

UNIVERSITY OF CAPE COAST

QUIT INTENTIONS IN THE CUSTOMS DIVISION OF THE GHANA  
REVENUE AUTHORITY

BY

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Dissertation submitted to the Institute for Development Studies of the Faculty of Social Sciences, University of Cape Coast, in partial fulfilment of the requirements for award of Master of Arts Degree in Human Resource Management

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## **DECLARATION**

### **Candidate's Declaration**

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

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### **Supervisors' Declaration**

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

Name: Professor Francis Eric Amuquandoh

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## **ABSTRACT**

This study sought to assess the extent of labour turnover in the Customs Division of the Ghana Revenue Authority and a cross sectional research design was adopted to help achieve the objectives of the study. A questionnaire was designed to collect the data for the study and after the data collection; a sample size of 161 was obtained for the study.

From the outcome of the study showed that there is evidence of both internal and willingness to quit customs division of Ghana Revenue Authority. It was also realised that, a greater percentage of the female officers were more willing to quit the customs' division of Ghana Revenue Authority than their male counterparts.

The study recommended that the customs' division of Ghana Revenue Authority identify and give attractive incentives to officers. Also, management style should not be authoritative, human resource development; working conditions should be improved through quality training and adequate tools for the performing of duties.

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## **DEDICATION**

To my lovely daughter: Gwendolyn Nana Akua Kwakyewaa Mireku

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## LIST OF ACRONYMS

CEPS	Customs Excise and Preventive Service
CI	Confidence Interval
CIPD	Chartered Institute of Personnel and Development
DC	Deputy Commissioner
Df	Degree of freedom
EAP	Economically Active Population
GDP	Gross Domestic Product
GRA	Ghana Revenue Authority
IRS	Internal Revenue Service
KIA	Kotoka International Airport
LTOs	Large Taxpayers Offices
MOFEP	Ministry of Finance and Economic Planning
MTOs	Medium Taxpayers Offices
PNDC	Provisional National Defence Council
RAGB	Revenue Agencies Governing Board
SPSS	Statistical Package for Social Science
STOs	Small Taxpayers Offices
VATS	Value Added Tax Service

## **CHAPTER ONE**

### **INTRODUCTION**

#### **Background of the Study**

Without people, organizations cannot function. Even in highly automated organizations, people are still needed to coordinate and control these equipment to enable them perform effectively. Human beings constitute a major resource without which organizational goals and objectives cannot be achieved. Employees are regarded as investments because organizations invest substantial portions of their time and finances in the process of recruiting, inducting, placing, rewarding, training and developing employees so as to achieve their objectives and that is why the issue of labour turnover is very critical to organizations (Kuria, Ondigi & Wanderi, 2012).

Labour turnover is a major issue for employers all over the world, as employees constitutes a core resource for all businesses, organizations and institutions. The rate at which employees leave an organization is known to affect its productivity, product and service quality, as well as its profitability. The cost of replacing workers is high and finding skilled employees can be difficult if not impossible, while investment in training becomes a waste. It has been noted as one of the major problems facing industries in Europe, North America, Africa and

Asia, (Barnett, 1995; Chang, 1996; Syrett, 1994). In Ghana, labour turnover is very prevalent in all sectors of the economy such as the health sector, the educational sector, the mining sector and the public service including the Customs Division of the Ghana Revenue Authority.

Labour turnover is a phenomenon that dates back to history. Several authorities expressed concern over the high rates of labour turnover in the early part of the century and conducted studies to understand its causes and consequences (Douglas, 1988; Leschohier, 1923; Slichter, 1921). Most of these studies focused on the irregularity of labour demand which resulted in seasonal and cyclical lay-offs.

High labour turnover can be harmful to an organization's productivity if skilled workers are often leaving and the worker population contains a high percentage of novice workers. It can also be costly in terms of additional recruitment expenses, increased cost of training to replace employees, loss of know-how and customer goodwill, potential loss of sales and low morale among remaining staff. Generally, high labour turnover results in a poorly skilled workforce because employees may leave once they are trained and consequently more valuable to the organization.

Low Labour turnover on the other hand, can also be dysfunctional since it may lead to a static or depressed internal labour market and inhibit the entry of new blood into the organization. Some departure from the organization such as retirements can be planned, but it is the unplanned and unforeseen departure that is often problematic. It is important to stress that a certain amount of turnover is expected, unavoidable and considered beneficial to the organization. New

employees may inject fresh blood into the firm by introducing new ideas, methods and innovative and more effective ways of doing things. In addition, turnover may help rectify poor hiring and placement decisions. Such turnover is referred to as functional turnover. Thus, some turnover renews a stagnating organization. If an organization is said to have high turnover relative to its competitors, it means that employees of that company have a shorter average tenure than those of other companies in the same industry. When employees leave an organization, that organization is robbed of its most prized asset. It is therefore important for an organization to retain its staff in order to achieve its objectives.

Ruby (2002) classified labour turnover into internal and external. While the internal turnover involves employees leaving their current positions and taking new ones within the same organization, the external turnover involves workers leaving the organization to take up jobs in other organizations. Human resource practitioners differentiate between voluntary turnover which is initiated by an employee and involuntary turnover which is at the instance where the employee has no choice in his/her termination as it is caused by long-term sickness, death, relocating to a different country or employer-initiated termination such as redundancies and lay-offs.

Labour turnover is a significant challenge for human resource management strategies and organizational performance. This study, therefore, seeks to identify the nature and extent of labour turnover in the Customs Division of the GRA between the years 2005 to 2011. The study will also look at the

interventions put in place by the Division to reduce the rates of labour turnover of staff.

The Customs Division of the GRA formerly known as the Customs, Excise and Preventive Service (CEPS), is one of the most important state organizations in the country because it collects over 55 per cent of total tax revenue which is used to finance government expenditure and development projects in the health, education, sports, housing and transport sectors among others. It was established in 1839 and has performed several functions through the years as a Civil Service Department until 1986 when it became an autonomous institution under the PNDC Law 330, 1993 (Ghana Revenue Authority Annual Diary, 2012). Under the law, the Division is tasked to collect the unstated taxes: Import Duty, Import VAT, Export Duty, Petroleum Taxes, Import Excise and other levies. The taxes collected are paid directly into the Consolidated Fund. The Customs Division also ensures the protection of the revenue by preventing smuggling. This is done by physically patrolling the borders and other strategic points, examination of goods and search of premises as well as documents relating to these goods. As a frontline institution at the country's frontiers, it also plays a key role in surmounting external aggression and maintains the territorial integrity of Ghana (Ghana Revenue Authority Annual Diary, 2012).

In addition to these functions, the Division also performs agency duties on behalf of other government organizations and ministries by seeing to the enforcement of laws on import and export restrictions and prohibitions. Consequently, on an annual basis, the Government of Ghana through the Ministry of Finance and Economic Planning (MOFEP) sets annual targets for the Ghana



Revenue Authority as to the total amount of tax revenue to be collected by the end of every year. The factors that determine the quantum of the annual target are tax policies emanating from the Customs Division, the rate of expected growth of gross domestic product (GDP), level of imports, tariff rates to be increased, commodities to be excluded from tax (exemptions) as well as exchange and inflation rates among others. The collective target for the GRA for 2011 is GHC 7,531.06 million out of which the Customs Division alone is expected to collect about 40 per cent of that amount. The main objective of the Customs Division, therefore, is to endeavour to collect so much not only to meet but exceed this annual target so that bonuses will be paid to staff (Ghana Revenue Authority Annual Diary, 2012).

The success or failure of the Customs Division depends largely on its ability to meet its target for the year which is influenced by the quality and quantity of its human resource since organizations work with and through people to achieve organizational goals. The human resources of the Customs Division constitutes its most valued asset by way of their knowledge, skills, competences, attitude and behaviours which tend to influence productivity either negatively or positively. It is against this background that the Customs Division must endeavour to ensure that it has available human resources at the right time, right place and in right numbers to enable it achieve its objectives (Ghana Revenue Authority Annual Diary, 2012).

In Ghana recent estimates suggest that projected labour supply is expected to increase from 10.1 million in 2000 to 12.8 million by 2009. Thus with an estimated growth rate of 2.7 percent per annum, the correspondent supply of

incremental labour to Ghana's labour market is expected to be about 350,000 per annum over the forecast period. The demand for labour emanates from both the private and government sectors. Generally, the economically active population (EAP) comprises the employed (those who work and those who had jobs but did not work) and the unemployed (those who are without work, are currently available for work and are seeking work during a defined period). The key source of demand for labour emanates from the productive sectors of the economy, namely, agriculture, industry and service, both public and private. But public sector employment has dwindled over the period due to its policies of retrenchment and redeployment. Formal private sector employment opportunities have also contracted. Currently the bulk of employment comes from informal sector activities whose productivity and sustainability pose major developmental challenges to the country (The Ministry of Manpower, Youth and Employment, Working Paper).

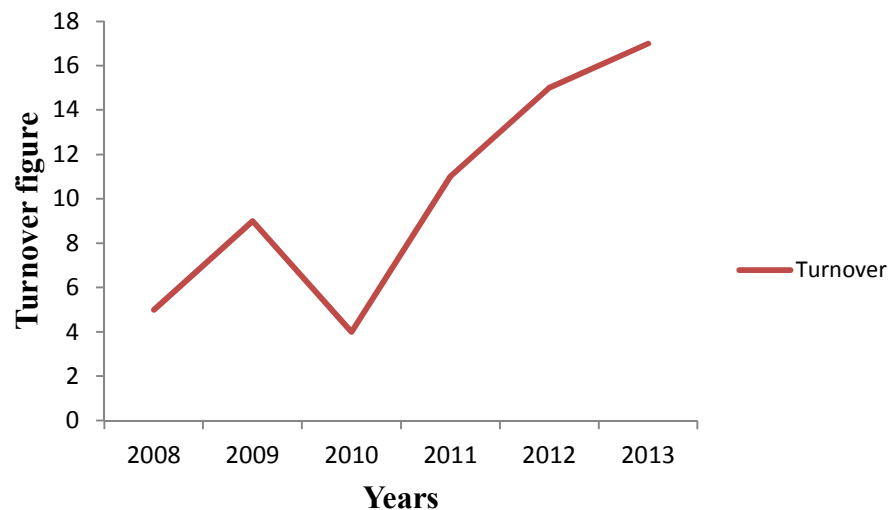
### **Statement of Problem**

Labour turnover seems to be one of the numerous problems that the Customs Division of the GRA is faced with. Labour turnover deprives the Division of the much needed human resource that is central to the achievement of the organization's annual target. The Customs Division also has the mandate to provide agency duties for other government organizations. This requires knowledgeable and experienced staff to perform these duties.

The Division seems to have identified its human resource requirements and has therefore over the years consistently embarked on massive recruitment

drives for the much needed skilled human resource. Most of these personnel are products of the country's tertiary and professional institutions. Additionally, the Division spends billions of Ghana cedis each year on training and developing its employees who work in these thirteen collections as a way of improving upon the quality of the personnel to enable them collect the much needed revenue for government to undertake its developmental projects in the country.

However, after such heavy investments in the human resources, they leave the Customs Division for other jobs. Such movements serve as a drain on the scarce resources of the Division since the knowledge, skills and experiences of these employees are no longer available to be utilized by the organization. A situation, which reflects the declining revenue being collected by the Division in recent years. Figure 1 below shows the trend in labour turnover six years (2008-2013)



**Figure1: Trend in Labour Turnover in GRA**

Source: Generated from field data (2013) using Excel 2010.

It is evident from the figure that between 2008 and 2010 there has been a rise and fall in the turnover figures but after 2010 the turnover figures have been raising and this shows a worrying trend.

With increasing government expenditure and its attendant increased demand for tax revenue, the depletion of the human resources in terms of quality and quantity of the Customs Division of the GRA makes it ineffective in mobilizing the much needed tax revenue for the government to undertake developmental projects. The causes of the turnover are not known which therefore calls for a thorough study into the causes and recommendations made to address the problem.

### **Objectives of the Study**

The main objective of the study is to assess the possible causes of labour turnover in the Customs Division of the Ghana Revenue Authority. The specific objectives of the study are to:

- describe the nature of labour turnover in the Customs Division
- explore how labour turnover varies across socio-demographic characteristics;
- assess the causes of labour turnover in the Customs Division and;
- determine ways to improve staff retention in the organization

### **Research Questions**

The study will attempt to answer the questions listed below.

