

**UNIVERSITY OF CAPE COAST**

**EMPLOYEE TURNOVER IN THE HOTEL INDUSTRY IN CAPE COAST  
AND ELMINA**

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**2010**

UNIVERSITY OF CAPE COAST

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BY

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Thesis Submitted to the Department of Management Studies of the School of Business, Faculty of Social Sciences, University of Cape Coast in Partial Fulfilment of the Requirements for Award of Master of Business Administration Degree in Human Resource Management.

APRIL 2010

## DECLARATION

### Candidate's Declaration

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

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

Name: Josephine Pepra-Mensah

### 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.*

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## ABSTRACT

Employee turnover is a problem for organizations and is one of the challenges facing human resource managers. This study was motivated by the desire to find out the 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. A 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. Statistical tools employed to analyze the data were frequencies, means and standard deviation, Chi square, independent sample T-tests, Analysis of Variance and binary logistic regression.

The results revealed that:

- a) The front-office, accommodation and food and beverage were more prone to turnover.
- b) Dissatisfaction with pay, perceived alternative employment opportunities, and lack of motivation account for employee turnover in the hotel industry in Cape Coast and Elmina.
- c) Recognition, reward for a good work done, competitive compensation influence employees' intention to stay with organizations.
- d) 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.

## **ACKNOWLEDGEMENTS**

I owe a debt of appreciation and gratitude to a number of personalities whose contributions in diverse ways led to the accomplishment of this thesis. My sincere gratitude goes to my Supervisors Dr. Henry Fram Akplu and Dr. Patrick Agbesinyale, for their careful and painstaking reviews of drafts, useful suggestions and directions and moral encouragement during the preparation of this work. I am equally thankful to Mr. Edward Marfo-Yiadom (former Dean, School of Business) whose constant encouragement and enquiries of my progress sped me on and also for the useful comments and suggestions he made at the various steps of the work towards its successful completion.

To Mr. Lawrence Acheampong and Mr. Joshua Amo-Adjei whose untiring efforts in analyzing my data led to the successful completion of my work, God bless you and replenish all that you gave up. My sisters and friends, Hannah Fosua Amo and Gifty Effah Darko deserve my grateful acknowledgment for their love and encouragement. To Oheneba Yaw Sarkodie-Danso, a special friend, thank you for making learning easy and for your prompt reminders over the work and refreshing encouragement. Sincere thanks are also due to the heads of the various hotels where various pieces of information were gathered for their cooperation during the visits to the hotels.

Finally, to my family, my parents and siblings, Abigail, Michael and Mishael and my Sister Gloria and her husband whose love and understanding has

been a constant drive to complete the work, their prayers, without which this noble work would never have come to this end.

## **DEDICATION**

To my family: Dad, Mum, Abigail, Michael, Mishael, Gloria, Seth and Samuel.

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **Background to the Study**

A major human resource problem faced by many organisations is that of understanding and managing labour turnover. It is a major issue for many companies in the world. Labour turnover is one of the unorganized forms of industrial conflict. It is a retreat by employees usually from unsatisfactory situations.

According to Mobley (1982), employee turnover rates have within the last several years, become a worldwide epidemic. Employees no longer feel the sense of company loyalty that once existed. Increasing numbers of corporate mergers and acquisitions have left employees feeling detached from the companies that they serve and haunted by concerns of overall job security. As a result, workers are now making strategic moves to ensure employment that meets their need for security. This fact is clearly represented by growing employee turnover rates. In an article by the Employment Policy Foundation (EPF) (2004), it is highlighted that in the United States, for the twelve months ending August 2004, average employee turnover costs reached \$13, 355, up 6.8 percent from its December 2002 level. The voluntary employee turnover rates released by the U. S. Department of Labour in November, 2004 painted a similar picture. According to the Bureau of Labour Statistics (2005), there was



an overall average increase in employee turnover in the U. S. from 19.2 percent in 2003 to 20.2 percent in 2004.

EPF (2004) reports that too many service companies face employee turnover rates of 50 percent to 100 percent per year or even higher. Furthermore, available evidence indicates that service sector workers quit their jobs usually as a result of unsatisfactory situations such as low motivation, low pay and poor conditions of service (Ologunde, Asaolu & Elumilade, 2006). The hotel business, an aspect of tourism, is a labour-intensive and quality-driven service industry and the most important ingredient is the worker, who provides the service. The quality of personnel determines the quality of the product served to the customer and therefore the success of the industry. Also, the competitiveness and productivity of the industry depends primarily on the availability, skill levels and professionalism of its employees. Consequently, the constituents within the Hotels, Restaurant and Catering sector recognize that education, vocational training, and human resource development are necessary to ensure their future. In support of this, the World Economic Forum in its T&T Competitiveness Report (2006) sees good management of human resources as one of the key drivers for competitiveness across the industry. However, it has been recognized that the hotel, catering and tourism sector of the industry suffers from high levels of labour turnover. This provides a constant challenge for employers, limits the ability to maintain a skilled workforce and results in enhanced costs.

Companies now recognise people as the only true source of long-term sustainable competitive advantage and as the primary force that, if properly motivated and directed, enhance quality, pioneer innovation, drive the proper

utilisation of resources and increase customer satisfaction. In brief, human capital plays an important and critical role in the outcomes of a firm's financial performance. When employees leave the organization, they take with them their knowledge, skills and abilities that helped contribute to goals, profit and performance of the organization. Thomas J. Watson -founder of IBM (as quoted by Bohlander, Snell and Sherman, 2001) says, one can get capital and erect buildings but it takes people to build a business. Consequently, every organization has to ensure that sufficient numbers of the appropriate calibre of human resource (people) are readily available to the organization in its effort to achieve its desired goals.

According to Schuler (1992), managing human resources effectively has become vital to organizations of the twenty-first century. This, he states, is as a result of heightened levels of global competitiveness that have alerted all firms to the fact that all their resources must be utilized better than before. Human resource management has received much attention because of the recognition that much more could be gained from a better handling of the field. As a result, academics and human resource professionals together have identified several human resource activities that are critical for organizational survival. Survival, to them, can only be enhanced by the ability of effective human resource management to attract, retain, motivate and retrain employees. These goals have become particularly important because of the rapidly changing environmental forces such as global competition.

Most organizations are also designed to enhance individual efforts for high performance. However, in a working environment where employees leave an organization either voluntarily or involuntarily for other jobs, there is

bound to be a negative impact on its performance, profitability as well as its survival. Employee turnover has the effect of increasing operational costs. It has also contributed to inefficiencies and poor performance of organizations over the years. In the early 1980s, most American companies lost billions of dollars due to employee turnover (Wagner & Hollenbeck, 1992). This negatively affected employee development, investment, performance of workers and the organizations. If people who leave organizations voluntarily are better performers than those who stay, turnover lowers the productivity of the remaining work force (Wagner & Hollenbeck, 1992).

Employee turnover in organizations has thus, received substantial attention from both academics and managers. Much of this attention has been focused on understanding its causes. Implicit in this approach is the assumption that turnover is driven by certain identifiable characteristics of workers, tasks, firms, and markets, and that, by developing policies to address these characteristics, managers might reduce the occurrence of turnover in their respective organizations.

Employee turnover has been a major concern for organisations especially in the service sector due to the sleepless nights it gives to service sector employers. The tourism industry which finds itself in this sector and being the world's fastest growing industry (Baum, 2002) has not been spared of this phenomenon. It is as exposed as any other to the forces of turnover. The growth of tourism in developing countries has created an immediate demand for personnel who are committed to the activities of the industry. However, it is noted that developing countries have initially concentrated on

providing the 'hardware' of the industry, such as tourists' attractions, hotels, transportation and communication (Cullen, 1998).

Thus, in the rush to develop tourism facilities, the training of personnel as well as the implementation of effective human resource practices to improve the welfare of employees has been given lower priority. The result is a shortage of skilled and dissatisfied local personnel in the industry in developing countries (Echtener, 1995). The tourism industry is not just a giant service industry but an aggregate of service sectors made up of an amalgam of service industries or organizations. Owing to its heterogeneity, the tourism industry has to be seen as a grouping of service-related organization.

The tourism industry in Ghana is said to have moved from the sidelines to the centre stage of socio-economic strategies and is emerging as a key component of what is known as non-traditional export sector with potential for foreign exchange, employment and income generation (Akyeampong, 1996). The industry, which evolved largely through enterprise and capital but spearheaded by the state, has been increasing steadily over the years. International tourists contribute immensely to Ghana's total foreign exchange earnings, and tourism has emerged as the third highest earner after minerals and cocoa. Ghana's 15-year integrated tourism development plan projected in 1999 that international tourist arrivals would reach 500,000 by the year 2000 and rise to over 1,000,000 by the year 2010 with estimated receipts of US\$1,562.00 million. This projection if fully achieved is expected to make tourism Ghana's highest foreign exchange earner (Ministry of Tourism, 1996).

To achieve the above projections, attention must be given to the areas that will promote the development of the tourism industry. One area that needs

improvement and constant attention is the hospitality sector with particular reference to the retention of staff. By maintaining and retaining a qualified number of employees who will provide quality services, hospitality organizations have the potential of tremendously influencing the efficient development of tourism. Consequently, investment in Ghana's hospitality sector has increased significantly over the years.

