of their employees, meanwhile, attempts at rectifying the situation have not been good enough.

Further, it has been established that resignations and terminations have negative impact on the image as well as the operations of the LBCs operating in the Bia District. In this vein some LBCs are renowned for rampant change



of employees. Thus, the public in general, and employees in particular view these organizations as not safe for prospective employees. Also, employee loyalty and commitment reduce as they practically cannot envisage any future with their organizations. This job insecurity is evident as more than half of the respondents express intentions to leave their current jobs for better opportunities elsewhere. In addition, the level of motivation among the LBCs is below expectation, however, employees keep working for their companies mainly because of difficulty in searching for other jobs. Output level of employees goes down because they tend not to give of their best at work.

Finally, improvement in salaries and other benefits, effective staff training, granting of study leave, promotion of deserving staff, effective staff welfare and frequent monitoring of field staff will help minimize labour turnover problems in the Bia District among the LBCs. There are other measures which can minimize labour turnover problems in Bia. One of these is vigorous effort by managements of the LBCs to reduce the high financial risk associated with the cocoa industry. Another is increasing employee loyalty and commitment through HR managers' consultation with their managements to formulate sensitive employee-oriented policies. Furthermore, managements of LBCs should have a critical look at issues that have the tendency to result in employee dismissals and resignations.

### **Recommendations**

In line with the findings and conclusions obtained from the study, the following recommendations have been made to help reduce the rate of labour turnover in the cocoa industry in the Bia District:

- The management teams of the LBCs operating in the Bia District should improve salary levels of their employees.
- The managements of the LBCs should also look at their management styles so as to be more professional in discharging their duties to their employees.
- Proper and effective staff training and development as well as advisory programmes should be instituted for employees to avoid poor performance, especially the field staff, for e.g. how to deal with the issue of pre-financing of cocoa buying monies to farmers.
- The LBCs should consider granting study leave for their deserving employees since that forms part of employment benefits in most organizations. They may incorporate signing of bonds to ensure employees return after further studies.
- Motivation level should be improved through promotion of deserving staff and reinforced fringe benefits.
- The management teams of the LBCs in the Bia District should ensure effective staff welfare and also encourage workers' unions.
- The LBCs should promote educational and advisory services for farmers to ensure standard cocoa yield seasonally thereby avoiding shortage in cocoa supply.
- More vigorous efforts should be made towards meeting realistic job expectations of employees.
- Regular or periodic workshops/seminars should be organized to encourage and assure employees of their job security in order to allay their fears and also tone down turnover intentions among them.

- The HR managers of the LBCs operating in Bia should listen to the voices of the field staff instead of basking in their own high assessment of the level of salary and fringe benefits, motivation, job security among others.
- The field staff, especially district managers should be monitored in order to help reduce the high financial risk associated with the cocoa industry in the Bia District which tends to increase the rate of labour turnover.
- Stakeholders in the Ghana cocoa industry which include the government (represented by Cocobod), LBCs, cocoa farmers, employees as well as other agencies should make concerted efforts to ensure working in the industry becomes attractive and also demystify the ‘fear of financial risk’ attached to it.
- Employees should be encouraged to form organized and recognized labour unions to deal with their welfare matters since that will go a long way to preventing them from militating against their managements.
- HR managers should in consultation with their managements formulate sensitive employee-oriented policies in order to win their loyalty and commitment.
- The managements of LBCs should strive to reduce the frequency of dismissals and termination of employees’ appointments since they negatively affect employee loyalty and commitment to the organization.

### **Limitations of the study**

The researcher had wished to widen the scope as well as the area of the study but was constrained by inadequate resources in the form of time and

finance to carry out such a large scale research. For instance, it was not possible at the time to undertake the study involving the over 27 registered LBCs operating in all the cocoa growing areas in Ghana, hence Bia District was chosen as a case study. Also, there are other agencies in the Ghana cocoa industry such as the Quality Control Division of the Ghana Cocobod, Cocoa Service Division and Cocoa Marketing Company, which the researcher could not include in this study as he was limited by time and availability of funds.

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## **APPENDICES**

### **APPENDIX A**

I am conducting a research into labour turnover in the Ghanaian Cocoa Industry: The Case of Licensed Buying Companies (L.B.C.s) operating in the Bia District in the Western Region. The objective is to ascertain the causes, effects, rates and possible remedial measures of employee turnover among these L.B.C.s in the industry. As a result, you have been selected randomly to give responses to the questions as frankly and honestly as possible. Further, I wish to state that your responses would be strictly confidential. You are therefore humbly requested to choose the right responses from answers lettered 'a' to 'f' or write in the spaces provided where appropriate. Thanks for your time and co-operation.

### **QUESTIONNAIRE FOR SECTOR/DISTRICT MANAGERS, ACCOUNT OFFICERS AND DEPOT KEEPERS**

#### **A. Personal Data and Job History**

1. How old are you? ..... years old.
2. Gender    a. Male    b. Female

- 3. Marital status      a. Married      b. Single
- 4. What is your educational qualification?   a. O 'level/SSSCE   b. A' level   c.  
Diploma   d.1<sup>st</sup> Degree   e.2<sup>nd</sup> Degree   f. Other (specify).....
- 5. How would you classify/categorize your organization?  
a. Large size    b. Medium size    c. Small size
- 6. How many L.B.Cs. have you worked for before joining the present one?.....
- 7. How long have you been with this organization?  
.....
- 8. At which position were you employed?  
.....