- What is the nature and extent of labour turnover in the Customs Division of the Ghana Revenue Authority?
- What are the causes of turnover in the Customs Division?
- Does labour turnover vary across socio demographic characteristics?
- What can the Customs Division of the Ghana Revenue Authority do to retain its staff?

### **Justification of the Study**

The study will contribute to identifying the nature of labour turnover facing the Customs Division of the Ghana Revenue Authority. Additionally, it will also draw the attention of the general public and policy makers to the causes of labour turnover in the Division.

The study will further identify policy implications of the phenomenon and offer suggestions for addressing the problem. This would contribute substantially to the existing knowledge in the area of labour turnover in general and specifically in the Customs Division of the GRA which could serve as a basis for future decision-making.

### **Organization of the Study**

The study is organized into five (5) main chapters with each chapter further divided into sections and sub-sections. The first chapter contains the background of the study, statement of the problem, research questions, research objectives, the significance or justification of the study. Chapter two provides a review of related literature on labour turnover and conceptual framework that

informs the study. Chapter three deals with the research methodology in general and specifically deals with the description of the study area, design of the study, sampling techniques, measurement of variables, data gathering instruments, methods of analysis as well as research constraints. Chapter four deals with the presentation and discussion of findings and the final chapter provides the summary and contributions of the study. It also gives suggestions and recommendations for future study.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **Introduction**

This chapter deals with some of the relevant literature on labour turnover and other related issues. It covers issues such as definitions of labour turnover, types, forms, measurement of labour turnover, major causes of labour turnover, effects of labour turnover, staff retention strategies and the conceptual framework.

#### **Definitions of Labour Turnover**

Employee turnover, also called labour turnover is defined by the Oxford Advanced Learners Dictionary (2000) as the rate at which employees leave a factory, company, etc and are replaced. Other writers such as Appleby (1994) refer to labour turnover as the measurement of the number of employees leaving a company. Augustine (1995) also refers to labour turnover as the termination of employees' appointment and the hiring of new employees to replace them.

Similarly, Adansi (1989) also defines the concept of labour turnover as the name given to the ratio of staff leaving an organization to the average number of full time staff in the organization over a given period of time often one year. According to him, it is a comparison between those leaving the organization and

the average number of full time employees retained over a specified period of one year.

In a sharp contrast, Lewis (1993) defines labour turnover as a separation from the job or an alienation or withdrawal from an organization. Abbasi and Hollman (2000) also defined the concept of labour turnover as the rotation of workers around the labour market, between firms, jobs and occupation, and between the state of employment and unemployment.

Similarly, Pilbeam and Corbridge (2006) indicated that although labour turnover is a measure of the rate at which employees leave the organization, labour turnover is needed not only as a measure of organizational wastage as a whole, but also, and more significantly, to identify areas of concern. A total wastage figure will provide an indication of attrition within the organization as a whole, which is important for benchmarking. On his part, Cole (1997) defined labour turnover as a common index of labour performance used in organizations as it provides information about the ratio of leavers to the average numbers employed during the course of a year.

### **Types of Labour Turnover**

Human Resource researchers have identified two types of leavers within an organization. These are voluntary and involuntary leavers (CIPD, 2000). The voluntary leavers are employees who leave on their own volition. They either leave to pursue further studies or to join other organizations where they might obtain job satisfaction. It could also be as a result of relocation, family problems, marital issues, (Carstein & Spector, 1987). Involuntary leavers are literally forced



out of the organization for various reasons including emotional instability or mental health, addictions, and substance abuse

Voluntary turnover is classified into two: functional and dysfunctional. Functional labour turnover is where the employees' departure become beneficial to the organization, while the dysfunctional type is where the organization would like to retain the departing employee. Dysfunctional turnover usually involves high performers who are difficult to replace in the organization (Carstein & Spector, 1987). Typically only workers who have alternative employment opportunities consider leaving and it is the best employees who have the most opportunities.

According to Cole (1997), involuntary leavers may fall into any of these four categories:

- Ill-health: This is a situation where employees are laid off on the grounds of ill-health. Such unfortunate employees may or may not be given any form of monetary compensation by the organization. Ill-health may also result from accident on the job in which case the affected employee is compensated, In Ghana, employees are protected against arbitrary dismissals on grounds of ill-health under Section 50 of the Labour Act (Act 651, 2003).
- Retirement: These are people who have worked successfully and have attained their statutory retirement age. However, some people chose to retire earlier; their reason can be due to ill health or the desire to enter into private practice. In the Civil Service, the statutory retirement age is sixty (60) years for males and fifty-five (55) years for females.

- Redundancy: This is where employees are employed on work which is no longer required; a firm may dismiss these employees and pay a minimum severance payment to them.
- Dismissals: This is where the services of an employee are dispensed off on the grounds of serious or gross misconduct. Dismissals are carried out to ensure discipline at the workplace for which every organization needs to have proper procedures.

### **Forms of Labour Turnover**

According to Grobler and Warnich (2005), internal labour turnover takes place through movements of employees from one department to another and this is usually done through promotions, demotions and transfers. External labour turnover, on the other hand, involves movements of employees from one organization to another organization.

### **Measurement of Labour Turnover**

Different measures of labour turnover are available and it is important to be consistent in the measures used and it is also necessary to know what measures other organizations are using if benchmarking comparisons are to be made. Most organizations simply track their crude turnover rates on month by month or year by year basis. The formula is simply:

$$\text{Turnover Rate} = \frac{\text{Total number of leavers}}{\text{Average total number employed over that period}} \times 100 \quad (1)$$

According to Armstrong (2007), there are a number of methods to measure labour turnover and these are the labour turnover index, the survival rate and the stability index.

The labour turnover index is sometimes referred to as the employee or labour wastage index is the traditional formula for measuring wastage. It has been described by the CIPD (2000) as the crude wastage method. It is calculated as:

$$\text{Labour Turnover Index} = \frac{\text{Number of leavers in a specified period usually 1 year}}{\text{Average number of employees during the same period}} \times 100 \quad (2)$$

This method is commonly used because it is easy to calculate and to understand. For human resource planning purposes, it is a simple matter to work out that if a company wants to increase its workforce by 50 people from 150 to 200, and the labour turnover rate is 20 per cent (leading to a loss of 30 people), then if this continues, the company would have to recruit 90 employees during the following year in order to increase and to hold the workforce at 200 in that year (50 extra employees, plus 40 to replace the 20 per cent wastage of the average 200 employees employed).

Armstrong indicated that the stability index is considered by many to be an improvement on the turnover index. This formula is:

$$\text{Stability Index} = \frac{\text{Number with 1 year's service or more}}{\text{Number employed 1 year ago}} \times 100 \quad (3)$$

On the choice of measurement, Armstrong concluded that it is difficult to avoid using the conventional employee (labour) turnover index as the easiest and

most familiar of all methods of measurement, but it needs to be supplemented with some measure of stability. An analysis of turnover or wastage as part of a human resource planning exercise requires detailed information on the length of service of leavers, to identify problem areas and to provide a foundation for supply forecasts.

The additional methods identified by Pilbeam and Corbridge (2006) include the transition and the central methods. The transition method is a useful forecasting measure and it compares the number of employees at post at the start of a period and the number of that group that leave during the period. It does not take account of other staffs who starts and leave during the period.

$$\text{Transition Rate(\%)} = \frac{\text{Leavers from the group in post at the start}}{\text{Total employees in the group at the start}} \times 100 \quad (4)$$

The central method includes employees who join in the period and relates the total leavers to the average number of employees in a given period.

$$\text{Central Rate(\%)} = \frac{\text{Total Leavers from the group}}{\text{Average number of employees in the group}} \times 100 \quad (5)$$

These two measures give different results and when compared can indicate if employees are leaving within a short time of being recruited. Workforce stability can also be measured through calculating the percentage of employees with certain lengths of service- one, two or five years, for example. This is a reflection of accumulated knowledge, skill and experience. (Pilbeam & Corbridge, 2006)

Grobler (2006) gave three different forms of labour turnover computations. The formulae for these measures are:

$$\text{Total Separation Rate}(\%) = \frac{\text{Separations}}{\text{Average number of employees}} \times 100 \quad (6)$$

$$\text{Resignation Rate}(\%) = \frac{\text{Resignations}}{\text{Average number of employees}} \times 100 \quad (7)$$

$$\text{Avoidable Turnover Rate}(\%) = \frac{\text{Total separations} - \text{Unavoidable separations}}{\text{Average number of employees}} \times 100 \quad (8)$$

According to Cole, (1997) labour turnover provides information about the ratio of leavers to the average numbers employed during the course of a year. It is usually expressed as follows:

$$\frac{\text{Number of employees leaving during the Year}}{\text{Average number employed during the year}} \times 100 \quad (9)$$

### **Measurement of Labour Turnover at the Customs Division of GRA**

The Survival Rate method of measuring labour turnover will be used to analyze labour turnover rates at the Customs Division of the Ghana Revenue Authority. This is because Armstrong (2007) explained that this type of measurement is particularly useful as it measures the proportion of employees engaged within a certain period who will remain with the Division after so many months or years of service.

### **Major Causes of Labour Turnover**

Berstein (1998) highlighted a number of factors that contributes to labour turnover. Some of which include the following: higher paying job, the reward

system, personal and trait-based factors, the strength of leadership, the ability of the organization to elicit a sense of commitment on the part of workers, and its development of a sense of shared goals and intentions tend to influence turnover rates positively. The CIPD recruitment and retention survey (2009) asked the respondents to identify the reasons why employees leave an organization and the results show that perceived shortcomings in promotion opportunities, developmental career changes, inadequate rewards and lack of training and development are the most frequently cited reasons.

Grobler and Warnich (2005) developed four profiles to describe most employees.

- Turnovers: Highly dissatisfied at work free of external pressures to stay and will quit at the first chance.
- Turn-offs: They dislike the job but stay because of pay, benefits or some other extrinsic job reward.
- Turn-ons: Highly satisfied and motivated at work but may leave if external pressure becomes significant
- Turn-on plus: Highly satisfied and motivated at work and satisfied with the local environment; likely to remain and continue to be productive.

Armstrong (2007) also mentioned the causes of labour turnover to include the following: more pay, better prospects (career move), more security and more opportunity to develop skills. The rest are; better working conditions, poor relationship with colleagues, bullying or harassment and personal reasons like pregnancy, illness, moving away from an area among others. Hackman and

Oldham (1980) are also of the opinion that lack of career opportunities and challenges, dissatisfaction with the job and conflict with management are predictors of high labour turnover.

In a sharp contrast, Philips (1990) stated that the reasons for labour turnover are the attractions of a new job or the prospect of a new job which pulls employees. On other hand, employees are also pushed (due to dissatisfaction in their present jobs) to seek alternative employment. It can also be as a result of both “pull” and “push” factors. Philips mentioned some “push” factors to include a poor relationship with a line manager, lack of training, development and career opportunities, poor recruitment and selection decisions, both on the part of the employee and employer, along with poorly designed or non-existent induction programs.

Philips (1990) concluded by saying that expectations are often raised too high during the recruitment process leading people to compete for and subsequently accept jobs for which they are in truth unsuited for. Organizations do this in order to ensure that they fill their vacancies with sufficient numbers of qualified people as quickly as possible while employees accept this to earn a living. However, over the longer term, the practice is counter-productive as it leads to costly and unavoidable turnover as well as the development of a poor reputation about the organization.

Torrington, Hall and Taylor (2005) also shares the same view and explained that with push factors, the problem is dissatisfaction with the work or the organization, insufficient development opportunities, boredom, ineffective supervision, poor levels of employee involvement in decision-making and straight

forward personality clashes. Pull factors, they explained, present the opposite side of the coin which is the attraction of rival employers who offer higher salary levels, better career development opportunities, the chance to work with particular people and better way of commuting staff to and from work. Torrington, Hall and Taylor (2005) also cited other causes of employee turnover to include outside factors such as people moving away when a spouse or a partner is relocated, the wish to fulfil a long-term ambition to travel, pressures associated with juggling the needs of work and family and illness.