The Central region of Ghana is one of the regions in the country that has over the past years been developing into a centre of the tourism industry. According to Akyeampong (1996, p.195) "tourism has since the late 1980s emerged as a strong factor in socio-economic development of Ghana's Central region". This has become possible because it possesses significant tourism resources of natural, historic, cultural and educational attractions. These attractions serve as the basis for both general and special interest tourism including eco-tourism. The Central region is one of the few regions in Ghana with such vast diversity of tourism resources. The government has, since 1985, spearheaded efforts to turn the Central region into a leading tourism destination. Consequently, several of the region's attractions have been developed.

Hospitality, particularly accommodation has been identified as one of the "more viable and tangible manifestations of tourism" (Pearce, 1987, p.83). Thus, Akyeampong (1996) observed that the tendency has been that tourism development is associated with the construction of hotels and resorts. There has consequently, been an increase in the number of hospitality facilities in the Central region for tourists who visit the various attractions.

Cape Coast and Elmina are two towns in the Central Region that are of

significance to Ghana's tourism development. They both have resources that have allowed them to become the hub of tourism development in the region. Due to their locations, visitors (tourists) arrive at these towns to experience the rich cultural environments and other attractions. Owing to the large number of tourists, there have been an increasing number of accommodation facilities in the two towns but decreasing number of personnel (Ghana Tourist Board, n.d). The concentration of the hospitality facilities in these two towns is partly due to the concentration of major tourism resources at Cape Coast and Elmina, and partly due to the proximity to most of the tourism resources that are elsewhere in the region. However, the hotel industry in Cape Coast and Elmina employs a considerable number of workers, but it is not able to retain a considerable number of them for a lengthy period of time.

### **Problem Statement**

The hospitality industry is a labour-intensive one. Thus, of all the resources available to hospitality managers, none are of greater value than human resources. However, the industry is known to experience high rates of employee turnover (BLS, 2004). Sullivan (1999) mentions that the hotel/restaurant industry has long been characterized by a high rate of turnover, low wages, primitive technology, and an unimpressive benefits package. The Employment Policy Foundation (2004) report cites this service sector as one with the highest turnover rate. The Bureau of Labour Statistics (2004) also reports that average Labour turnover increased from 19.2% in 2003 to 20.2% in 2004 in the USA. Similarly, the World Economic Forum (2005) also mentions the hotel and catering industry as having the highest

turnover rate within the service sector.

According to Teye (1988), the absence of skilled labour as a result of turnover in the tourism industry has been identified as responsible for the dismal performance of the industry in sub-Saharan Africa. In Ghana, although no official statistics on the level of labour turnover is readily available, officials from GTB complain of a perceived high labour turnover. The question then is why the hotel and the catering sub sector suffer from high levels of employee turnover.

This question has prompted this study to investigate the causes of turnover, and to suggest measures to reduce turnover rates in the hospitality industry in both Cape Coast and Elmina.

The aforementioned issues led to the following research questions:

1. In what areas or departments of the industry is turnover a serious concern?
2. What factors account for the employee turnover in the hotel industry?
3. What factors influence employees' decision to stay with the hotel?
4. What measures do employers and employees think should be taken to reduce employee turnover in the hotel industry?
5. How do demographic variables (sex, age, level of education, work department, length of stay) influence employee turnover?

### **Purpose of the Study**

The purpose of the study was to examine employee turnover in the hotel industry in Cape Coast and Elmina.

## **Specific Objectives**

The specific objectives were to:

- a) Identify the units of the hotel in which turnover is of a serious concern.
- b) Identify the causes of employee turnover in the hotel industry in Cape Coast and Elmina.
- c) Determine the factors that influence employees' decision to stay with their employer.
- d) Determine possible solutions to the problem of turnover in the hotel industry in Cape Coast and Elmina.
- e) Identify the relationship between demographic variables and turnover.
- f) To propose recommendations for the solution of employee turnover.

## **Hypotheses**

1. H1: There is no significant relationship between intentions to quit and work attitudes
2. H2: There is no significant relationship between intention to quit and compensation, recognition, reward and opportunity for training.
3. H3: Intentions to quit are not likely to be affected by demographic variables.
4. H4: Work attitudes have no significant relationship with respondents age
5. H5: There is no significant relationship between work attitudes and educational level.



### **Significance of the Study**

This study would provide the management of hotel industry and other similar organizations with vital information on the causes of turnover, departments that are prone to turnover and solutions to the problem of employee turnover among employees in the industry. These would enable the measurement of the benefits of employee-retention programmes and compare those benefits to the programmes costs. The study also provides recommendations relevant for improving upon the current measures taken to retain employees in the hotel industry.

### **Delimitation**

The research was delimited to only the lodging sector of the tourism and hospitality industry. Therefore, other facilities of the hospitality organization, for example, restaurants, fast food and chop bar facilities were excluded. Non-licensed hotels were also excluded. Further, only the hotels in the Cape Coast and Elmina area make up the research area, leaving out all other hotels in the Central region.

Also, the licensed hotels that were used for the study comprised those that had been licensed as at 2008/2009. Thus, it is possible that new hotels might have sprung up and licensed which were not included in this study.

### **Limitation**

The study was confined to the Cape Coast and Elmina municipalities of the Central Region of Ghana hence generalisations and conclusions would not be accurate and meaningful in a national context because of the limited

sample. Also in identifying management respondents, no difference was made between owner-managers and employee-managers and so all managers were treated the same. Despite all these limitations, it is hoped that the results of this study would be of tremendous benefit to policy makers.

### **Definition of Terms**

1. *Turnover*: the rate at which employees leave the service of an organization without being replaced.
2. *Intention to quit*: the desire of an individual to voluntarily leave his or her current job.
3. *Environmental factors*: factors considered to influence employee turnover and includes job-hopping and perception of alternative employment opportunities.
4. *Work attitudes*: factors considered to influence employee turnover and includes satisfaction (with pay, nature of work, supervision), motivation, organizational commitment.

### **Organisation of the Study**

This study was divided into five main chapters. The background to the study, statement of the problem, research purpose, research questions, hypotheses, significance of the study, and organisation of the study are in the introductory chapter. Chapter two is a review of the literature on the definition and concepts, factors that account for turnover, intention to turnover, retention strategies. Chapter three presents the methodology, detailing sampling procedures, data collection and data analysis of the study. In Chapter four is a

presentation of the results of the questionnaire survey. Chapter five presented the summary, conclusions and recommendations for further study.

## **CHAPTER TWO**

### **REVIEW OF LITERATURE**

#### **Introduction**

This chapter is devoted to a review of literature concerned with the problem under investigation. It begins with a brief insight into the theory underlying the problem of turnover and the conceptual framework proposed for the study. It continues with an insight into employee turnover to bring into focus the subject matter of the study. It also outlines human resource strategies that can be adopted to mitigate employee turnover. In undertaking the review of literature, the chapter has been divided into the following sub-headings:

- i. Theory of motivation
- ii. Employee turnover
- iii. Intention to quit
- iv. Causes of employee turnover
- v. Demographic variables and intention to quit
- vi. Managing labour turnover and retention
- vii. Employee retention strategies

#### **Theory of Motivation**

Motivation theory is a concept often employed in addressing the problem of labour turnover. For instance according to Mobley (1979), the

factors that motivate people to stay on a job kind of contribute effectively, to dissimulate the thoughts of quitting to that individual. Motivation has been found to occupy a highly significant position in attracting and retaining employees. This reinforces the notion of reciprocity or exchange that is entailed in the work, in that the extent to which the employee will continue to identify with the goals and objectives of an organization and therefore continue to be part of the process of goal accomplishment depends highly on the level of his or her motivation. This is because individuals have certain interests, needs and values and expectations which they bring to the work environment. As such, if these are blended with the job characteristics and the work environment, the individual will experience high degree of motivation and will stay on the job. The opposite of this will result if the individual's characteristics are not congruent with the job characteristics and the work environment. The end result will be the employee leaving the organization.

Motivation theories fall into two main categories: content theories and process theories. Content theories of motivation explain the dynamics of employee needs, such as why people have different needs at different times. Process theories of motivation do not directly explain how needs emerge. Instead, they describe the processes through which needs are translated into behaviour. Process theories explain why someone with particular need engages in a particular direction, intensity and persistence of effort to reduce the need tension. The exponents of the content theories i.e. what specifically causes motivation are Maslow, Herzberg, McClelland and McGregor whose theories are based on human needs. They maintain that the key feature of motivation is that it determines the extent to which an individual desires or is

willing to place his or her knowledge and skills at the disposal of others and to shrug off the effects of obstacles and difficulties in so doing.

Though a wide range of factors have been found useful when it comes to interpreting employee turnover, Herzberg's (1976) two-factor theory has been employed to model turnover in a range of different organisational and occupational settings (Morrison & Robinson, 1997; Clarke & Wilkinson, 2001). The motivation-hygiene (two-factor) theory of Herzberg has gained great support in management literature. This theory has components that relates to antecedents to turnover and stresses the importance of satisfaction and dissatisfaction in a job. Herzberg's (1959) two factor theory proposes that employees' attitude and worker performance is influenced by two set of factors – motivators and hygiene.