**B. Employees', functions, working conditions, performance and expectations**

- 1. What is your current position?  
.....
- 2. Have your expectations been met?  
a. Yes    b. No
- 3. How would you rate your organization's effort towards your expectations?  
a. Below average    b. Average    c. Good    d. Very good
- 4. How would you rate your salary and other fringe benefits?  
a. Unsatisfactory    b. Satisfactory    c. Very Satisfactory
- 5. Does your organization grant study leave for deserving employees?  
a. Yes    b. No.    If no, give reason(s).....  
.....
- 6. How would you assess your own performance?  
a. Below average    b. Average    c. Good    d. Very good. Any reason(s)



for your answer?.....  
.....  
.....

**C. Reasons for turnover and employees' perception**

1. Do you have any intension to leave your job for further study?
2. Why do employees lose/leave their jobs in the cocoa industry in the Bia District after a short stint? .....  
.....  
.....
3. What is your perception of labour turnover in your organization?  
a. Low            b. High
4. What do you think is the reason for employees' resignations in your own organization? a. Pay   b. Promotion   c. Management style        d. Lack of training and development opportunities.
5. In your opinion what impact does employee resignations/terminations have on your organization?    a. Positive   b. Negative
6. What keeps you working for your organization?  
a. Pay   b. Promotion   c. Management style   d. Difficulties in securing a job elsewhere.
7. How would you assess the security of your job?  
a. Low   b. High   c. Very high
8. Do you intend to continue working for your organization for a longer period? a. Yes    b. No    c. Cannot tell.
9. What do you think is the level of motivation in your organization?  
a. Very low   b. Low   c. High   d. Very high
10. How do you perceive the management style in your organization?

- a. Good    b. Poor.

11. What suggestions would you want to make to improve the labour turnover situation in your organization?

.....

.....

.....

## APPENDIX B

### QUESTIONNAIRE FOR PURCHASING CLERKS

#### A. Personal Data and Job History

1. How are old are you?                    ..... years old.
2. Gender    a. Male    b. Female
3. Marital status            a. Married    b. Single
4. What is your educational qualification?    a. MSLC/JSS    b. O 'level    .  
     c. SSSCE    d. A' level    e. Diploma    f. Other (specify).....
5. How would you classify/categorize your organization?  
                                  a. Large size    b. Medium size    c. Small size
6. How many L.B.Cs. have you worked for before joining this one?.....
7. How long have you been with this organization?  
     .....
8. At which position were you employed?  
     .....

#### B. Employees', functions, working conditions, performance and expectations

1. What is your current position?

.....

2. Have your expectations been met?
  - a. Yes    b. No
  
3. How would you rate your organization's effort towards your expectations?
  - a. Below average    b. Average    c. Good    d. Very good
  
4. How would you rate your salary and other fringe benefits?
  - a. Unsatisfactory    b. Satisfactory    c. Very Satisfactory
  
5. Does your organization grant study leave for deserving employees?
  - a. Yes    b. No.    If no, give reason(s).....
  - .....
  
6. How would you assess your own performance?
  - a. Below average    b. Average    c. Good    d. Very good. Any reason(s) for your answer?.....
  - .....
  - .....

**C. Reasons for turnover and employees' perception**

1. Do you have any intension to leave your job for further study?
  
2. Why do employees lose/leave their jobs in the cocoa industry in the Bia District after a short stint? .....
- .....
- .....
  
3. What is your perception of labour turnover in your organization?
  - a. Low                    b. High
  
4. What do you think is the reason for employees' resignations in your own organization? a. Pay    b. Promotion    c. Management style                    d. Lack of training and development opportunities.

5. In your opinion what impact does employee resignations/terminations have on your organization? a. Positive b. Negative

6. What keeps you working for your organization?  
a. Pay b. Promotion c. Management style d. Difficulties in securing a job elsewhere.

7. How would you assess the security of your job?  
a. Low b. High c. Very high

8. Do you intend to continue working for your organization for a longer period? a. Yes b. No c. Cannot tell.

9. What do you think is the level of motivation in your organization?  
a. Very low b. Low c. High d. Very high

10. How do you perceive the management style in your organization? a. Good b. Poor.

11. What suggestions would you want to make to improve the labour turnover situation in your organization?

.....  
.....  
.....

**APPENDIX C**

**INTERVIEW QUESTIONS FOR HUMAN RESOURCE MANAGERS**

1. Gender    a. Male    b. Female
  
2. How would you classify/categorize your organization?
  - a. Large size    b. Medium size    c. Small size
  
3. Why do employees lose/leave their jobs in the cocoa industry in the Bia District after a short stint? .....  
.....  
.....
  
4. What is your impression on the level of labour turnover situation in your organization?    a. Low    b. High    c. Very high
  
5. Is there any interference from your Management which influences you in implementing HR policies that may prevent likely labour turnover problems?
  - a. Yes    b. No. If yes, give reasons..........  
.....
  
6. Are labour turnover problems in the cocoa industry related to the high financial risk of the industry?
  - a. Yes    b. No. If yes, a brief explanation.....

.....  
.....

7. What do you think is the reason for employees' resignations/terminations in your own organization in particular? a. Pay b. Promotion c. Management style d. Lack of training and development opportunities.

8. What do you think is the level of motivation in your organization?

a. Very low b. Low c. High d. Very high

9. How would you rate salaries and other fringe benefits in your organization?

a. Unsatisfactory b. Satisfactory c. Very Satisfactory

10. What is your perception of labour turnover in your organization?

a. Low b. High

11. What measures are being put in place to improve the labour turnover situation in your organization?

.....  
.....  
.....