Torrington et al (2005) conducted a research using 200 people on why they left their last jobs. They found a mixture of factors at work in most cases but concluded that as far as voluntary resignations are concerned, push factors were a great deal more prevalent than pull factors and that very few people appear to leave jobs in which they are broadly happy in search of something even better. Instead, the picture is an overwhelming one in which dissatisfied employees seek alternatives because they no longer enjoy working for their current employer.

Interestingly the study from Torrington et al (2005) found relatively few examples of people leaving for financial reasons. Other factors played a much bigger role: Dissatisfaction with the conditions of work, especially hours of work, a perception that they are not being given sufficient career development opportunities and a bad relationship with their immediate supervisors. They concluded that a bad relationship with an immediate supervisor was by far the most commonly mentioned by the interviewees lending support to the often stated point that employees leave their managers and not their organizations.



Pilbeam and Corbridge (2006) also stressed that the 'push' and 'pull' factors are the reasons for leaving an organization. According to them, push factors are those less desirable dimensions of the job or organization that push employees to look for a new employer and may include lower levels of pay, the nature of the supervision, limited potential for progression, lack of training opportunities, limited availability of flexible working or an absence of employee voice mechanisms. Pull factors on the other hand, are those dimensions which are attractive in alternative employers and may include a desirable working environment, a more convenient geographic location, an extensive range of benefits or an employer of choice brand.

### **Effects of Labour Turnover**

According to the CIPD (2009) survey, the effects of labour turnover may be grouped into two broad headings, namely positive and negative. Some of the positive effects include the following; replacing poor performers with more productive employees and this can happen when retirement, resignation, redundancy or death allows the promotion or acquisition of fresh blood into the organization.

Similarly, Torrington et al (2005) gave the following positive effects of labour turnover. According to them, "It is fair to say that organizations need to be rejuvenated with "fresh blood" from time to time if they are to avoid becoming stale and stunted. This is particularly true at senior levels, where new leadership is often required periodically to drive change forward. New faces bring new ideas and experiences which help make organizations more dynamic. Also, they

explained that a degree of turnover helps managers to keep firmer control over labour costs than would otherwise have been the case.

Furthermore, it can be plausibly argued that some employee turnover is functional rather than dysfunctional because it results in the loss of poor performers and their replacement with more effective employees. (Torrington et al, 2005)

On the other hand, the CIPD (2009) survey on when labour turnover becomes problematic came out that labour turnover becomes negative where skills are relatively scarce, and recruitment is costly such that it takes several weeks to fill a vacancy. This is especially true of situations in which you are losing staff to direct competitors or where customers have developed relationships with individual employees.

The major categories of costs to take account of are: administration of the resignation, recruitment costs, selection costs, costs of covering during the period in which there is vacancy, administration of the recruitment and selection process and induction training for the new employee. Many of these costs consist of management or administrative staff time (opportunity costs), but direct costs can also be substantial where advertisements, agencies or assessment centres are used in the recruitment process. More complex approaches to turnover costing give a more accurate and invariably higher estimate of total costs. A widely quoted method involves estimating the relative productivity of new employees during their first weeks or months in a role and that of resigns' during the period of their notice. Less than 3% of the respondents to the CIPD survey were able to provide figures relating to the estimated costs of labour turnover. Based on this small

sample, the average cost per employee was €6,125, rising to £ 9,000 for senior managers or directors.

Similarly, Pilbeam and Corbridge (2006), mentioned some of the costs of labour turnover to include management and administration of voluntary resignations which involves the processing of resignation letters including responding to the letter, notification of payroll, exit interviewing, recruitment for replacements which includes job analysis, review and preparation of job description and person specification, advertising costs as well corresponding with applicants as well as selection of replacements which includes short-listing, administration of the selection process, management and administration time spent in applying the selection methods.

Pilbeam and Corbridge stated that other costs such as administration associated with starting employees such as letters of appointment, drawing up the contract of employment, preparation of a new starter pack, induction of new employees with associated cost such as costs of central, departmental and job-specific induction and training of new employees which includes on-the-job and off-the-job training, mentoring, appraisal, review and monitoring required until the new employee reaches acceptable performance standards as well as cover for the job while positions are unfilled and this includes costs of temporary employees, the administration of the acquisition of temporary workers and the management of the temporary.

In addition to these basic costs, Pilbeam and Corbridge indicated that it is also important to identify organization-specific costs which may be relevant for the particular organization or the post being filled. They continued that indicative

factors which can be considered here are the nature of the business, the contractual obligations and the impact on market share. If the nature of the business requires the provision of a 24/7 service and at any one time a defined number of staff to be fully operational, for instance in the health and residential social services, education and emergency services, they would be no alternative to covering the post either through the allocation of overtime or through incurring the cost associated with acquiring temporary workers. Business deadlines may be contractually applicable and missed deadlines may incur additional costs. An inability to compete effectively due to staff shortages may impact on market share and diminish reputation.

According to Armstrong (2007) the negative effects of labour turnover are loss of input from those leaving before they are replaced in terms of their contribution, output, sales, customer satisfaction and support etc and losses arising from reduced input from new starters until they are fully trained.

Cascio (2000) also come out with these negative effects of labour turnover as increased unemployment insurance costs, public relations costs associated with having a large number of voluntary or involuntary terminations in the community spreading gossip about the organization, in some cases, costs associated with the communication of proprietary trade secrets, procedures and skills to competing organizations, as well as costs associated with the period prior to voluntary termination when workers tend to be less productive and costs of training, including supervisory and co-worker time spent in formal training, as well as the time that the worker in training must spend off the job.

## **Staff Retention Strategies**

The Hay survey (2002) concludes that an important way to nurture good people is to recognize that high achievers require a job that stretches their talents. Investment in training and development to broaden and deepen the skills of their employees provides organizations with the opportunity to be forward thinking and improve retention by taking a long term perspective. The DTI Consultancy survey (2002) indicated that half of the 4000 respondents identified flexible working arrangement as the benefit that they would look for in their next employment with a third saying that they would choose flexible hours rather than a pay increase.

The 2006 Bureau of Labour Studies outlined a number of points to help control the incidence of high labour turnover in organizations. Among them are the provision of a stimulating workplace environment, continual training and development, providing ongoing performance management systems, building strong relationships among co-workers, keeping employees informed and involved in key decisions as well taking time to listen to employees.

Similarly, the CIPD survey of 2005 on improving employee retention recommended that giving prospective employees a realistic job reviews at the recruitment stage, providing line managers with training in people management and development skills, career development and progression for employees, promoting staff when they are due, and where promotions are not feasible, provide sideways moves that vary experience and make the work more interesting. The survey also urged management to avoid the development of a culture of “presenteeism” where people feel obliged to work longer hours than are necessary

simply to impress management. Evaluation of individual commitment should be based on results achieved and not the hours put in. The CIPD 2005 survey therefore entreated employers to provide job security as much as possible to employees. Employees who are made to feel that their jobs are precarious may put a great deal of effort in to impress but they are also likely to be looking for more secure employment at the same time. Security and stability are greatly valued by employees.

Additionally, employers should never discriminate against employees since any perception of unfairness, whatever the reality when seen from a management point of view, is a major cause of voluntary resignations. While the overall level of pay is unlikely to play a major role unless it is below the prevailing market rate. Perceived unfairness in the distribution of rewards is very likely to lead to resignations and the last but not the least, the survey tasked employers to defend their organizations against penetration by head hunters and others seeking to poach their staff. It therefore advised employers to keep their internal e-mail addresses confidential and refuse to do business with organizations which have or might poach their staff or enter into pacts with other employers not to poach one another's staff.

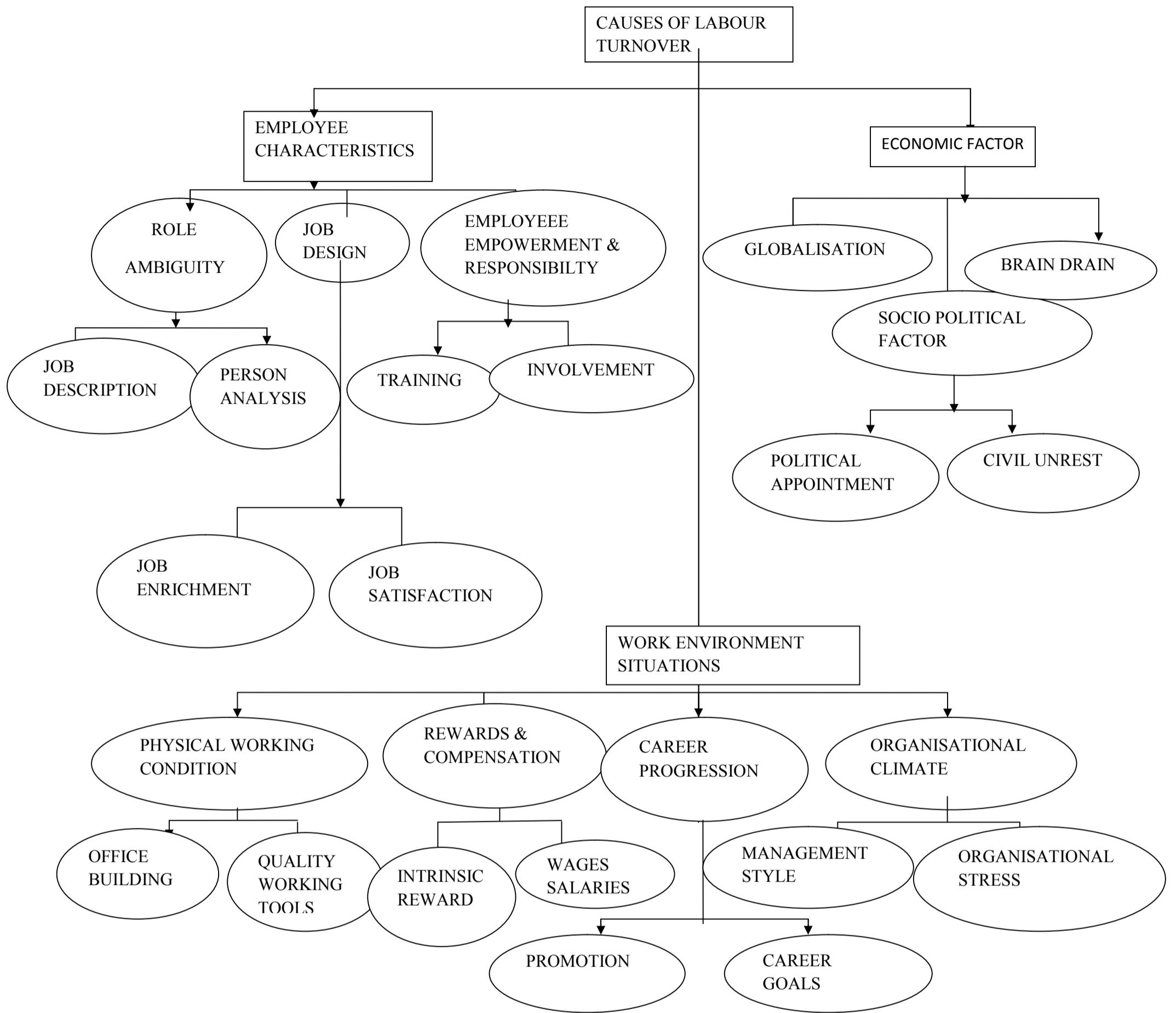
In the same vein, Torrington et al (2005) also came out with some staff retention strategies. According to them, the straight forward answer to the question of how best to retain staff is to provide them with a better deal, in the broadest sense, than they perceive they could not get by working for alternative employers. They explained that there is evidence to show that on the average,

employers who offer the most attractive reward packages have lower attrition rates than those who are paid poorly (Gomez-Meija & Balkin, 1992).

However, it is important to note that even though terms and conditions play a significant role, other factors are often more important in retaining staff. According to Gomez-Meija & Balkin, there is a general consensus among researchers specializing in retention issues is that pay has a role to play as a satisfier, but that it will not usually have an effect when other factors are pushing an individual towards quitting. Raising pay levels may thus result in greater job satisfaction where people are already happy with their work, but it will not deter unhappy employees from leaving (Sturges & Guest, 1999).

According to them, another stage often credited with the reduction of turnover early in the employment relationship is the presence of effective and timely induction. It is very easy to overlook it in the rush to get people into key positions quickly and as such often carried out badly, but it is essential if avoidable early turnover is to be kept to a minimum. Gregg and Wadsworth (1999) showed in their analysis of 870,000 workers starting new jobs in 1992, as many as 17 per cent left within three months and 42 per cent within 12 months. No doubt, a good number of these departures were due either to poorly managed expectations or ineffective inductions.