The theory is based on the assumption that dissatisfaction leads to avoidance of work whereas satisfaction leads to attraction to the work. Herzberg argues that a feeling of self-worth, recognition, promotion, achievement, nature of work or job and responsibility are good indicators of job satisfaction especially when they (indicators) tend to be consistent with the individual's values. A critical look at the views expressed here gives an indication that anybody who gets job satisfaction tends to progress on the job and therefore remains in that job. According to Herzberg, an individual feels dissatisfied with his job if the policies of the organization are not consistent with his values. In addition to this, he also identifies poor human relation at workplace, poor working conditions and poor work environment as indicators of job dissatisfaction that leads to turnover. A summary of the views of Herzberg shows that job dissatisfaction occurs when workers expectations are

not met while on the contrary workers experience job satisfaction when they obtain outcomes that are in line with their expectations and work values. Based on Motivator-Hygiene theory, several empirical discussions have emerged.

Oshabgemi (1998) presents a view that is closer to that of Herzberg's in his survey. He observes that the job itself, which requires the employee's control and use of acquired skills and abilities, contributes as much as fifty percent of satisfaction. Beach (2003) also adds his voice to the studies and comments on the work of Herzberg. Beach maintains that the practical importance of the work of Herzberg lies in employee's wages, fringe benefits, working conditions, job rights and status systems. And that if these maintenance needs are taken care of adequately, employees will stay with the organization. Beach therefore concluded that maintenance factors serve as a base on which motivation can be added to improve job performance and retention.

According to Robbins (1986) even though job satisfaction itself is important, the bottom line is the impact it has on organizational commitment, which affects employee turnover and organizational performance. He states that the interaction of the individual and the job determines levels of job satisfaction or dissatisfaction and organizational commitment. Various research studies have revealed that people who are relatively satisfied with their jobs will be somewhat more committed to the organization and would not search for alternatives (Aryee, 1991).

Aryee (1991) shows a negative relationship between organizational commitment and turnover intention of professional accountants in Singapore.

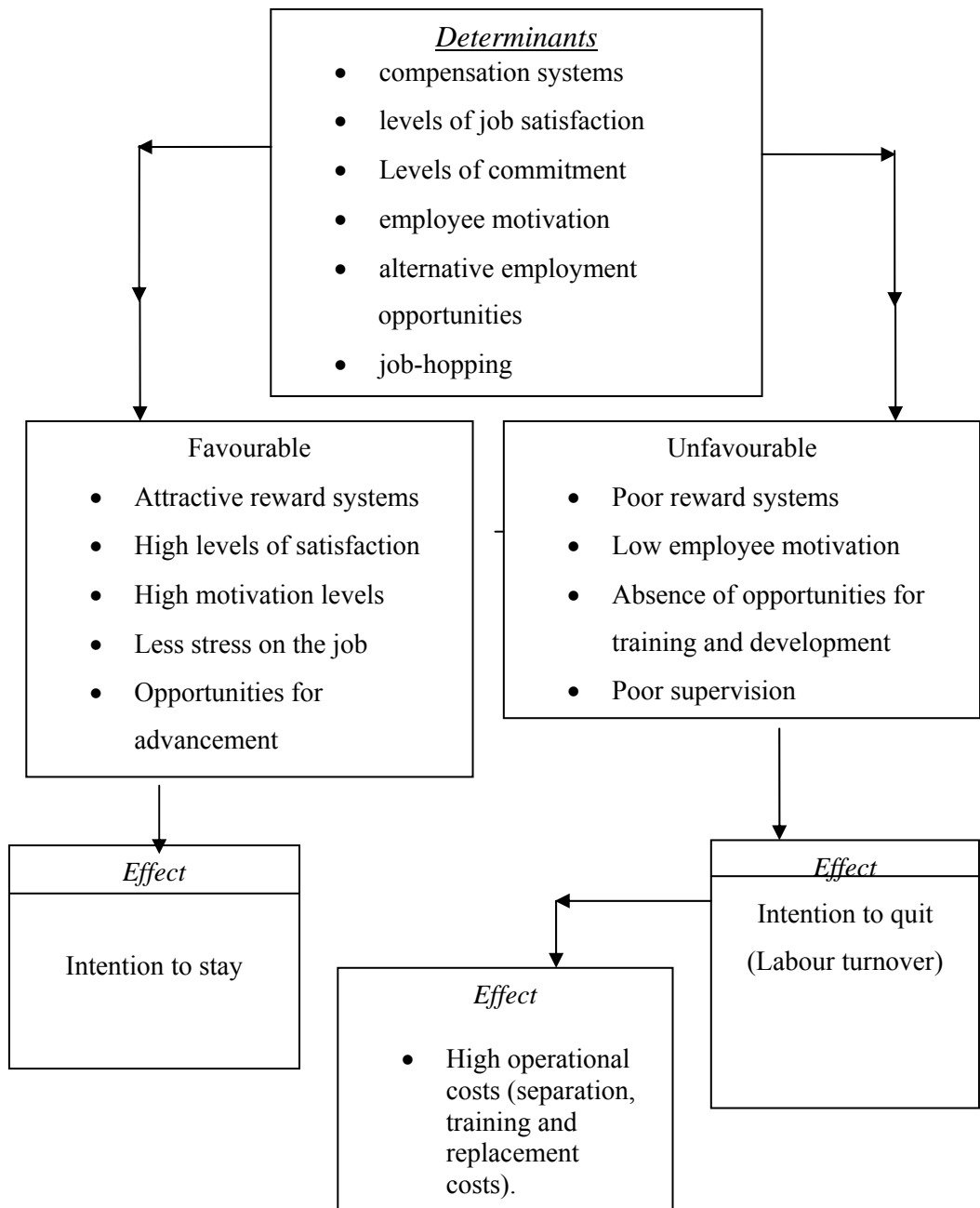
In the same way, Wong, Chun and Law (1996) in their longitudinal study of 485 graduate students in Hong Kong, found organizational commitment to be a strong predictor of turnover. Van Breukelen, VanDer Vlist, & Steensma (2004) indicate that job satisfaction and organizational commitment are negatively associated with turnover intentions.

Pay or wage has been found to be an important source of job satisfaction irrespective of the level of the job or the workers being studied. In a study involving 100 managers, Lawler and Porter (1968) found out that the amount of pay received was positively related to job satisfaction. In another study, Smith, Kendall and Hulin (1969) observed a similar relationship between the mean annual pay of workers and their mean job satisfaction. This phenomenon is perhaps explained by the fact that money is very instrumental in fulfilling several important needs of the individual and therefore serves as an enticing element for anybody seeking for a job. Steers and Porter (1991) shared the same view when they carried out a research on choice of job, career choice and employee turnover. According to them, the rewards an organization offers tend to influence who are attracted to work for it and who will continue to work for it. Steers and Porter maintain that organisations that give the greatest rewards apparently lead to high satisfaction which eventually leads to a higher retention.

Cole (2002) however, argues that though pay or money can be used to encourage employees to work productively, it is not the only factor involved in attracting, retaining and motivating employees. This assertion is clearly indicating the need for other incentives in motivating employees to stay on the job. Castetter (2003) argues that to be able to attract and retain the best



materials in terms of human resources in the face of highly competitive demand, an organization should have conditions, facilities or incentives that easily catch the eyes of the prospective job seeker. From these reviews a conceptual framework was constructed based on a theory by Woodward as cited in Izedonmi (1999). The conceptual framework of factors influencing Employee turnover is depicted in Figure 1.



**Figure 1: A Framework on the determinants and effect of employee turnover.**

Source: Author's construct, 2009

The framework is as a result of an adaptation and modification of Woodward's (1976) push/pull theory as cited in Izedonmi (1999). In explaining the concept of labour turnover, Woodward connected the rise in labour turnover with factors that are present within an employee's organization which to a greater or lesser extent make him dissatisfied with his job. That is, for an employee to voluntarily leave his present employment there must be factors pulling/pushing him out. He suggested that there must be either a need or motive or intention, which an employee seeks to fulfil when he takes up an employment. As he progresses in the job, he begins to build a profile of the level of his satisfaction of those needs. It is the perception and selection of outcome that could trigger off action as whether to stay in the old job or quit. Usually an employee begins by evaluating the existing job as to whether such employment is giving him the desired satisfaction or not. And when he is dissatisfied or his needs or desires are not being met, the thought of quitting the old job and searching for alternatives becomes very dominant in his thinking.

The alternatives are also evaluated in terms of their ability to offer him higher satisfaction. Thus, it is after comparing the old job and the alternatives on the basis of what they offer in consonance with the desired level of satisfaction, that the idea of quitting or remaining assumes larger - consideration in the employees' minds.

However, he stated that these factors differ from individual to individual and that the reason that may lead one employee to turnover, might not be the same reason for another's quit decision. This is confirmed by a number of previous researchers. For instance, Lee-Ross (1993) attributed the

cause of the instability of the tenure of staff to the effect of bad management, which often translates into low morale and dissatisfaction with work.

Additionally, Oloko (as cited in Izedonmi, 1999) summarizes the three broad categories of the causes of labour turnover as:

- (i) Institutional Factors: These factors are made up of the jobs inherent and managerial additional and attitudinal factors to employee.
- (ii) Environment Factors: These factors relate directly to the job condition.
- (iii) Social or Personality Profile Factors: These are those factors, which exist within the individual and have to do with his feelings, emotions, expectations and perceptions.