Labour Force survey statistics by Hom and Griffeth (1995) indicated 33 per cent of women quit jobs to devote more time to their families, a response given by only one per cent of men.



**Figure 2: Causes of Labour Turnover in Customs Division of GRA**

Source: Author's own construct



## **Causes of Labour Turnover in Customs Division**

The major causes of labour turnover in the Customs Division of the GRA can be grouped under three categories as indicated in the diagram above (fig 1). These are employee characteristics, work environment situation and economic factors.

### **Employee Characteristics**

Employee characteristics relate to self-generated factors that influence people to behave in a particular way or more in a particular direction. They are generally intrinsic factors that deal with the content of the job such as the depth of responsibility and empowerment of the employee, their attitudes and opportunities for advancement and the reputation, attractions and challenges of the job. Thus employees are not motivated merely by extrinsic factor such as good pay and benefits and conducive work environment but also harbour the desire to grow and develop professionally by taking on jobs that are challenging.

### **Work Environment**

The work environment is quite broad and refers to the physical working conditions, organizational climate, reward and compensation system, career progression and professional development among others.

### **The Physical Working Environment**

This refers basically to the attractiveness of the office building, the safety of the building, the quality of the working tools, logistics and other facilities. The

physical working environment is able to impact positively or negatively on employees' performance. Most employees respond negatively to extreme environmental conditions such as extreme temperatures, poor lighting and poor sanitation. In the Hawthorne Experiment, increased lighting impacted positively on employee performance.

### **The Social Environment**

This involves the primary sets of people in the organization supervisors, subordinates and clients. Many workers prefer a workplace having friendly environment with an embedded tinge of fun and laughter (CIPD, 2000). Happy workers are considered productive workers. A strained, tedious and boring corporate work environment is the common de-motivating factor for the employees in an organization. Having fun while at work enables an employee to enjoy his work and even make that extra effort or even stretch himself for his job (Lawler, 2008).

### **Reward and Compensation Systems**

Employees receive from the organization inducements in return for contributions made to the organization. Employee compensation is generally of three main forms – pay, incentives and benefits.

Pay refers to the wages and salaries received by an employee, which is the hourly, weekly, monthly or annual remuneration given to employees for their work (contributions). Incentives are other additional forms of rewards such as

commissions and profit sharing. Benefits come in the form of paid leave or vacation, health and other forms of insurance, free medical care and retirement income (Abdulai, 2000). Employees are concerned about the reliability and promptness of the payment schedules of the pay and benefits – where this is absent, it creates a sense of dissatisfaction among employees.

### **Organizational Stress**

According to Cook and Hansaker (2001), stress is the body's psychological, emotional and physiological responses to any demand that is perceived as threatening to a person's well-being. Stress is therefore a personal, subjective reaction to pressure. Organization stress is influenced by many factors including job overloading, a situation where too much is expected from an employee leading to anxiety and depression. Alternatively, job – under loading may also be a source of stress. This may arise from less work on the job, which leads to boredom generated by simple, repetitive jobs that do not mentally challenge the employee. This situation leads to frustration and dissatisfaction.

Role conflict is a source of work related stress. This is the situation where the employee is faced with conflicting job demands or doing things he really does not want to do or does not think are part of the job specification (Smith, Cooper, Cox, Ottaway and Talbot, 1982). Cole (1997) also admits that organization stress leads to undesirable high rate of employee turnover.

## **Career Progression and Professional Development**

In organizations where employees have the opportunities for self – development through formal and informal training, the employees have a feeling of self-fulfilment and satisfaction. Career development is the means by which employees acquire the knowledge, skills and attitudes they require to perform work effectively through direct experience of various situations and by formal training (Tyson & York, 1996). To many employees, especially those in paid employment with ranks and gradations, career development is closely related to promotions.

According to Smith et al, (1982), the career progression for many managers is of overriding importance – by promotion they earn not only money by also status and the new challenges for which they strive. Progress made along the designed career path generates satisfactions among employees and creates a feeling of achievement. Where this situation is non-existent, employees have a feeling of no real future or progression in their jobs and therefore quit. Taking an interest in employee’s careers can also improve morale and have a positive effect on the manner in which employees view their jobs.

## **Economic Factors**

The economic environment is made up of the economic and socio-political conditions of the country. The economic environment is the third major determinant of employee turnover. Employees generally move out of poor and deprived economies to seek greener pastures in the more developed economies. This phenomenon is referred to as brain drain (Mdindela, 2009). One major

problem facing developing economies today is the fact that due to the low wages and salaries paid to their employees, the highly trained professionals and skilled technicians are leaving their shores in droves to look for better job opportunities in the rich developed economies, thus denying them of their services.

### **Globalization**

Economic globalization is a historical process that comes about as a result of human innovation and technological progress. It refers to the increasing integration of economies around the world, particularly through the movement of goods and services and capital across borders (Lim, 2001).

Globalization often appears to be forces of nature, a phenomenon without bonds or alternatives. But people's movements have shown that it is neither unalterable nor inevitable. Citizens all over the – ordinary people from the global North and south – can work together to shape alternate futures, to build a globalization of co-operation, solidarity and respect for our common planetary environment. The number of foreign workers has increased from 78 million people (2.4% of the world population) in 1965 to 191 million people (3.0% of the world population) in 2005 (Lim, 2001).

### **Socio-Political Factors**

The socio-political conditions of the country also determine employee turnover. Society's attitude towards wealth is also an important factor. In most poor economies, the rich and affluent are specially recognized, while poor are looked down. In such situations, the desire to amass wealth becomes paramount to

most employees. They, therefore, move rapidly from one employment to the other in search of better conditions to satisfy their quest for wealth (Mdindela, 2009).

The nature of political authority and the state of stability also influence employee turnover. During dictatorial regimes and periods of civil strife, political conflicts and war, people are compelled to leave their homes and countries for relatively peaceful places. Organizations, communities and countries therefore lose their skilled personnel to other businesses and economies. In the 1990s, a large number of Liberians sought refuge in Ghana as a result of the civil war in that country. An emerging phenomenon in Ghana is that people perceive political position as lucrative and prestigious. Many highly skilled individuals therefore leave their high profile jobs and enter politics.

### **Demographic Factors**

The reviews of literature of demographic factor variables that have been found to have stable relationship with retention and turnover intentions are age, gender, tenure, education and income levels. These have influenced employee retention and turnover overtime. Demographic factors have been chosen because they have an influence on employee retention strategies. Several studies in which demographic factors have been employed to investigate job satisfaction and job attitudes have shown that they are strong predictors of turnover intentions (Furnham et al. 2009; Kavanaugh et al. 2006; Ng and Sorensen 2008; Schroder 2008).

The most studied and the most consistent in its relationship to turnover is the employee's age. This was revealed in a study by Ahuja et al (2007) on the IT industry in India. They found that age had a modest but significant effect on turnover intention. There are different perceptions of job satisfaction and motivation across the age spectrum. In their separate studies on retention of healthcare professionals, they found younger nurses had lower levels of job satisfaction while the older age group of 40 and above had higher levels of job satisfaction (Griffeth et al. 2000; Kavanaugh et al. 2006; Wilson et al. 2008). A meta-analysis by Borman and Dowling (2008) in their study on teacher attrition and retention, they indicated that those who are 51 years of age or older are nearly 2.5 times more likely to quit teaching than teachers who are 50 or younger.

With respect to years of service, Ng and Sorensen (2008) reported that employees with higher tenure may have familiarity with their work role and have reached a higher level of career attainment than those employees with lower tenure. On the other hand, a further study conducted by Kavanaugh et al. (2006) revealed that nurses with different levels of tenure are not motivated to remain with an organization by the same incentives. Moreover, in a study by Crawley (2005) on the military, he reported that women with five to eight years of service are most likely to leave.

A descriptive statistics reported by Luekens et al. (2004) suggests most clearly that retained employees are more likely to be male than female. In a related study, Ingersoll (2001) found males were slightly more likely than females to stay. Aside age and gender, level of education or qualification is found to be

positively associated with turnover suggesting that the more educated employees are, the more likely they are to quit.

With marital status, Crawly (2005) in his study found that for single officers without children, 58 percent of men and 53 percent of women said they intended to remain in uniform. This concludes that married employees have higher intention to leave due to family commitment than unmarried employees.

Higher income levels are significant for employees to be retained. A large number of studies have examined the relationship between pay and retention and have found a consistent association between larger teacher salaries and lower rates of attrition (Kelly, 2004; Stockard and Lehman, 2004; Johnson and Birkeland, 2003; Ingersoll, 2001). In this study, an effort was made to find out if such relationships existed between willingness to quit and variables such as age, sex marital status, and educational attainment.

### **Empirical Literature on Labour Turnover in Ghana**

Pepra-Mensah (2010) analysed nature of employee turnover in the hotel industry in Cape Coast and Elmina, the factors that account for it and probable solutions to the problem stratified sampling procedure was used to select 240 employees and 40 management personnel for the study. Primary data were gathered through the administration of questionnaires. Employing statistical tools like frequencies, means and standard deviation, Chi square, independent sample T-tests, Analysis of Variance and binary logistic regression to analyze the data it was found that the front-office, accommodation and food and beverage were more prone to turnover, dissatisfaction with pay, perceived alternative employment



opportunities, and lack of motivation account for employee turnover in the hotel industry in Cape Coast and Elmina, recognition, reward for a good work done, competitive compensation influence employees' intention to stay with organizations and the educational level of respondents had an effect on intention to quit. As a result of the findings, it is recommended that hotel management put in place effective compensation policies. The study recommends that further research be conducted in the area of managerial turnover and also find the relationship between training and development and employee turnover.

Akuamo (2011) examined the effect of employee turnover on productivity of East Forest Product Limited in Akim Oda. The study design he adopted was across sectional descriptive study and the result shows that there is high turnover rate in the timber industry which was affecting the productivity of the industry and the study recommends that, the organization should involve its employees in decision making. This will get them committed to the organizational goals, and also get to know the state of affairs of the company.

Gyampoh (2012) investigated the effects of teacher turnover on performance of students in Ghana education service in Nifa and Okuapeman senior high schools in Akuapem north district. Doing a comparative study of Nifa and Okuapeman Senior High Schools it was found out that Nifa Senior High School has the highest turnover than Okuapeman Senior high school and that has made the performance of students in Okuapeman higher than Nifa. This is because most of the teachers in Okuapeman have accommodation compared to that of Nifa. It was recommended that the Ministry of Education should endeavour to build more

bungalows for teachers and also increase their salaries and allowances so that teacher will stay in the profession to improve the performance of their students.

Kwarfo (2012) investigate the nature and causes of employee turnover among senior and junior staff of Golden Star Resources Wassa Mines. It aimed at describing the nature and identifying the causes of employee turnover among the senior and junior Staff employees of the company. Using exploratory and descriptive designs, 65 employees comprising 30 senior staff and 35 junior staff employees of the company were selected to participate in the study. The study found, among other things, that the employees were not happy about the rate of employee turnover in the company. Some of the causes of employee turnover were the unsatisfactory wages and salaries in comparison to other firms; job alternatives, job commitment, mismatch between hired labour and regular employees and unhealthy ethics and culture in the organisation and lack of opportunities to pursue higher education. It is accordingly recommended that conditions of service should be improved to prevent resignations in Golden Star Resources Wassa Mines.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

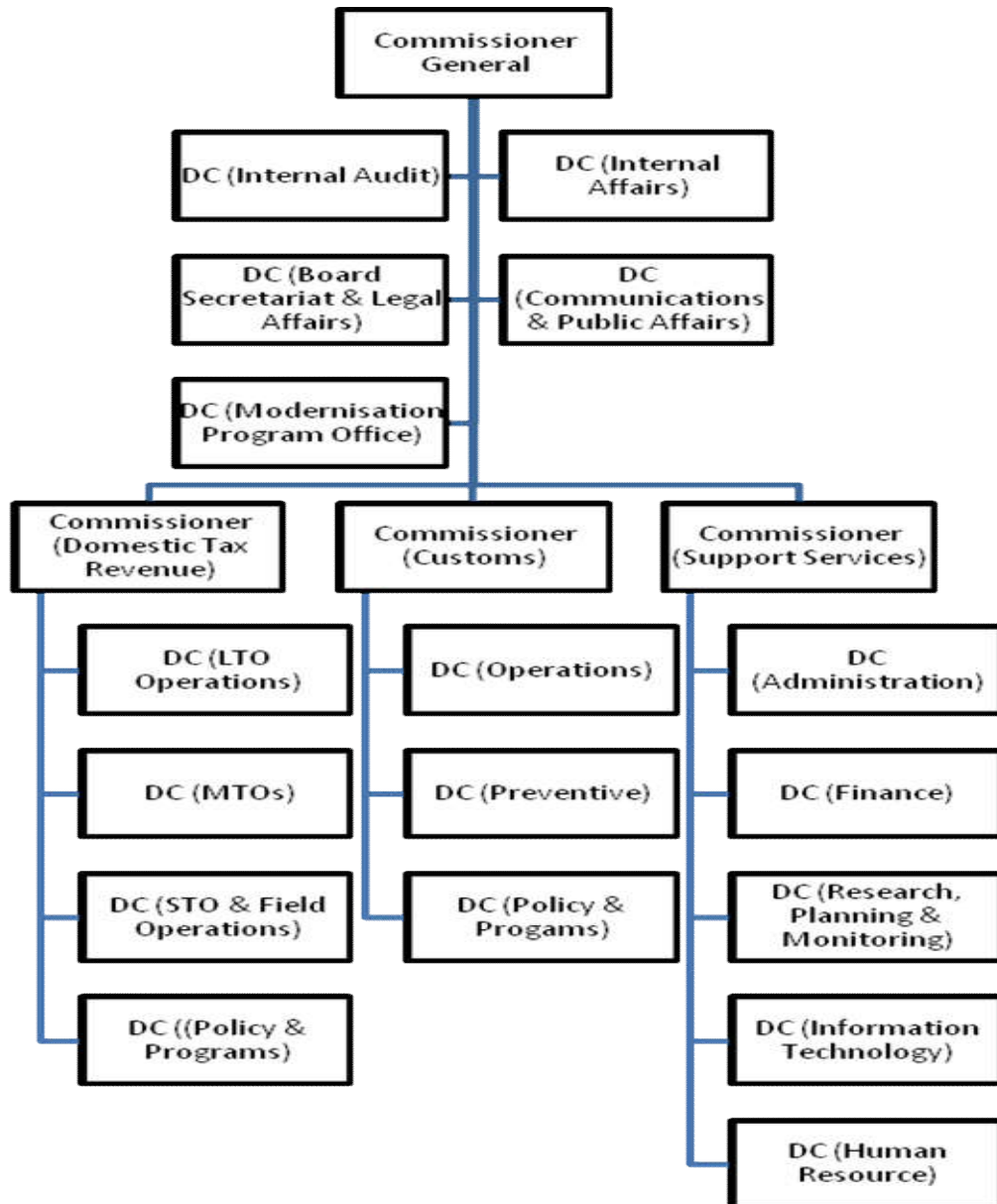
#### **Introduction**

This chapter deals with the methodology of the study which involves the techniques and processes applied in collecting and collating the data. It provides information on the study organisation, research design, population size, sample size, sampling procedure, data collection, instrument design, pretesting of instruments, ethical procedures, field work challenges and data management and analysis.

#### **Study Organisation**

The Ghana Revenue Authority is governed by a nine-member board of directors who are responsible for policy formulation. The Authority is headed by a Commissioner-General and has three divisions- the Domestic Tax Revenue Division, the Support Services Division and the Customs Division. Each of these three divisions is headed by a commissioner. The Commissioners are responsible for the day to day administration of their respective divisions. They are assisted by deputy commissioners, next are assistant commissioners and Chief Collectors who head various departments and Collections.

The Customs Division has its headquarters in Accra and for administrative purposes, the Division has sub-divided the country into thirteen Collection points and these are Tema, Kotoka International Airport (K.I.A), Accra, Koforidua, Takoradi and Elubo Collections. The others are Ho, Aflao, Sunyani, Kumasi, Tamale, Bolgatanga and the Wa Collections.



**Figure 3: Organisational structure of Ghana Revenue Authority**

Source: Ghana Revenue Authority, (2012)

## **Profile of the Customs Division of the Ghana Revenue Authority**

In December 2009, the three tax revenue agencies in the country, the Customs Excise and Preventive Service (CEPS), the Internal Revenue Service (IRS), the Value Added Tax Service (VATS) and the Revenue Agencies Governing Board (RAGB) Secretariat were merged in accordance with the Ghana Revenue Authority Act 2009, Act 791. The Ghana Revenue Authority (GRA) thus replaces the revenue agencies in the administration of taxes and customs duties in the country. The objects of the Authority are to provide a holistic approach to tax and customs administration, reduce administrative and tax compliance cost and provide better service to taxpayers as well as promote efficient collection of revenue and the equitable distribution of tax burden and ensure greater transparency and integrity (Ghana Revenue Authority Annual Diary, 2012).

Additionally, the Authority is also to ensure greater accountability to Government for the professional management of tax administration as well as provide for other matters related to the improvement of revenue administration. The GRA thus has three main divisions; Customs Division, Domestic Tax Division and Support Services Division. The vision of the GRA is to be a world class revenue administration recognized for professionalism, integrity and excellence. The mission is to mobilize revenue for national development in a transparent, fair, effective and efficient manner. We will achieve this through professional and friendly client services, promotion of voluntary compliance, application of modern technology, effective border protection and a well-trained, disciplined and highly motivated staff (Ghana Revenue Authority Annual Diary, 2012).

## **Research Design**

The method used for the study is a descriptive survey and this method was adopted because descriptive survey method would help in the data collection and analysis of the information in order to answer the questions which were posed. Ary, Jacobs and Razavieh (1990), state that descriptive studies are designed to obtain information concerning the current status of the phenomena. They are directed towards determining the nature of a situation as it exists at the time of the study. Descriptive survey focuses on determining the status of a defined population with respect to certain variables for analysis. This design is considered the most appropriate because of its peculiar advantages.

Sarantakos (1998) believes this type of survey provides a meaningful picture of events and seeks to explain people's perception and behaviours on the basis of data gathered at a point in time. Furthermore, it helps the researcher to ask questions of special interests or value. Finally, when using the descriptive design, in depth follow-up questions could be asked and items that are unclear could be explained. It identifies present conditions and points to present needs. He adds that descriptive research is the basic of all types of research in assessing the situation as a pre-requisite for conclusions and generalizations.

Descriptive survey was therefore chosen for this study because it specifies the nature of a given phenomenon and reports things the way they are. Data was collected under natural settings to answer the research questions which were geared towards determining the status quo of sociological and psychological variables as they occur in natural settings.

## Target Population

The target population for this study consists of all officers in the four collections located in the Greater Accra Region; these are Accra, Tema, Kotoka International Airport (KIA) and the Headquarters Collections. The target population is one thousand seven hundred and forty-five (1745) officers. The breakdown of the target population in the four collections is listed in table 1 below.

**Table 1: Target Population of Respondents in the Greater Accra Region**

Collection	Population	Senior officers	Junior Officers
Tema	622	269	353
K.I.A	258	140	118
Accra	204	91	113
Headquarters	661	437	224
Total	1745	937	808

Source: Field Survey, 2012

The purposive sampling method was used to select the four collection points because they have similar characteristics in terms of being located in the Greater Accra region. Additionally, all the Customs regimes such as importation, exportation, temporary importation, transshipment, transit, free-zones, warehousing etc are undertaken in all these four Collections.

### Sample Size Determination

The sample size selected from the population was determined using Yamane (1964) formula which is stated as follow:

$$n = \frac{N}{(1 + N e^2)} \quad (10)$$

Where N = Population size, n = Sample size, e = Level of error (0.05) and 1 is a constant.

Therefore the sample size is:

$$n = \frac{1745}{[1 + 1745(0.05)^2]} \quad (11)$$

$$n = 325$$

The sample size used for the study is three hundred and twenty five (325) officers which represents twenty 19 percent of the total population.

The sample size for the four Collection points was calculated using Kumar (1976) formula:

$$n_h = \frac{n \times N_H}{N} \quad (12)$$

Where  $n_h$  = stratum allocation, n=sample size,  $N_H$ = stratum population, N = Overall population.

Therefore, the allocation for Tema collection is:

$$n_{Senior\ officers} = \frac{325 \times 269}{1745} = 50, \quad n_{Junior\ officers} = \frac{325 \times 353}{1745} = 66$$



The allocation for K.I.A collection point:

$$n_{senior\ officers} = \frac{325 \times 140}{1745} = 26, \quad n_{Junior\ officers} = \frac{325 \times 118}{1745} = 22$$

The allocation for Accra collection point:

$$n_{Senior\ officers} = \frac{325 \times 91}{1745} = 17, \quad n_{Junior\ officers} = \frac{325 \times 113}{1745} = 21$$

The allocation for Headquarters collection point:

$$n_{Senior\ officers} = \frac{325 \times 437}{1745} = 81, \quad n_{Junior\ officers} = \frac{325 \times 224}{1745} = 42$$

The population and sample of the officers in the four Collections are presented in table 2 below. The researcher selected the sample from the population using simple random sampling. In this procedure, the researcher listed the names of all the officers on a card and the officers to be included in the survey were randomly selected to obtain the required number

**Table 2: Population and Sample of the officers in the four Collection Points**

Collection	Population	Sample Size	Senior Officers	Junior Officers
Tema	622	116	50	66
K.I.A	258	48	26	22
Accra	204	38	17	21
Headquarters	661	123	81	42
Total	1745	325	174	151

Source: Field Survey, 2012

## **Data and Source**

The researcher used both primary and secondary data for the survey. Secondary sources included the Custom Newsletter, the 2012 edition of the GRA diary, bio-data of officers in the four collations points from the Human Resource Department among others. Primary data was collected using the questionnaires administered as well as one on one interview where it became necessary.

## **Research Instrument**

The data were collected through a questionnaire. This was because almost every staff within the formal employment sector in Ghana, including the custom division can read, write and comprehend the English language. The instrument comprised both open and closed ended questions. The questionnaire consisted of five sections: intention to quit working with custom division, causes of labour turnover, nature of labour turnover and its impact on performance, staff retention strategies and socio-demographic characteristics.

The first section measured the factors that determine an employee's intention to quit working with the division by posing questions as "what will motivate you to resign from customs". The second section focused on factors that causes labour turnover and therefore sought to measure indicators such as routine and repetitive work schedules and poor condition of service among others. The third section focused on the nature and impact of labour turnover to ascertain whether turnover in custom division was internal or external and whether it was affecting the organisation positively or negatively. A 5-point Likert scale was utilized in the fourth section to measure strategies to be adopted to retain staff.

The last section which deals with socio-demographic characteristics of staff requested information about their sex, age, marital status, ethnicity and educational attainment, position and religion.

### **Pre-testing of Instruments**

Pilot testing of the instrument was done at the Koforidua and Ho Collections. The choice of these two Collections points was based on the premise that the two collections points have similar characteristics of the target population. To achieve this objective, two sets of questionnaires were administered. One set of questionnaire was given to 10 senior officers while the other set was given to 10 junior officers in the two Collections. The respondents passed comments on the clarity of the questions, the font size, the relevance of the questions and its adequacy in addressing the extent of labour turnover in the Customs Division of the GRA. This was necessary to enable the researcher reframe the items to be included in the questionnaire as well as determine the extent to which the respondents understood the items in the questionnaire.

### **Ethical Procedures**

To enable the researcher administer the questionnaire, the researcher wrote letters of introduction to the Sector Commanders in Tema, Airport, Accra and the Headquarters Collection points. The letters informed the sector commanders of the objectives of the research and also sought permission from them to enable the researcher administer the questionnaire to the officers. The researcher also consulted the Sector Commanders on the convenient date and time for the

administration of the questionnaire. The questionnaires were administered at different dates in the four Collections beginning from the Tema Collection. Prior to the administration of the questionnaire in each Collection, the researcher gathered some of the respondents who constituted the sample size and briefed them on the need for them to be objective and respond frankly to the items on the questionnaire. The questionnaires were distributed to them and the completed questionnaires were collected a week later.