Thus, in this study, a framework was constructed which centred on the determinants of employee turnover. An attempt was made to identify factors that could or would not lead to employee's turnover depending on how the employee views the conditions in the work environment. It highlights that there are drivers for employee turnover in organisations which have both negative and positive effects. However, if management/employees put in place appropriate interventions and manage turnover effectively, organisations will benefit in terms of reduced employee turnover, increased job satisfaction, minimized employees stress and increased employee morale. It will also, promote good employee relations, attract employees, increase profitability and enhance organisation competitiveness.

The framework consists of two set of factors which determine turnover intention; namely; work attitudes (motivation, job satisfaction and organisational commitment) and environmental factors (Job hopping and

Alternative employment opportunities). As illustrated in the framework, employees weigh how favourable these conditions are in deciding to remain in an organisation or quit. When employees consider such factors as motivation, availability of career opportunities, levels of commitment and satisfaction with the job as favourable variables in their work environment, it is very likely that they would stay with the organisation (Brown & Peterson, 1993, Sager 1994). However, if they see supervision to be poor, motivation as low, as well as less satisfaction, and have other employment alternatives there is a high rate of 'leaving' among employees than staying.

The high rate of employee turnover has a lot of implications for stakeholders. To the hoteliers, it a loss of skilled personnel on whom a lot of resources have been spent in terms of training and development. Extra resources will be needed to pay off those leaving, while additional resources will also be needed to recruit and train newly qualified personnel to augment the staffing position. A high turnover rate also has a negative repercussion on the remaining staff, as the fall in the number of employees will demand that they put in extra effort to achieve the goals and vision of the organisation. Overall, if not curbed, employee turnover has as its effects, high operational costs, separation costs, training costs and replacement costs, to mention a few. The two sets of factors (work attitudes and environmental factors) that determine turnover are labelled as independent variables while turnover intention is labelled as the dependent variable.

## **Employee Turnover**

According to Mobley (1982), turnover refers to cessation of membership but it should be acknowledged that from a more institutional or organisational perspective, turnover may also include accession or entry. Similarly, McShane and Glinow (2000) defines turnover as the process in which employees leave the organization and have to be replaced. Mathis and Jackson (2004) classified turnover into two general types: involuntary and voluntary. Voluntary turnover means voluntary movement of an employee out of an organisation. It reflects an employee's decision to terminate the employment relationship (that is, voluntary leavers leave on their own volition to further their career or to seek greener job satisfaction elsewhere) while the involuntary type of turnover reflects an employer's decision to terminate the employee's employment.

McShane and Glinow (2000) state that since employees leaving voluntarily are those not dismissed by the employer, they are probably the ones that an employer would like to retain most. Involuntary turnover may occur for reasons which are independent of the affected employee(s) – that is, involuntary leavers are literally forced out by the organisations by one means or another - such as the real or perceived need to cut costs, restructure or downsize. Furthermore, voluntary turnover is often categorised into two namely; functional and dysfunctional (Mathis & Jackson, 2004). Functional turnover is where the employees' departure becomes beneficial to the organisation, while the dysfunctional type is where the organisation would like to retain the departing employee. Dysfunctional turnovers usually involve high performers who are difficult to replace in the organisation.

Carsten and Spector (1987, p.379) say that “typically, only workers who have alternative employment opportunities consider leaving and it is the best employees who have the most opportunities. That is, the best employees moving on, with the worst staying on and engaging in other forms of withdrawal behaviour”. Noe, Hollenbeck, Gerhardt and Wright (1996, p.239) paint a grimmer picture that, ‘in the worst scenario, the better employees go to work for the company’s competitors and the disgruntled employees may take sensitive information with them to the new jobs’.

Typically, involuntary turnover includes dismissals, layoffs, and forced retirement. Because labour market conditions largely affect involuntary turnover rates, they are difficult to directly manage. Price (1977) states that the scope that a voluntary or involuntary dichotomy offers for classifying the phenomenon enables directed and systematic research. Particularly where turnover is thought to be associated with a factor such as organisational commitment, or to be preceded by a psychological state such as intent to quit, drawing the distinction between voluntary and involuntary turnover is important, otherwise assessment of such a relationship in terms of all organisation leavers will be flawed.

Vandenberg and Nelson (1999) have argued that in reality, the apparently straightforward dichotomy between voluntary and involuntary turnover has limitations. For example, record of instances of turnover may misrepresent the extent to which a turnover decision was voluntary. Where exit interviews are conducted, interviewers may not wish to press too hard when questioning an employee. It is also possible that they will not wish to record details that would cast the organisation or the employee in a bad light

(Campion, 1991). Employees may have similar motives for being reticent about their reasons for leaving, and added to this they may have concerns about the extent to which full and frank disclosure could harm their prospects of receiving a favourable reference. All of these factors may muddy the putatively categorical voluntary / involuntary distinction.

However, Dess and Shaw (2001) contend that voluntary turnover is of interest because in most cases, it represents the bulk of turnover within an organisation. Such instances of turnover also represent a significant cost, both in terms of direct costs like replacement, recruitment and selection, temporary staff, management time, and perhaps more significantly, in terms of indirect costs such as morale, pressure on remaining staff, costs of learning, product/service quality, organisational memory and the loss of social capital.

### **Intention to Turnover**

Tett and Meyer (1993) defined turnover intentions as conscious wilfulness to seek for other alternatives in other organisations. According to Alexander, Lichtenstein, Oh and Ullman (1998) it is a direct predictor of real turnover. Furthermore, turnover intention has been broadly defined as attitudinal that is, thinking of quitting, decisional - intention to leave and behavioural- searching for a new job- processes proceeding voluntary turnover (Khatri 1998; Sager, Griffeth & Hom, 1998).

In theory, a person's behavioural intentions should be a good predictor of future behaviour according to multiple research studies presented by Mobley (1982). Seven variables were studied as a predictor for turnover including intention to quit by Mobley. He concluded that when all variables

were combined, only intention to quit was significantly related to turnover. It was further determined by the study, that intentions to quit served as a summary variable encompassing a number of other variables that were related to turnover. The evaluation by Mobley was that intentions are the best predictors of turnover.

Fishbein and Ajzen's (1975) theory of attitude postulates that the best predictor of individual behaviour will be the measure of his intention to perform that behaviour. Price and Mueller (1981) also recommended the use of turnover intention over actual turnover because the latter is more difficult to predict as there are external factors that affect turnover behaviour. In a 1986 study of why restaurant managers quit, intent to leave was used by McFillen, Riegel and Enz(1986) as a substitute for actual turnover because the ability to actually leave a job is affected by whether the employee can leave. For example, if a manager became pregnant while in the process of intending to quit, the manager may delay leaving the organisation because of loss of medical insurance coverage until the baby was born. Therefore, the employee's intention was to turnover, but because of circumstances was unable to leave.

Moreover, Shore and Martin (1989) noted that turnover intention is an appropriate dependent variable because it is linked with actual turnover.

### **Causes of Employee Turnover**

There are many potential causes for employee turnover. Mobley (1986) states that a high level of employee turnover may be related to factors such as low wages or unattractive working conditions; or to a high concentration of



casual or seasonal workers. Conversely high turnover may be related to a high level of demand for skills where workers are induced to change employers in a wages 'merry go round'. Lawler (1986) suggests poor job feedback, job dissatisfaction, unmet job expectations, performance problems, situational constraints, socialization difficulties, greater degrees of job stress, and a lack of career advancement opportunities among others as causes of employee turnover. Though many of such factors can be identified, the study has classified them into work attitudes and environmental factors.

**Work attitudes.** Work attitudes are used here to mean those emotional characteristics of employees that are brought to bear on their daily activities at the workplace (Verquer, Beehr, & Wagner, 2003). In this study, they include motivation, job satisfaction, and organizational commitment.

Lawler (1986) states that a very important tangible cost of employee turnover is the effect of high employee turnover on the morale, motivation and job satisfaction of staff, and the level of organizational performance.

**Motivation.** Motivation has been found to occupy a highly significant position in attracting and retaining employees. It reinforces the notion of exchange that is entailed in the work; in that the extent to which the employee will continue to identify with the goals and objectives of an organization and therefore continue to be part of the process of goal accomplishment depends highly on the level of his or her motivation.

Motivation tends to play a significant role in influencing a worker's decision to stay or quit a particular employment. Rutherford (1990) argued

that motivation makes an organization more effective because motivated employees are always looking for better ways to do a job, generally are more quality-oriented and are more productive, so it is important for management to understand how organizations influence the motivation of their individual employees.

According to Mobley (1979), motivation and job satisfaction are the two personnel management concepts often employed in addressing the problem of labour turnover. As stated by Mobley, the factors that motivate people to stay on a job, contribute effectively to dissimulate the thoughts of quitting to that individual. Even a simple acknowledgement of an employee's good work can be quite a motivator (Clarke, 2001). Clarke highlights that "a pat on the back or a word of praise after they have worked hard to deliver for the company goes a long way toward building individual and group morale" (p. 1). It is very essential therefore for managers of personnel to understand these factors and address them effectively.

Integrated motivation theory has several components, one of which relates to job. The work of Porter and Miles (1974) as cited in Izedonmi (1999) has been identified as one of several components of this theory. Porter and Miles maintain that three major variables in organizations affect motivation and that the type of relationship existing among these variables determines the degree of motivation an employee experiences. The variables are (a) individual's characteristics(i.e. attitudes, interests, needs, values) which he or she brings to the work environment; (b) job characteristics(i.e. attributes of the task) such as the amount of responsibility the individual is given; (c) work environment. The implication of this theory is that the individual has

certain interests, needs, values and expectations before joining the organization. As such, if these are blended with the job characteristics and the work environment, the individual will experience high degree of motivation and will stay on the job. The opposite of this will result if the individual's characteristics are not congruent with the job characteristics and the work environment. The end result will be the employee leaving the organization.

***Job satisfaction.*** Job satisfaction level has been extensively studied by various parties including academicians, researchers, and government agencies both at the national and international levels. Related studies have also been conducted on manufacturing, public and service sectors. This indicates that the importance of job satisfaction is widely recognised and its significance in enhancing productivity is very high. Previous findings reveal that job satisfaction is an important element in influencing a firm's performance. This, as stated by Hackett and Guinon (1985), is because high level of job satisfaction will produce a positive attitude towards job commitment, which in turn can reduce the level of absenteeism, termination of service, negligence at work, and can increase efforts towards work excellence.

High job satisfaction level has enormous impact not only on the sense of loyalty, absenteeism, efficiency, productivity, termination of work, but also on mental and physical health (Scott & Taylor, 1985). From the findings on job satisfaction, the following statements may be made. To begin with, employees with a low job satisfaction level have a high likelihood to quit their job ( Price, 1977, Mobley, Griffeth, Hand & Meglino, 1979). This is supported by McShane (1984), who concludes that employees in such a situation are

likely to be absent from work. Additionally, Shaw (1999) in a study which examined the relationships between job satisfaction and the inclination to quit found that there is a high inclination for an individual to quit job if his or her level of job satisfaction is low. Rad and Yarmohammadian (2006) also confirmed that job satisfaction is an immediate antecedent of intention to leave the workplace and turnover.

A study based on a survey of 300 physicists in England by Williams, Pathman, Linzer, McMurray and Gerrity (2001) to find out whether the turnover rates in that sector were due to dissatisfaction with pay and nature of supervision using a 15- item job satisfaction index concluded that job satisfaction is the main contributing factor for employees' inclination to quit their jobs. A person with a high level of job satisfaction holds positive attitude towards the job, while a person who is dissatisfied with his or her job holds a negative attitude towards the job (Kreitner & Kinicki 2001). Employee job satisfaction is beneficial for both management and society. For management, a satisfied workforce translates into higher productivity due to fewer disruptions caused by absenteeism or good employees quitting and lower medical and life insurance costs. For the society, satisfaction on the job carries over to the employee's off-the-job hours.

According to Robbins (1986), satisfaction is strongly and consistently negatively related to an employee's decision to stay or leave the organisation. But Lawler (1986) argues that although satisfaction and absence are also negatively related, people should be careful in drawing conclusions regarding the relationship. Robbins (1986) identifies four dependent variables that enhance satisfaction. They are mentally challenging work, equitable rewards,

supportive working conditions and supportive colleagues and that under conditions of moderate challenge; most employees will experience pleasure and satisfaction.

Grunberg (1979) explains that there is no one general comprehensive theory that explains job satisfaction. Mullins (1993) reports that there exists a wide range of factors that influence job satisfaction including, for example, Herzberg's hygiene and motivating factors. Some of the major factors that have particular influence on job satisfaction include:

- i. Frustration and alienation
- ii. The nature of technology
- iii. The meaningfulness of work
- iv. The nature of supervision
- v. Work and psychological well-being
- vi. Role incongruence and role conflict

One approach to job satisfaction is in terms of understanding that no one variable satisfies employees. But identifying and providing a satisfying experience that provides a means of satisfying other external demands (Robbins, 1986).

***Organizational commitment.*** Various definitions have been given for employees' commitment. It is seen as a global attitude which can influence an individual's reaction towards his or her organisation (McCaul, Hinsz, & McCaul, 1995). It also includes an effective response by an employee towards the whole organisation (Martin & Bennett, 1996). Organisational commitment has further been defined as the employee's psychological attachment and

affiliation to the organisation (Wong et al., 1996). Meyer and Allen (1997), submit that there are three mind sets which can depict an employee's commitment to the organisation. They are affective commitment, continuance commitment and normative commitment. Affective commitment is defined as an employee's positive emotional attachment to an organisation. Continuance commitment refers to a situation where an individual is committed to an organisation because he or she perceives high costs of losing organisational membership. Normative commitment occurs when an individual is committed to, and remains with an organisation because of feelings of obligation.

In a study by Mowday, Porter and Steers (1982), the concept of organisational commitment was divided into three important aspects: (a) belief in and acceptance of an organisation's goals and values (b) willingness to strive harder to develop an organisation by being part of the organisation, (c) willingness to continue working and be loyal to the organisation. Aryee (1991) shows a negative relationship between organisational commitment and turnover intention of professional accountants in Singapore. In the same way, Wong et al., (1996) in their longitudinal study of 485 graduate students in Hong Kong, found organisational commitment to be a strong predictor of turnover. Several other scholars (Arnold & Feldman, 1982; Khatri, 1998; Tett & Meyer, 1993) also found organisational commitment as an important predictor of turnover. Van Breukelen, VanDer Vlist, and Steensma (2004) indicate that job satisfaction and organisational commitment are negatively associated with turnover intentions.

The need for high organisational commitment is an important issue in any organisation. This is because an employee who is highly committed

towards his or her organisation can be said to be productive, stable, and always strives towards fulfilling the organisation's needs as opposed to the less committed (Larkey & Morrill, 1995). Studies on job commitment have used various variables such as individual's background, organisation, employer, work, and job satisfaction (Testa, 2001).

Bateman and Strasser (1984) suggested that organisational commitment has a direct relationship with low employee turnover and productivity. In addition, research shows that commitment has a positive effect on productivity, turnover and employees willingness to help co-workers (Aryee, 1991). For example, Lopopolo's (2002) study on 200 hospital employees working with physical therapy indicates a negative relationship between organisational commitment and role conflict, role overload, and role ambiguity. Fostering employee commitment can have a great impact on decreasing turnover rates. One of the findings by Feather and Rauter (2004) in a study involving permanent and temporary teachers in Victoria, Australia reveals a positive relationship between organisational commitment and organisational identification, influence, variety, skill utilization and organisational citizenship behaviours.

White, cited in Mullins (2001) suggests that there are three kinds of feelings or behaviours that denote commitment to the organisation in which a person works. These are belief in, and acceptance of the organisation itself and its goals or values; willingness to exert effort on behalf of the organisation above the contract of employment, and the desire to remain with the organisation. White concludes that a high level of employee commitment implies willingness to work for the organisation's benefit. However, he also

indicates that its continuation depends on the reciprocal commitment by the organisation to its members.

**Environmental factors.** According to Harbinson (1973), an employee's decision to continue with his or her present firm or to seek opportunities elsewhere depends on factors such as working conditions, personal fulfilment, and travel requirements. Cole (2002) further states that the reasons for leaving are multifold, but in general, the environment in which these organisations perform forces them into these employee patterns. Mathis and Jackson (2004) see environmental factors as uncontrollable factors which include job-hopping and alternative employment opportunities. These factors are related to labour market school of thought (Morrel et al., 2004).

***Job-hopping.*** Job-hopping means frequent movement from one job to another job without any specific reason. Ghiselli (1974) defines job-hopping, as 'hobo syndrome' which means and includes the periodic itch to move from a job in one place to some other job in some other place. It also means employees searching for alternative jobs even when they have secured jobs (Chew, 1993). Job hopping is one of the most important factors of employee turnover. Some employees leave due to social influences from peers or colleagues and some employees leave the organisation for fun and for no apparent reason. According to Khatri, Fern & Budhwar (2001), Job hopping is positively associated with turnover intention.



*Alternative employment opportunity.* Alternative employment opportunity is another uncontrollable and labour market variable. Opportunity means availability of alternative jobs in the environment. Employees would generally like to work in prosperous and flourishing economies and as a result, employees usually move out of poor and deprived economies to seek greener pastures in more developed ones. According to Price (2001), the larger alternative employment opportunities exist in the environment, the more chances of awareness among the employees, which lead them to evaluate cost and benefit analysis and have intentions to switch jobs. Literature suggests that there is a positive relationship between alternative employment opportunities and employee turnover intention (Heller, Clay & Perkins, 1992; Khatri et al., 2001). A study carried out on 352 National Health Service (of England) nurse quitters by Morrel et al. (2004) found out what triggers the decision of NHS nurses to quit. Using both qualitative and quantitative methods, it was concluded that many NHS system nurses left their position because of alternative opportunities elsewhere as well as a strong labour market for nurses within the system. In addition to the alternative bargaining power and the strong labour market for nurses, the studies also indicated that most nurses left their position because of job stress and dissatisfaction.