### **Field Challenges**

The researcher encountered a number of challenges on the field. In the first instance, some respondents who constitute the sample size declined participating in the survey for personal reasons. Additionally, retrieving the completed questionnaires from those who participated also constituted another challenge. Out of the 350 questionnaires that were distributed to the respondents, only 200 were retrieved. For instance, some of the questionnaires that were retrieved were incorrectly answered and some respondents also left their questionnaires blank with the excuse of being busy. Other respondents could not be traced at all to retrieve the questionnaire. The response rate was approximately 57% and the percentage of the questionnaires used was 80%.

### **Data Management and Analysis**

This involved screening and editing the questionnaire collected. The questionnaire had four options for each item. The options for each were Strongly Agree, Agree, Disagree, and Strongly Disagree. The data were then coded

manually, thereafter processed using the Statistical Package for Social Science (SPSS) version 17. The SPSS was used because it was very fast, very reliable and capable of translating data into numerals form of analysis. It facilitated the computation of frequencies and percentages of the qualitative data obtained from the closed and open ended questions. Analysis of the data was based on the information collected.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

#### **Introduction**

This chapter presents the results of the study. It highlights the socio-demographic characteristics of respondents, work characteristics, nature and extent of labour turnover in Customs, willingness to leave, willingness to leave by respondents' profile; causes of labour turnover and respondents suggestions for staff retention. These results are discussed in relation to the research questions of the study.

#### **Socio-Demographic Characteristics of Respondents**

The socio-demographic characteristics cover sex, age, level of education and marital status. These variables are important because they tend to influence labour turnover positively or negatively by determining the rate of labour turnover within an organization.

Sex is one of the most common variables that determine the rate of turnover in an organization. Sex basically refers to the male and female distribution within an organization. Table 3 shows that majority of the respondents (64.6 percent) were males while the rest (35.4 percent) represent females. According to Kotze and Roodt (2005), in addition to age, employee

gender posed significant different perceptions in relation to organisational support, change and transformation, remuneration and the propensity to leave. This was supported with empirical evidence (Blomme, van Rheeda, and Tromp, 2010) that gender could be a moderator between the psychological contract and turnover intentions.

The age of an organization's workforce has been shown to play an important role in employee commitment (Kotze and Roodt, 2005; Mobley, 1977), job embeddedness (Tanova and Holtom, 2008) and the psychological contract and decision leave. This could be explained by the notion that employees go through career stages where they priorities different aspects of their job and working environment in conjunction with their personal life (Cron and Slocum, 1986). Table 3 below shows the age distribution of respondents. The ages of the respondents ranged between 26 years and 59 years with the mean age of approximately 42 years. Respondents between the ages of 26 and 35 years had the highest frequency representing 29.8 percent of the total respondents while respondents between the ages of 50 and 60 had the lowest frequency representing 21.1 percent. This distribution shows that over half of respondents were in their middle age (36-49) years. According to the aging explanation, younger employees tend to be more aggressive, less secured and higher marketable and are therefore more likely to change jobs than older people. As people grow older, they get better in terms of their jobs, less aggressive and the desire to settle and plan one's life supersedes the desire to change jobs frequently.

Table 3 reveals that 1.9 percent of the respondents have basic education in one field of study or the other. Post graduate certificate holders constitute about

23 percent of the total respondents while 27.3 percent of respondents hold diploma or professional certificates. It is obvious from table 3 that the majority (75%) of the respondents have higher levels of education and this is very essential for the performance of an organisation. Level of education impacts on turnover in that the better educated an organization's workforce, the higher the rate of turnover. This is because education presents the individual employee with several employment opportunities thereby increasing the rate of turnover. Statistics available from secondary data obtained from the Human Resource Department of the Division indicates that about 90 percent of the officers, who resigned from Customs over the last five (5) years, had obtained post graduate degrees before resignation. Trevor (2001) stated that education is a fair reflection of marketability in the labour market. This means that the employee has more options than his peers. Thus, this also influences the decision to quit, since there is fewer barriers to exit.

Marital Status refers to the proportion of staff which is either married or unmarried. The unmarried category comprises single, separated and or divorced. From Table 3, 76.4 percent of the total respondents were married, whereas 15.5 percent were single and 8.1 percent were divorced and or separated. It is expected that married employees have lower intentions to quit due to family commitment. A number of studies have suggested that married employees are less likely to quit an organisation than unmarried employees (Cotton and Tuttle, 1986). Male employees are more likely to quit for better job elsewhere because they are the main source of income for a family, whereas, female employees work to basically to supplement the family income.



Generally, employees in the unmarried category tend to change jobs more frequently than married employees. This is because for married employees, the decision to change jobs is influenced by several factors such as relocation of the family, location of the spouse's place of work, impact of the new job on the family among others.

**Table 3: Socio-Demographic Characteristics of Respondents**

Socio-demographic	Frequency	Percent
<b>Sex</b>		
Male	104	64.6
Female	57	35.4
<b>Age</b>		
26 - 35 years	48	29.8
36 - 43 years	37	23.0
44 - 49 years	42	26.1
Above 50	34	21.1
<b>Education Level</b>		
Basic	3	1.9
SSS/SHS	37	23.0
Diploma/Professional	44	27.3
First Degree	40	24.8
Post Graduate	37	23.0
<b>Marital Status</b>		
Married	123	76.4

**Table 3 Continued**

Single	25	15.5
Separated/ Divorced	13	8.1

Source: Field Survey, 2012

### **Work Characteristics**

Work characteristics include current departments of respondents in the Customs Division, number of years that respondents had worked with the Division as well as the position and rank of respondents. These characteristics influence turnover positively or negatively by determining whether an employee stays or leaves the organization.

Table 4 shows that about 42 percent of respondents were in the operations department of the customs' division, followed by customs (28%), stores (8.7%), administration (7.5%), communications (3.1%), post event (2.5%), transport, research & monitoring, and record management (1.9%). Others include estate and communications, public affairs department has (1.2%) and finance/accounts (0.6%). It is not surprising that the majority of the respondents constitute those in Operations. This is because the core function of the Customs Division is mainly operations which comprise classification, valuation, and preventive functions. The other departments such as research and monitoring, communications and public affairs, estates etc provide support services to those in operations. Available data indicates that more officers resign from the supporting departments than those in operations. This may be attributed to the fact that officers in mainstream operations have access to other financial and non financial rewards because of

their interface with importers and Customs House Agents, a situation which makes the job more rewarding to them than their counterparts in the supporting departments.

The number of years that respondents have worked in the Customs Division of GRA ranged between two (2) to 40 years with the average years of service being 16 years.

**Table 4: Work Characteristics of Respondents**

Work characteristics	Frequency	Percent
Current department		
Operations	67	41.6
Stores	14	8.7
Customs	45	28.0
Estate	2	1.2
Research & Monitory	3	1.9
Record Management	3	1.9
Communications	5	3.1
Transport	3	1.9
Public Relations	2	1.2
Post Event	4	2.5
Administration (HR)	12	7.5
Finance/Account	1	0.6
Duration of Work		

**Table 4 Continue**

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1-10	54	33.5
11-20	58	36.0
21-30	40	24.8
31-40	9	5.6
Position/Rank		
Chief Collector	14	8.7
Principal Collector	10	6.2
Senior Collector	15	9.3
Collector	25	15.5
Assistant Collector	48	29.8
Collector III	17	10.6
Junior Collector Assistant I	24	14.9
Junior Collector Assistant IV	8	5.0

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Source: Field Survey, 2012

The table indicates that the majority of the respondents (36.0%) had worked with the Division between 11-20 years. Another 33.5 percent of the respondents had worked between 1-10 years now and 24.8 percent of respondents had worked between 21-30 years. Clearly, it is evident from the result that only 5.6 percent of respondents had worked for close to 40 years.

The result also shows that Assistant Collectors represented (29.8%) of the total sample. This is followed by Collector with 15.5 percent and Junior Collector

Assistant I with 14.9 percent. The position with the least respondents was Junior Collector Assistant IV (5%).

### **Nature and Extent of Labour Turnover**

Internal labour turnover is quite an issue in the Customs Division of GRA. This involves employees leaving their current departments and taking new ones within the same organization usually through promotions, demotions and transfers (Gobbler et al, 2005).

**Table 5: Internal Labour Turnover in Custom Division**

Changed department	Frequency	Percent
No	43	26.7
Yes	118	73.3
Total	161	100

Source: Field Survey, 2012

Table 5 shows that amongst the 161 respondents that participated in the study, 73.3 percent are no more in the departments in which they were first employed. This shows that internal labour turnover is high in GRA and it could possibly be attributed to promotions, demotions and transfers as mentioned earlier. Since this does not involve workers totally leaving GRA, it means this does not affect the number of workers of GRA unlike that of external labour turnover.

Table 6 represents the distribution of the response that have changed department in the customs' division of GRA across the socio-demographic

characteristics of the respondents with their respective chi squares. The table shows that 61.0 percent of the male respondents have changed department whereas 39.0 percent of the female respondents have changed department. Thus internal turnover is more associated with males than females. Statistically, with a confidence interval (CI) of 95% there is no association between gender and internal labour turnover ( $\chi^2=2.475056$ ;  $df=1$ ;  $p=0.115665$ ).

The result also shows that more of the respondents within the 26-35 years (30.5%) have changed department. The age category of 36-43 had 22.9 percent of respondents that have ever changed department. Also, 27.1 percent and 19.5 percent of respondents between the ages of 44-49 and 50-60 respectively have ever changed department. From a careful inspection, it can be realised that the young, thus 26-35 years, were more involved in changing of department. The old, 50-60, are the least group that have changed department. Age is significant which means that age has an association with internal turnover, ( $\chi^2=17.807191$ ;  $df=3$ ;  $p=0.000482$ ).

The results from the table showed that a total of 118 respondents out of the 161 respondents have changed department. Out of the 118 who have changed department, 13.6 percent were SSCE holders. The results also show that 6.8 percent were “O” level holders while 3.4 percent were “A” level holders.

A total of 23.7 percent hold Diploma and 24.6 percent hold a Degree. The percentages of respondents with Post-Graduate, MSLC and Professional Certificate who changed department were 24.6%, 2.5% and 0.8% respectively. A critical look at the result suggests that those who changed department were mostly Degree holders and Post-Graduates.

**Table 6: Respondents Ever Changed Department in GRA by Socio-Demographic Characteristics**

Changed department	Yes (%)	No (%)	$\chi^2$ (p-value)
Sex			
Male	61.0	74.4	2.475
Female	39.0	25.6	(0.116)
Age			
26-35	30.5	27.9	17.807
36-43	22.9	23.3	(0.000)
44-49	27.1	23.3	
50-60	19.5	25.6	
Educational Attainment			
SSCE	13.6	9.3	17.194
GCE “O” Level	6.8	7.0	(0.016)
“A” Level	3.4	2.3	
Diploma	23.7	34.9	
Degree	24.6	25.6	
Post-Graduate	24.6	18.6	
MSLC	2.5	0.0	
Professional Certificate	0.8	2.3	

Source: Field Survey, 2012

Statistically, with chi square value of 17.194143 and probability value of 0.016186 it means that educational level is has an association with internal labour turnover in GRA is mainly associated with Degree holders and Post-Graduates and this was mainly as a result of promotion due to their high level of education.

## **Willingness to Quit GRA**

Willingness to quit is an important measure that is often used to determine an individual's willingness to quit from institutions, industries or organisations. It is important to note that willingness to quit is not about the individual actually leaving the organization but presents a potential indication that the employee might want to quit working with the organization. Table 7 shows the respondents willing to quit the Customs Division of GRA when given the chance.

**Table 7: Respondents Willingness to quit the Customs Division of GRA**

Response	Frequency	Percent
Yes	97	60.2
No	64	39.8
Total	161	100.0

Source: Field Survey, 2012

About 60 percent of the respondents were willing to quit when given the opportunity. Though the respondents are still workers of GRA, it gives an indication of the rate of turnover in this division of GRA.

## **Willingness to Quit by Socio-Demographic Characteristics of Respondents**

The review of literature shows that demographic variables have been found to have stable relationship with retention and turnover intentions and these variables are age, gender, tenure, education and income levels. Several studies in which demographic factors have been employed to investigate job satisfaction and job attitudes have shown that they are strong predictors of turnover intentions and



it is as a result of this that willingness to quit was disaggregated by socio-demographic characteristics.

Table 8 shows the distribution of the willingness to quit the customs' division of GRA across the socio-demographic characteristics of the respondents. The table shows that 37.1 percent of the male respondents were willing to quit their jobs when given the chance whereas 62.9 percent of the female respondents were also willing to quit their jobs. Thus more females prefer to quit GRA when the opportunity arises. The review of the empirical literature related to gender differences in willingness to quit shows that this result is in consonance with findings of Miller and Wheeler (1992), Moncrief, Babakus, Cravens, & Johnson, (2000), and Schul & Wren (1992) who also found that women report higher levels of turnover intentions. Statistically, the association between gender and willingness to quit is significant ( $\chi^2=0.311881$ ;  $df=1$ ;  $p=0.500528$ ;  $CI=95\%$ ) and this could be attributed to the workload of the workers since some respondents particularly the females complained of a heavy workload. Also since most of the females were married (70.2 %), it meant combining household chores with the formal employment and this could be stressful to them. This family-work conflict of women might have accounted for their willingness to quit their jobs when given that opportunity.

Generally, the younger an employees workforce the higher the rate of turnover and vice versa. That is older employees are less likely to resign than their younger colleagues. The result shows that more of the respondents within the 26-35 years (35%) were willing to leave. Also, the 50-60 age categories had 18.6 percent of respondents willing to leave their work.

**Table 8: Willingness to Quit Job by Socio-Demographic Characteristics of Respondents**

Socio-Demographic	Yes (%)	No (%)	$\chi^2$ (p-value)
<b>Sex</b>			
Male	37.1	32.8	0.312 (0.577)
Female	62.9	67.2	
<b>Age</b>			
26 – 35	35.0	21.9	6.886 (0.076)
36 – 43	17.5	31.2	
44 – 49	28.9	21.9	
50 - 60	18.6	25.0	
<b>Marital</b>			
Married	77.3	75.0	17.029 (0.000)
Single	12.4	20.3	
Separated/ Divorced	10.3	4.7	
<b>Educational Attainment</b>			
SSSCE	10.3	15.6	16.698 (0.019)
Diploma	24.7	29.7	
Degree	29.9	17.2	
Post-Graduate	26.8	17.2	
MSLC	1.0	3.1	
GCE "O" Level	5.2	9.4	
"A" Level	2.1	4.7	
Professional Certificate	0.0	3.1	

Source: Field Survey, 2012

From a careful inspection, it is realised that the youth category, thus 26-35 years, were more willing to quit their jobs than any age category. This may be due to difficulties in obtaining alternative employment by older employees since

employers discriminate against older people in their recruitment and selection practices. Also youth are seen to be more adventurous and are therefore more likely to quit their jobs for better ones when they are not satisfied with their current jobs. However, from the statistical result ( $\chi^2=6.886221$ ;  $df=3$ ;  $\rho=0.075614$ ;  $CI=95\%$ ) the relationship between age and willingness to quit is not significant.

Out of the 97 respondents who are willing to quit, 77.3 percent were married. Also, 12.4 percent of the respondents who were single were willing to leave GRA when given the chance but 20.3 percent were willing to stay. This shows that there were a greater percentage of married respondents who wanted to leave than the unmarried respondents who wanted to stay on. This might be attributed to inadequate remuneration to cater for their larger families influencing them to leave in search of other jobs which gives them higher prospects. This result is consistent with that of Crawly (2005) who in his study found that for single officers without children, 58 percent of men and 53 percent of women said they intended to remain in uniform. This concludes that married employees have higher intention to leave due to family commitment than unmarried employees. The statistical result ( $\chi^2=17.02987$ ;  $df=2$ ;  $\rho=0.0002$ ;  $CI=95\%$ ) indicated that there is an association between marital status and willingness to quit.

The results from the table showed that a total of 97 respondents out of the 161 respondents were willing to leave. Out of the 97 who were willing to leave, ten of them (10.3%) SSCE holders will leave when given the opportunity. The results also show that 24.7% of those willing to leave when given the opportunity were diploma holders while 29.9% were a degree holders. A total of 26.8% hold

a Post-Graduate certificate and 1.0% holds MLSC. The percentages of respondents with GCE "O" Level, "A" Level and Professional Certificate who are willing to leave when given the opportunity are 5.2%, 2.1% and 0% respectively.

A critical look at the result suggests that those who were willing to leave GRA when given the opportunity are those with first degree whilst no one with a professional certificate is willing to leave GRA. One explanation for this finding is that employees with higher degrees are generally employed in more specialist roles and are potentially more positive about their relative marketability. Another is that these employees are insufficiently stimulated by custom work, given their high qualifications, and so look for more interesting jobs elsewhere. A descriptive statistics reported by Luekens et al. (2004) and Ingersoll (2001) found that level of education or qualification is found to be positively associated with turnover intentions suggesting that the more educated employees are, the more likely they are to quit. Also the Chi-square test did yield a significant relationship between education and willingness to quit ( $\chi^2=16.69847$ ;  $df=7$ ;  $p=0.019447$ ;  $CI=95\%$ ).

It is hypothesised that older employees tended to be more affectively committed than younger employees and so stayed longer (Mathieu & Zajac, 1990). Youngblood, Mobley, and Meglino (1983) argue that higher turnover among newer employees reflects the incongruities between expectations of work roles and the organization before joining and experiences of work roles and the organization after joining. These incongruities subsequently produce lower job satisfaction, make outside jobs and organizations appear more attractive, and thereby encourage the employee to leave.

**Table 9: Willingness to quit job by Work Characteristics of Respondents**

Work Characteristics	Yes (%)	No (%)	$\chi^2$ (p-value)
<b>Duration of work</b>			
1-10	24.7	46.9	15.022
11-20	44.3	23.4	(0.002)
21-30	28.9	18.8	
31-40	2.1	10.9	
<b>Position/Rank</b>			
Chief Collector	6.5	12.9	6.885
Principal Collector	6.5	4.8	(0.441)
Senior Collector	10.9	6.5	
Collector	18.5	11.3	
Assistant Collector	33.7	25.8	
Collector III	7.6	14.5	
Junior Collector Assistant I	13.0	17.7	
Junior Collector Assistant IV	3.3	6.5	
<b>Department</b>			
Operations	41.2	42.2	24.711
Stores	10.3	6.2	(0.010)
Customs	28.9	26.6	
Estate	1.0	1.6	
Research & Monitory	2.1	1.6	

**Table 9 Continued**

Record Management	3.1	0.0
Communications	2.1	4.7
Transport	2.1	1.6
Public Relations	1.0	1.6
Post Event	4.1	0.0
Administration (HR)	4.1	12.5
Finance/Account	0.0	1.6

Source: Field Survey, 2012

The result suggests that employees who have worked with customs for about 20 years are likely to leave representing 44.3%. This was closely followed by those who have worked with custom for about 30 years representing 28.9%. The reason for this may be that these employees may have acquired new skills and expertise over time, making the employee more marketable elsewhere and providing more opportunities to leave. The relationship between duration of work and willingness to quit is significant ( $\chi^2=15.02185$ ;  $df=3$ ;  $\rho=0.001798$ ;  $CI=95\%$ ).

In analysing labour turnover in relation to position/rank of respondents, it can be observed that out of the total of 97 respondents who were willing to leave GRA if they get the opportunity, 31 representing 33.7% were Assistant collectors. Also, Collector and Junior Collector Assistant I representing 18.5% and 13.0% respectively were among the respondents willing to leave when given get the chance. A total of six respondents each who were Principal Collector and Chief Collector representing 6.5% admitted that they were willing to leave GRA. Among all the respondents interviewed for all the position/rank, Junior Collector

Assistant IV had the least response willing to leave with a total of 3 respondents (3.3%). The major reason(s) accounting for the high willingness of the assistant collector wanting to leave when given the chance is the fact that they complained of extreme workload or very high workload. This relationship between position/rank and willingness to quit has been statistically found to be insignificant ( $\chi^2=6.885293$ ;  $df=7$ ;  $p=0.44092$ ;  $CI=95\%$ ).

The result from table 9 revealed that out of the total of 92 respondents who were willing to leave GRA if they get the opportunity, 40 representing 41.2% were working with the Operations department. Also, respondents from Stores and Customs departments representing 10.3% and 28.9% respectively were among the respondents willing to leave when given the chance. A total of two respondents each who worked with Research & Monitory, Communications and Transport representing 2.1% admitted that they were willing to leave GRA. Among all the respondents interviewed from all the departments, Estate and Public relations had the least respondents willing to leave with a total of 1 respondent (1%). Statistically, the association between department and willingness to quit has been found to be significant ( $\chi^2=24.71149$ ;  $df=11$ ;  $p=0.010045$ ;  $CI=95\%$ )

### **Reasons for Intention to Quit**

There are several factors that contribute to the willingness of respondents to leave the custom division of the GRA. Table 10 presents reasons why some workers of the customs' division would like to leave the division or even GRA.

Table 10 presents result on the reasons for labour turnover in GRA by sex. A total of 44 respondents stated that the major reason why they would quit GRA is that the working condition in GRA is poor. This is made up of 65.9% of males and 34.1% females. This means that more men would quit GRA to other organisation they believe to have better prospects than women do. The Custom section of the Ghana Revenue Authority is not left out in the issue of gender imbalance in politics.

**Table 10: Reasons to Quit Job by Sex**

Reasons	Male (%)	Female (%)
Lack of better working condition	65.9	34.1
Lack of job security	56.2	43.8
Better income and benefits	66.7	33.3
Lack of job satisfaction	40.0	60.0
Take up political appointment	66.7	33.3
International exposure	100	0.0
Poor career progression	66.7	33.3
Too much work pressure	100	0.0
Further education	100	0.0

Source: Field Survey, 2011

From the result in the table 10, another reason why people quit GRA is to take up political appointment. However, this reason of labour turnover is only peculiar to males. That is, from the result, 66.7% of males would quit GRA to take up political appointment as compared to 33.3% females quitting GRA to take



up political appointment. Also, it is believed that females think of getting married and settling down with their husbands than they think about job.

The result suggested that reasons such as international exposure, too much work pressure and further education are the reasons why males would quit the GRA. Another reason that would contribute to labour turnover is poor career progression. That is 66.7% of males would quit GRA because they believe working at GRA is not in line with their career while 33.3% of females quit GRA for the same reason.

### **Respondents' Suggestions for Staff Retention**

Table 11 presents the results of the respondents' suggestions for staff retention. These factors have been grouped under subheadings. The first suggestion by the respondents is incentives and this includes measures like promotions and transfers, better retirement packages, salaries and other benefits. Promotions and transfers variable were considered as the most important measures (Incentives) that the workers considered in deciding to quit their jobs because it had the highest frequency. These measures in group 1 is consistent with the findings in the works of Berstein (1998), Grobler and Warnich (2005) who found higher paying job, reward systems, benefits and other extrinsic job rewards to influence employees' decision to stay.

The respondents also considered management measures as being important for staff retention. This included policies on recruitment and upgrading, and management style being authoritarian. This showed that employees of the customs' section of the GRA considered the type of management styles at GRA as

to its dictatorial nature and their policies on upgrading. They were more likely to leave or quit when management is authoritative and have an un-transparent policy on upgrading. This is also found in the work of Marcouse and Martin (2005) where low morale due to ineffective or authoritarian leadership influenced the decisions of workers to quit their work.

Human resource development was under the third measure. According to the respondents developing of one's skills and acquiring new ones are mostly considered very important by employees of GRA. The respondents also believed current job falling in line with career objectives also determines how one develops himself or herself and it also influences employees' decision to stay at GRA or to quit. Ability to develop ones skills and working within ones career objectives give employees higher opportunities to develop the human resource better. This is consistent with the study of Armstrong (2007) who found that workers are willing to stay in their current jobs when they have the opportunity to develop their skills.

The fourth measure was work conditions and this measure includes workload of employees, poor working relationship and lack of basic working tools. The workload variable obtained the highest frequency (60%) representing the most important variable considered by employees under this measure. These variables show that workers expect manageable workloads, good working relationships with colleagues and managers and adequate basic working inputs without these they will be influenced to leave their current work. Philips (1990) and Armstrong (2007) also found similar factors as influencing the decision for employees to quit their jobs.