### **Demographic Variables and Intention to Turnover**

Research studies have discovered many different antecedents to employee turnover such as organisational culture (Sheridan, 1992), compensation (Burgess, 1998), supervisory relationships (Tepper, 2000) and work environment (Blum, Gilson, & Shalley, 2000). Demographic profiles

such as age, gender, and tenure with the company are also found to be other important variables or antecedents to turnover (Allen & Meyer 1990; Hackett, Bycio, & Hausdorf, 1994). Older employees tended to be more affectively committed than younger employees and so stayed longer (Mathieu & Zajac, 1990). Age is a significant predictor of normative commitment (Taormina, 1999). In this study, an effort was made to find out if such relationships existed.

### **Managing Labour Turnover and Retention**

In today's computer age, most organisations, large or small, are facing the hard truth of retaining their personnel. After engaging the most suitable persons for various jobs in the organisation, the next function is how to retain them. According to Mobley (1982), while understanding that the determinants of employee turnover are critical to the creation of effective retention strategies, it is also important to understand and assess the potential costs and organisational consequences of turnover. Hotel industry staff retention remains as a big issue as ever and strangely, redundancy programmes are proving a reason for companies to pay attention to this area (Olsen, 1995). Not all employees possess knowledge, skills or connections that are of equal strategic importance to organisational objectives (Lepak & Snell, 1999). Similarly, not all employees demonstrate equally high performance levels. Consequently, retention strategies are more effective if they are targeted at employees who have the greatest impact on core activities within the organisation.

Turnover is an index of organisational effectiveness (Vandenberg & Nelson, 1999). Therefore, managing staff turnover to improve retention can

lead to better recruitment, lower costs, improved morale and a better knowledge base. Some staff turnover is inevitable and beneficial, but too much is costly, especially in terms of recruitment and training resources.

A successful company cannot survive without an effective retention programme. Therefore, there is a need for a plan that takes into account the vulnerability of key losses, reducing employee turnover, lowering expensive replacement costs and increasing motivation to achieve company growth objectives and maximizing profit potential (Flowers & Hughes, 1973). Causes of voluntary employee turnover such as non-competitive compensation, high stress, unpleasant physical or interpersonal working conditions, monotony, and poor direct supervision, according to Mobley (1982), can be managed. Mobley further state that worker representatives do not quit because they lack the skills or abilities to perform the job, they quit largely because they are not interested and challenged by the job, lack the personality characteristics to be successful, or are dissatisfied with the environment in which they work.

Given this verity, executives and hiring managers can take two approaches to reducing turnover: (1) change the job and its environment to eliminate negative characteristics, or (2) screen out potential leavers during the hiring processes. Income Data Services (2004) suggests that where there are general turnover problems within an organisation, a holistic approach aimed at fully engaging with staff should be taken. This may encompass a wide range of measures such as: improving recruitment procedures to ensure candidates receive a realistic impression of the company and the job, supporting new recruits during the critical first few weeks in the job and providing clear career paths. Also, support for personal development, considering work-life balance

issues, keeping pay in line with appropriate market rates, offering an attractive employee benefits package, creating a pleasant working environment and communicating and consulting effectively with employees may help.

Beach (2003) shows the importance of managing and retaining staff to ensure lower rates of turnover by submitting that there is the need to identify cost effective retention strategies that can be implemented at the organisation. He states that, it is quite a complex task, as decisions by employees to leave or remain at a workplace will be influenced by a wide range of factors, including:

- i. The employee's personal aspirations
- ii. The culture and management style of the workplace
- iii. The nature of the work
- iv. Comparative remuneration levels
- v. The availability of internal promotion opportunities
- vi. The extent to which work arrangements (e.g. rosters, hours worked, amount of travelling required, absences from home) are compatible with the employee's home life.

Beach (2003) further explains that the relative significance of these different factors will vary not only between individuals, but also across departments and between occupations. He states that given the diversity of factors that can impact on employee turnover, care must be taken not to adopt a 'one size fits all approach', or to make assumptions from the outset about what is driving turnover at a particular department or site. Rather, the problem needs to be analyzed on a department by department basis and the solutions tailored to local circumstances.

## **Employee Retention Strategies**

Retention involves managing in ways which encourage staff to remain in employment with the organisation. The world of business is currently experiencing the effects of increased employee turnover rates. Rather than being an isolated issue, employee turnover faces the world as a whole. Lawler (1986) states that retention is as much a management issue as it has ever been. One must not necessarily think that people are staying because they are happy at the company. And not assume that people are leaving simply for money. Mullins (1995) suggested that an organisation can theoretically influence turnover by various intervention processes that include employee empowerment, training and orientation, involving employees and providing for staff feedback.

**Empower employees.** In a bid to empowering employees, decision-making needs to be extended right down to the lowest levels of the organisation (Ledford & Mohrman, 1993). This can be achieved by giving employees information about organisation performance; providing rewards based on action using that information, giving employees' knowledge that enables them to understand and effectively use this information, and finally allowing employees the power to make the decisions that will actually influence organisational direction and performance (Bowen & Lawler, 1992; Anthony, Perrewe & Kacmar, 1999). This needs to be extended right down to the lowest levels of the organisation.

Management act like coaches and help employees solve problems. Superiors empowering subordinates by delegating responsibilities to them

leads to subordinates who are more satisfied with their leaders and consider them to be fair and in turn perform up to the superior's expectations (Keller & Dansereau, 1995). Empowerment of employees could help to enhance the continuity of employees in organisations where managers supervise more people than in a traditional hierarchy and delegate more decisions to their subordinates (Malone, 1997).

**Orient and train employees.** The orientation and training process is a new hire's first impression of the organisational environment, and therefore a critical period. In fact, a study at Corning Glass found that new employees who went through a positive orientation were 69% more likely to be with the company three years later than those who did not. A similar study at Texas Instruments concluded that employees, who were carefully oriented to the company, and their jobs, reached full productivity two months sooner than those who were not (Klienman, 2001). The most successful orientation programmes make new employees feel welcome and a part of the team. They highlight the individual's role in the employer's mission. They assure new employees that adequate and patient training will be provided. Most importantly, successful orientation programs show the new employee what he or she stands to gain from employment with the company.

It is highlighted by Tyler (1998) that most new employee turnover occurs within the first few weeks, and can be traced back to the way they were-or were not-oriented. Tyler (1998), further highlights that; 'the end of the first day is just as important as the beginning' (p.6). Thus, employees should be made to feel that they are wanted back for a day two. To achieve this, the

warm reception should not end with the end of orientation, and experienced employees can be provided as mentors for new hires to turn to as a resource.

Wal-Mart conducted research on new hire attitudes in 1999, aiming to reduce employee turnover by 50%. The critical link between orientation and employee turnover was highlighted in this research. According to the Wal-Mart Vice President Of People Services, the issue should be how well are new people being invited into one's home, how welcoming are they made to feel and how well are preparations being made for the things they would be asked to do(as cited in Klienman, 2001).

**Involve employees.** Encouraging employee involvement means creating programs and policies that harness employee engagement as well as developing practices that include staff, solicit their thoughts, provide them with feedback and help them have influence over their work and, to some extent, the organisation. Job involvement describes an individual's involvement with work and indicates the extent to which an individual identifies psychologically with his or her job (Kanungo, 1982). Employees who are more involved in their jobs are more satisfied with their jobs and more committed to their organisation (Blau & Boal, 1987; Kanungo, 1982). Also, involvement would influence job satisfaction and increase organisational commitment of the employees. (Tor & Owen, 1997).

Guy (2003) found that high involvement work practices works because it allows employees to make decisions that make a difference to the organisation. Decision-making by lower level employees improves performance for various reasons. It allows employees to use tacit knowledge that they have gained through shop floor experience; experience and

knowledge that may not necessarily be available to higher-level managers. The freedom to make these decisions alone or associated with performance pay provides motivation for greater effort (Guy, 2003).

Involving employees in even the smallest decisions can have tremendous results on a corporate level. When employees are given choices and input into the very policies and procedures that they adhere to each day, it creates a sense of importance. Employees begin to feel that they are critical to the success of the company. This sense of contribution fosters employee loyalty and increases accountability. And as Magner, Welker and Johnson (1996) state, employees feel comfortable to stay longer, in positions where they are involved in some level of the decision-making process.

**Provide opportunity for staff feedback.** Employees have a strong need to be informed. Organisations that give staff the means to provide feedback to each other, management and the company are psychologically healthy (Magner et al., 1996). By offering staff a chance to provide their opinions about work flow and volume, the company and management practices also tend to be psychologically healthy. Organisations with strong communication systems enjoy lower turnover of staff (Labov, 1997). Therefore, companies with open feedback channels have the ability to incorporate employee comments, criticisms and desires for improvement into their processes and systems. As a result, these companies become more competitive as staffs, who may observe the need for important changes, are offered an opportunity to see their ideas put into action.



Cascio (1991) though, states that there is a danger when companies obtain constructive staff feedback and do nothing with the information. Psychologically healthy companies ensure that they collect useful, specific feedback - and use it productively. Part of feeling involved in the company and feeling committed to the job is to be able to benefit from feedback about one's performance. This can mean engaging in collaborative performance reviews in which a person is asked about her own performance and discussed along with the manager's observations.

Woods and Macaulay (1989) suggest that performance reviews should not come as a surprise to employees because feedback should be ongoing. Positives and negatives of performance must be discussed as they arise. Waiting until the annual performance review to reveal poor performance to an employee shows a lack of respect for the employee (Woods & Macaulay, 1989). Psychologically healthy companies benefit when staffs are happy and enjoy their work. They reap the benefits in increased performance, productivity and profitability as well as retaining and attracting the best employees.

Byrnes (2005) notes that there are five essential steps for a company to develop an effective retention strategy. These steps involve defining a corporate value system based upon an organisation's values and vision, establishing and building trust within all parts of an organisation, assessing employee priorities through surveying, doing industry homework and creating a compensation and benefit package, that is supportive of company values and employee needs.

## **Summary**

This chapter reviewed the literature relevant to this research. Initially issues of employee turnover were discussed while factors that determine employee turnover were examined. The potential effects to the organisation both internally and in terms of performance were also highlighted. Finally, ways and means to manage and reduce turnover in order to retain employees were also discussed. It is generally concluded that when there is a 'good fit' between organisational needs and employees' needs, both benefit-organisations achieve set objectives and employees reach their highest potentials – self-actualization.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **Introduction**

This chapter is concerned with the description of the research design used for the study. It describes the various procedures and processes that were employed to collect the empirical data and the method of analysis employed.

#### **Study Area**

The research area covers Cape Coast and Elmina in the Central region of Ghana. The Cape Coast and Elmina area was selected because it has some of the better well known tourist attractions that serve as the pull factor mainly for international tourists visiting the country. The area also has the largest number of hospitality facilities. Of the One hundred and twenty (120) licensed hotels in the Central Region in 2008/2009, there were thirty (30) in Cape Coast and ten (10) in Elmina. The list of hotels can be found in Appendix A.

#### **Study Design**

This study is a cross sectional survey which examines the causes of labour turnover among employees in the hotel industry at Cape Coast and Elmina. The design seeks to describe the situation as it currently exists. This survey is aimed at eliciting information on the factors that account for employee turnover and solutions that would help curb the problem. Babbie

(1990) recommends the suitability of the cross sectional design for making generalizations from a sample to a population and also to facilitate inferences to be made about some characteristics, attributes or behaviours. Thus, this design is seen to be the most appropriate to the researcher in undertaking this study.

### **Population**

The target population for the study consisted of all workers in the hotel industry in both Cape Coast and Elmina in the Central region of Ghana. But the accessible population was estimated to consist of 519 workers in the 40 hotels and guest houses in Cape Coast and Elmina (GTB, 2008) at the time of the study. The estimation was made based on the figures given by the various heads of department since most of these hotels did not keep records of staff list. It was from these figures that a list was compiled by the researcher to ascertain the number of workers in each of the hotels. Thus, the estimated figures of the number of workers obtained after the compilation of the list were 128, 87, 104 and 220 in the Budget, one-star, two-star and three star hotels respectively.

### **Sample Size Determination**

In order to get a sample size of the population of staff of hotels in the study area, the Fisher, Laing, Stoeckel and Townsend (1998) formula for determining sample size for populations less than 10 000 was employed:

$$n = \frac{z^2 pq}{d^2}$$

Where:

n= the desired sample size

z= the standard normal deviation, usually set at 1.96;

p= the proportion of the target population that have particular characteristics;

q= 1.0-p; and

d= the degree of accuracy desired, this is usually set at 0.25

With (z) statistic being 1.96, degree of accuracy (d) set at 25 percent and the proportion of the target population with similar characteristic (p) at 75 percent which is equivalent to 0.75, then “n” is:

$$n = \frac{(1.96)^2 (0.75) (0.25)}{0.05^2} = 288$$

Following this calculation, a sample of 290 respondents was targeted to make adjustments for non-response. Two hundred and forty of the target population responded, comprising 205 employees and 35 managerial staff.

### **Sampling Procedure**

The stratified random sampling technique was used in selecting non-management employees. The hotels were stratified into four homogenous groups according to their star ratings by the Ghana Tourist Board. The hotels were grouped into Budget (25 hotels), One-Star (9 hotels), Two-Star (4 hotels) and three-Star (2 hotels) hotels.

With the help of heads of department, the researcher had access to the employees and used the lottery method to choose those who formed part of the sample. In some hotels/guest houses where the number of workers was not more than 5, all the workers were included in the sample. Therefore, in all, sixty (60) employees were randomly sampled from each stratum. This was

done with the help of the heads of the human resource division of the various institutions. Again, in each of the organizations (hotels), respondents consisted of workers who had spent more than ten (10) months in the various hotels. This is because the researcher assumed that it needs at least, ten (10) months of continuous employment for one to be able to make meaningful assessment of the conditions of service in the place of employment.

Also, 40 heads of administration and heads of human resources (management employees) of the selected hotels were another group of respondents. Since the hotels and guest houses were forty, the researcher determined to get a representation of management from each of these hotels so management was purposively sampled by giving each hotel a management questionnaire to be responded to by the head. It was believed that such categories of respondents were in positions to give relevant information.

### **Data Collection Instrument**

The main instrument used for the collection of data was a self-designed set of questionnaire for the respondents. The questionnaire was deemed appropriate because it is widely used for collecting data and according to Kerlinger (1986), if it is properly developed to answer research questions, it is very effective for securing factual information about practices and conditions of which the respondents are presumed to have knowledge. According to Sarantakos (1993), the use of questionnaire allows for unbiased information since data given by respondents is with limited interference on the part of the research personnel. In line with this, the written form of questioning, that is, a set of questionnaire was used. Sarantakos (1993) further

maintains that this research instrument has reported and established evidence of reliability and validity in researches of this nature.

Two sets of questionnaire were developed. One was developed for employee respondents and another for management respondents. The employee questionnaire was divided into nine distinct sections numbered (A) – (I). The first part of the questionnaire sought to ask respondents to provide demographic data such as age, sex, number of years spent in the organisation and previous or current positions. The rest of the sections, which is ‘B’ to ‘I’, sought to elicit information on the various issues of the study. The management questionnaire had four sections labelled A, B, C and D. With the exception of Section A that dealt with demographic data such as job title and length of stay with the organisation, the rest of the sections (B, C and D) also sought to elicit information on various issues of the study such as the extent of concern of turnover, contributory factors to turnover and solutions to the problem of turnover. The questionnaire was structured in such a way that respondents could answer it easily.

Thus, the set of items was structured using the Likert format with a four-point response scale and few open-ended items. A Likert Scale is a rating scale that requires the subject to indicate his or her degree of agreement or disagreement with a statement. In this type of questionnaire, the respondents were given four response choices. The reasons for the four point likert scale were to avoid people standing on the fence and to allow for responses to each item on the questionnaire so that no respondent would take a neutral stance. These options served as the quantification of the participants' agreement or disagreement on each item. Below are the designated quantifications used in

the questionnaire: 1=strongly agree, 2=disagree, 3=agree and 4=strongly agree.

The questionnaire aimed at measuring the following key independent variables: Job satisfaction, organisational commitment, motivation, job hopping, and the perception of alternative employment opportunities. Turnover intention was the dependent variable.

### **Pre-testing of the Instrument**

To maximize the reliability and validity of the questionnaire, the researcher conducted an initial survey of twenty employees and fifteen managers in Ray Bow International hotel in Takoradi, a three-star hotel, on May 3, 2009. They were allowed two weeks to fill out the questionnaire. The participants were asked to fill out the initial surveys based on their perception of factors that influence turnover as well as factors that would help reduce or curb the problem. The questionnaire was modified based on the pre-test and the final version of the questionnaire was completed after a review by the supervisors of this thesis. Some open-ended items in the initial questionnaire were converted into closed-ended items as a result of the pre-test since it was found that respondents could not grasp the meaning of the items. Others also found it a hectic task giving their opinions in writing rather than by ticking.

### **Reliability**

As Best and Khan (1995) describe it, the reliability of an instrument is the degree of consistency that the instrument or procedure demonstrates whatever it is measuring, and does so consistently. In order to ensure the



reliability of the instrument, the instrument was pre-tested by administering it to a selected group of thirty-five employees of Ray Bow international hotel in Takoradi who gave responses to items in the questionnaire. After which each case was then analyzed to check its reliability.

### **Validity**

A questionnaire should have items that are valid, that is, the data-gathering instrument should measure what it is supposed to measure. As such, the content validity of the questionnaire was checked by careful examination. The research instruments were given to supervisors of this thesis who then used their expertise to validate the content and construct of the questionnaire.

### **Measures**

For demographic factors, respondents were asked to indicate their age (in years), tenure (in years), sex, position on the job and education level. Five items were used for measuring satisfaction with pay; four items for satisfaction with nature of work and six items for supervision. These were adapted and modified from the Minnesota Satisfaction Questionnaire (Weiss, Dawis, England & Lofquist, 1967) and the Index of Organisational Reaction Questionnaire (Smith, 1976). The index has been proven and widely used as a standard measurement for job satisfaction.

An adapted and modified Organisational Commitment Questionnaire (OCQ) was used to measure employee commitment level, developed by Khatri and his colleagues (Khatri et al., 2001). Six items were used for the measurement of organisational commitment. The scale showed a good

reliability of 0.81. The job hopping was measured on three item scale which was also developed by Khatri and his colleagues. The scale showed reliability measure of Cronbach alpha 0.71. The perceived alternative employment opportunities scale contained six items and was adopted by Michaels and Spector (1982), Arnold and Feldman (1982), Billing and Wemmerus (1983) and Mowday, Koberg and McArthur (1984). The scale showed good reliability (i.e. 0.76).