Capability utilization is the measure that includes variables such as employees' involvement in key decision making and utilization of skills and abilities of employees. Employees get a sense of belongingness when involved in key decision making and when they have their skills and abilities effectively utilized in a firm. The opposite of this will influence workers to quit their jobs. This finding is similar to the work of Torrington et al. (2005). They noticed that poor levels of employee involvement in decision-making is a determinant for their wanting to quit their work.

**Table 11: Respondents' Suggestions for Retention of Staff**

Measures	Specific Detail	Frequency	Percent
	Promotions and transfers	60	37.3
Incentives	Better retirement packages	44	27.3
	Salaries	38	23.6
	Other benefit	19	11.8
Management	Policies on recruitment, upgrading	105	65.2
	Management style authoritarian and dictatorial	56	34.8
Human Resource Development	Current job in line with career objective	93	57.8
	Opportunity to develop new skills	68	42.2
Capability Utilization	Involved in making key decisions	88	54.7
	Skills and abilities utilized	73	45.3

**Table 11 Continued**

Work Conditions	Work load	60	37.3
	Poor working relationships	45	28.0
	Lack of basic working inputs	56	34.8
Empathy	Bullying and harassment of junior staff	130	80.8
Clarity of Functions	Functions are routine and repetitive	87	54.0
	Job functions are clear	74	46.0
Expectations	Unrealistic expectations before joining	119	73.9

Source: Field Survey, 2011

Empathy has the only variable as bullying and harassment of junior staff. This mostly infringes on the rights of junior workers. This even affects their performance on the work. Therefore in a working environment where junior staffs are bullied and harassed by their senior colleagues there is more likelihood of a high labour turnover. This is also consistent with the findings of Armstrong (2007) who found that bullying and harassment formed part of the reasons workers quit their jobs.

Clarity of functions includes routine and repetitive functions, and job functions are clear. When job functions are more or less like a routine and also repetitive, they tend to cause boredom and its final effect being low performance. Also when job duties are not clear enough workers tend to underperform. Boredom at work due to routinely and repetitive work was also cited in the work of Torrington, Hall and Taylor (2005) as a determinant of labour turnover.

Unrealistic expectations- Before joining the organization most often expectations are raised too high during the recruitment process leading to competition for and subsequently accepting jobs. According to Philips (1990) who also found this explained that organizations mostly do this to fill vacancies with sufficient and qualified people as early as possible. This in turn becomes counter-productive as it leads to costly and unavoidable turnover.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **Introduction**

This chapter of the study presents the summary of the study undertaken on the extent of labour turnover in the Customs Division of the Ghana Revenue Authority. It also brings out the main conclusions derived from the findings of the study and finally some policy recommendations. This chapter also presents the limitations and direction for future research.

#### **Summary**

Labour turnover is said to be a major issue for employers all over, since employees constitutes a core resource for all businesses, firms, organizations and institutions. The rate at which employees leave an organization is known to affect its productivity, product and service quality, as well as its profitability.

The main objective of this study was to assess the extent of labour turnover in the Customs Division of the Ghana Revenue Authority. Specifically, the study describe the nature of labour turnover in the Customs Division, explore how labour turnover varies across socio-demographic characteristics; determine the causes of labour turnover in the Customs Division and assess the impact of labour turnover on the organization's performance.

The study adopted a descriptive research design to help achieve the objectives of the study. A questionnaire was designed to collect the data for the study and after the data collection; a sample size of 161 was obtained for the study. The study used frequencies and, cross tabulations for the analysis of the data.

### **Main Findings**

From the results of the study, the following findings were drawn:

- With regards to the nature of labour turnover in Custom Division of GRA, there is evidence of internal and intention or willingness to quit GRA. A total of 97 respondents (60.2%) are willing to quit and 118 (73.3%) have ever changed department. This means that internal labour turnover is more prevalence in Custom division of GRA.
- With regards to internal labour turnover, it was realised that more males (61%) engage in internal labour turnover than females (39%). Internal labour turnover is more associated with employees between the ages of 26-35 (30.5%), and Degree holders and post Graduates also undertake internal labour turnover.
- More females representing 62.9% were willing to quit GRA than males 37.1%. Employees between the ages of 26-35 years were willing to quit representing 35% whereas those married were also willing to quit (77.3%). Employees with higher level of education were also willing to quit GRA when given the chance. In short external labour is associated with females, the young employees, the married and degree holders.

- The result showed that respondents who have worked with Custom for closely to 20 years were willing to quit representing (44.3%). Also, Assistant Collectors were more associated with external labour turnover likewise the respondents working with the operations department.
- As to reasons why respondents will quit GRA, it was clear that all male respondents will quit GRA for further education, whereas no female will quit for further education. Also, more females will quit due to lack of job satisfaction than males.

### **Conclusion**

From the results of the study, the following conclusions were drawn:

- The first objective of the study was to describe the nature of labour turnover in the Customs Division. There was evidence of both internal and external turnover at the customs' division of Ghana Revenue Authority. Majority of the respondents were willing to leave or quit their jobs. Also, most of the respondents had changed department from where they were originally employed to.
- Some of the reasons given for wanting to quit from the division included: better working condition elsewhere, lack of job security, lack of job satisfaction, political interference and poor career progression among others.



- The study also realised that, a greater percentage of the female officers were more willing to quit working with the customs' division of Ghana Revenue Authority than their male counterparts.
- Also, there were a greater percentage of married respondents who wanted to leave than the unmarried respondents who wanted to stay on. Also, it was found that the officers that fell within the youth category, thus 26-35 years, were more willing to quit their jobs than any age category.
- The study also identified eight (8) major measures suggested by the respondents officers of the customs' division consider when deciding to leave or quit their jobs. These measures include incentives, management, human resource development, work conditions, capability utilization, empathy, clarity of functions, and expectations.

### **Recommendations**

Based on the findings from the study, the following recommendations are proposed.

- It is recommended that the customs' division of Ghana Revenue Authority identify and give attractive incentives to officers. Also, management style should not be authoritative, human resource development; working conditions should be improved through quality training and providing quality and adequate tools for the performing of duties.
- It is also recommended that management involves staff in the making of key decisions that affect all in the division. This will give all staffs or officers a sense of belongingness.

- Bullying and harassment of junior staff should be checked and prevented from happening so that all staff can give out their possible best to increase their performance at work.
- Management of the customs' section of the Ghana Revenue Authority should make duties of the staffs clear enough without any ambiguity. Also, functions of staffs should not be too repetitive and routinely so as prevent boredom.
- Authorities of Ghana Revenue Authority should not exaggerate the benefits of joining the organization so as not to raise the expectations of recruits which will at the end lead to labour turnover in the long run due to unmet expectations.

### **Limitation of the Study**

Retrieving the completed questionnaires from those who participated constituted a major challenge. Out of the 350 questionnaires that were distributed to the respondents, only 161 were correctly answered. Most of the questionnaires that were retrieved were incorrectly answered and some respondents also left their questionnaires blank with the excuse of being busy. Other respondents could not be traced at all to retrieve the questionnaire. This therefore reduced the sample size of the study.

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## APPENDIX A

### Questionnaire for Respondents

This study is being conducted to find out the extent of labour turnover (the rate at which the organisation gains or loses employees) in the Customs Division of the Ghana Revenue Authority. It is purely for academic work and nothing else. Responses to these questions would be treated as confidential. Kindly respond to all sections of the questions by ticking or providing answers in the space provided.

#### SECTION A

##### INTENTION TO QUIT WORKING WITH CUSTOMS

1. How long have you served as an employee of the Customs Division of the GRA?.....
2. Please state the department for which you were initially employed.....
3. Your current department.....
4. How do you see your workload as a Customs Officer
  - I. Extremely loaded
  - II. Very Loaded
  - III. Moderately loaded
  - IV. Under loaded
  - V. Highly/Very under loaded
5. Does your current job falls in line with your career objective?
  - I. Yes
  - II. No
6. What will motivate you to resign from Customs?
  - I. Better prospects in another organisation
  - II. Take up political appointment

III. Travel abroad to settle either to work or school

IV. Others, please indicate.....

7. If you get a chance will you leave Customs for another job

I. Yes [ ]

II. No [ ]

If yes give four reasons why you will like to leave Customs

I. ....

II. ....

III. ....

IV. ....

## SECTION B

### CAUSES OF LABOUR TURNOVER

**Please, indicate your level of agreement to the following statements by ticking at the columns provided.**

STATEMENT	Strongly Agree	Agree	Neither A/D	Disagree	Strongly Disagree
1. My job functions and roles in my department at Customs are clear to me					
2. Most Customs job functions are routine and repetitive					
3. There are adequate training programs for Customs Officers					
4. My skills, abilities, competencies and knowledge are being efficiently utilized in the course of my work					
5. Customs has provided me with opportunities to develop new skills					
6. Staff of Customs are involved in making key decisions that affect the Organization.					

1. There is poor working relationship between staff and management at Customs					
2. Bullying and harassment of junior officers still persist at Customs					
3. The management style at Customs is that of authoritarian and dictatorial					

4. Lack of basic working tools and equipment hinders the smooth running of my department					
5. Job security at Customs boosts officers morale					
6. Salaries and other benefits are better in Customs than other institutions					
7. There are better retirement packages at Customs than other institutions					
8. Promotions and transfers are well dealt with in Customs					
9. I feel appreciated and listened to by management of Customs					
10. Most Customs officers had unrealistic expectations before joining the institution.					
11. Other benefits aside the salary serves as a motivating factor for most officers					

## SECTION C

### NATURE OF LABOUR TURNOVER

**Please, indicate your level of agreement to the following statement by ticking at the columns provided.**

STATEMENT	Strongly Agree	Agree	Neither A/D	Disagree	Strongly Disagree
1. More staff tend to resign from Customs than other institutions					
2. Movement of staff at Customs is more from one department to the other than from Custom to other organizations.					
3. Junior staffs of Custom are more likely to resign from their jobs than senior staff and management.					
4. Seasoned and experienced Customs officers are more likely to resign than the inexperienced ones.					
5. Most officers leave Customs through retirements, death, sickness et but not through resignations or dismissals					
6. Most Customs officers are engaged in other business activities such as trading, clearing of vehicles, running shops etc					
7. Male Customs officers are more likely to resign					



than female officers.					
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8. How would you rate the extent at which officers leave Customs?

I. Very high [ ]

II. High [ ]

III. Low [ ]

IV. Very Low [ ]

9. Which of the following do you consider are the major reasons why officers leave Customs? Tick all that apply

I. Resignation [ ]

II. Transfer [ ]S

III. Retirement [ ]

IV. Deaths [ ]

V. Dismissal [ ]

VI. Redundancy [ ]

Others, please specify.....

## SECTION D

### THE IMPACT OF LABOUR TURNOVER ON OFFICERS' PERFORMANCE

Please indicate your level of agreement to the following statements by ticking at the columns provided.

Statement	Strongly Agree	Agree	Neither A/D	Disagree	Strongly Disagree
1. There are no fresh ideas, new methods and innovations in Customs because officers don't frequently leave for new ones to occupy their positions					
2. Annual targets are not being met because the rate at which officers resign from Customs is high					
3. Organisational output is generally low because poor performers in Customs are not being replaced with better ones					
4. Frequent staff resignations has led to low morale of officers in Customs					

## SECTION E

### WHAT TO DO TO RETAIN STAFF

Please indicate your level of agreement to the following statement by ticking at the columns provided.

Statement	Strongly Agree	Agree	Neither A/D	Disagree	Strongly Disagree
1.introduction and recruitment should be streamlined in Customs					
2. Salaries, allowances and other packages should be enhanced for Custom Officers					
3.Management of Customs should focus on employee training and career development programmes					
4. Management should improve internal communications in Customs					
5. Management of Customs should improve the physical working environment (e.g repainting and minor renovations)					
6. Customs officers should be engaged through social events and community activities					
7. Management of Customs should empower and involve employees in key decisions that affect the organisation					
8.Management should encourage officers volunteering which offers development opportunities					
9.Management of Customs should in-cooperate work-life balance and flexible working arrangements					
10.Management of Customs should endeavour to train and promote staff as and when they are due					
11.Management of Customs should provide basic working tools and equipments to staff					



## APPENDIX B

### Data on Labour Turnover in GRA

Year	Number of Officer Trained	Turnover
2008	40	5
2009	86	9
2010	78	4
2011	67	11
2012	112	15
2013	73	17

Source: Human Resource Department, GRA