Turnover intention was the dependent variable and was represented by a binary variable with 'Yes' and 'No' responses.

### **Ethical Issues**

Participants in the study were fully informed of the nature and the purpose of the research and were assured of their rights to withdraw from answering any questions they were not comfortable with, without repercussions. The researcher also appealed for their co-operation. Informed consent was obtained from respondents and they were also assured confidentiality of any information they provided.

The researcher also ensured that information obtained from data collected were duly analysed and discussed to reflect the situation as it is.

### **Data Collection Procedure**

Because the selected institutions were easily accessible, copies of the questionnaire were delivered to respondents by hand. The researcher made a prior arrangement with the head of each institution before the administration of the questionnaire. The questionnaires were administered with the help of

various heads of department and supervisors of various units of each organisation. Employees were informed that the purpose of the exercise was to assess their feelings and thoughts on various aspects of their jobs and that there were no right or wrong answers to items included in the survey.

It was after the briefing that copies of the questionnaire were distributed and left with respondents for two weeks. Respondents were thus allowed fourteen (14) days to supply the needed information. Each stratum was given 60 sets of employee questionnaires with a number of management questionnaires depending on the number of hotels in the stratum. Thus, the total number of questionnaire distributed (with management questionnaire inclusive) were 85 in the budget, 69 in the One-star, 64 in the Two-star and 62 in the Three-star hotels. Eighty-six percent were returned and duly completed.

### **Field Challenges**

Some of the respondents were reluctant to respond to the questionnaires so that made a hundred percent return rate impossible. Also, most of the hotels did not keep a proper record of employee list so one had to be drawn by the researcher with the help of the Ghana Tourist Board and various heads of department.

### **Data Analysis**

The quantitative analysis involving frequencies, percentages, mean and standard deviation was used in the analysis of data. The data collected were coded and analyzed using percentages. The Statistical Products and Service Solutions (SPSS) software was used to group the data into frequencies and percentages, means and standard deviation. For the purpose of effective

analysis, simple percentages were derived and used for the assessment of the main issues of the study. The data were presented in Tables.

The analysis itself was in two parts. The first was devoted to the demographic characteristics of the respondents. The second part of the analysis was devoted to opinion-based items on some identified factors, which might have contributed to the respondents' decision to quit or stay on the job. In using the four-point Likert scale, the researcher used the reverse order of numbering for the weightings that were put on each response. The following responses were used: Strongly Agree (SA), Agree (A), Strongly Disagree (SD) and Disagree (D). The weightings for the responses were as follows: SA – 4, A –3, SD – 2, D – 1. However, this scale was converted to a two-point scale for the purpose of analysis and to enable the researcher draw clear-cut distinctions in the response item by item. As such the responses SA and A were put together as positive responses while the responses of SD and D were also put together as negative responses. The analysis of the survey results combined with the statistical applications allowed for the researcher to draw conclusions regarding the objectives of the study.

To answer research questions 1, 2 and 3 i.e. in which departments of the hotel industry is turnover a serious concern, what factors account for employee turnover in the hotel industry in Cape Coast and Elmina and what factors influence employees' decision to stay with the hotel?, means and standard deviation were run. Frequencies and percentages were also generated to describe the data. The four response categories of the likert-scale questionnaire were numbered 1-4, with 4 denoting “strongly agree” and 1”strongly disagree.” A mean of greater than two, interpreted as a positive

score, signified the extensive presence of a particular variable. A low mean demonstrated the under-representation of the variable. Frequencies and percentages were also generated to answer research question 4 (solution to the problem of turnover).

Frequencies were calculated for each demographic item. These responses were described accordingly. The differences between young and old adult groups were tested with an independent samples t-test. A logistic regression analysis was used to identify the most important predictor domains in intention to turnover and the chi-square static and Analysis of variance were employed in testing hypotheses.

### **Summary**

In this chapter, a detailed description of the research design used to investigate the causes of as well as possible solutions to the problem of turnover in the hotel industry in Cape Coast and Elmina was presented. The design of the survey questionnaire, analysis procedures and the context of the study were outlined. The next chapter will be a presentation of the results of the study.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

#### **Introduction**

The data collected and analysed are presented and discussed in this chapter according to the research questions. The study sought to answer the following questions:

1. In what areas or departments of the hotel industry is turnover a serious concern?
2. What factors account for the employee turnover in the hotel industry?
3. What factors influence employees' decision to stay in the hotel industry?
4. What measures do employers and employees think should be taken to reduce employee turnover in the hotel industry?
5. Do demographic variables (sex, age, level of education, length of stay and work department) influence intention to turnover?

#### **Background of Respondents**

The majority of respondents (97 representing 52.2%) were females and 89 (47.8%) were males. The distribution age of respondents are also presented

in Table 1. The distribution of ages indicates that the majority of respondents (61.3%) were between 21 and 30 years while the minority was five (2.5%) and were 50 years or above. Relative to sex, 9% of the respondents did not indicate their sex. Similarly, 3% of the respondents did not state their ages.

**Table 1**

**Background Characteristics of Respondents**

Variable	Frequency	Percentage
<i>Sex</i>		
Male	89	47.8
Female	97	52.2
Total	186	100
<i>Age</i>		
21-30	122	61.3
31-39	39	19.6
40-49	16	6.0
Above 50	5	2.5
Total	199	100

Source: Field survey, 2009

Females between 21-30 years outnumbered the males by a difference of 8.4% whilst females 31-39 years old were more than their male counterparts by 9.6%. The age pattern changed at age forty and beyond. About three of every five (60%) employees aged 40-49 were males. All employees 50 years or more were males. Statistically, the associations were insignificant ( $p=0.096$ ; CI=95%).

**Table 2****Sex of Respondent by Age**

Sex	21-30	31-39	40-49	50+	Total	N
Female	54.2	54.8	40.0	0.0	52.7	97
Male	45.8	45.2	60.0	100.0	47.3	87
Total	100.0	100.0	100.0	100.0	100.0	184

Field survey, 2009

$$\chi^2=7.884; \rho=0.096; df=4$$

The issue regarding educational qualification showed that most (64.7%) of the respondents had Senior High Certificate as shown in Table 3. It is worth noting that 11.1%, 7.5% and 5.8% of the respondents possessed bachelor's degree, Higher National Diploma, and postgraduate degrees respectively.

**Table 3****Educational Background of Respondents**

Educational background	Frequency	Percentage
Basic	20	10.5
Senior High School	123	64.7
High National Diploma	15	7.5
First Degree	21	11.1
Postgraduate	11	5.8
Total	190	100

Source: Field survey, 2009

In Ghana, educational attainments vary between men and women. These variations are explained by cultural, social and economic variables. In this study, efforts were made to explore the differences between men and women in terms of educational attainments. Respondents who had obtained



primary education constituted half (50%) of the valid responses of men and women respectively (see Table 4). Respondents with education up to JHS level were dominated by men (87.5%) with the remaining 12.5% representing females. From SHS up to the postgraduate level, women were in the majority except for respondents with HND where men were slightly more (53.8%) than women.

**Table 4**  
**Sex of Respondent by Educational Background**

Gender	Primary	JHS	SHS	HND	Degree	Postgraduate	Total	N
Female	50.0	12.5	52.6	46.2	70.0	80.0	52.0	93
Male	50.0	87.5	47.4	53.8	30.0	20.0	48.0	86
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	179

Source: Field survey, 2009

Table 5 shows employee responses regarding their length of stay with current employer. The Table (5) indicates that 54.1 % (106) of the respondents were those who had been with their current employer between 1 and 2 years. There is a gradual drop in the number of people who stay with their employer as the years went by (34.7%, 8.7% and 2.6%). This means that people do not ‘grow old’ in the industry because only few numbers of respondents (5 or 2.6%) had been in their current employment for over 11 to 20 years.

On the other hand, out of the 35 management respondents 10(28.6%) had spent between 1 and 2 years, 17 (48.6%) had been with their employer for between 3-5 years, 3 (8.6%) had spent 6-10 years and 5 (14.3%) between 6 - 20 years.

**Table 5****Length of Stay on Current Job**

Years of work	Employees	Management
1-2	54.1% (106)	28.6% (10)
3-5	34.7% (68)	48.6% (17)
6-10	8.7% (17)	8.6 (3)
11-20	2.6% (5)	14.3 (5)
Total	100% (196)	100% (35)

Source: Field survey, 2009

Intuitively, there is an assumption that women stay on jobs more years than males. This assumption is premised on males' higher instinct of taking risks than women. Table 6 presents the frequency distribution of years spent with current employer by sex. Employees who had stayed in their jobs between one to two years were 55.4% females as against 44.6% males. Workers who had worked for three to five years comprised 48.3% females with the remainder representing males. Those who had worked for six to ten years constituted 62.5% males with 37.5% females. For those between 11 years to 20, males and females were evenly distributed, that is 50% each. The Chi-square test did not yield any significant relationship between sex and number of years that the respondent stayed in the present job ( $\chi^2=2.128$ ;  $df=3$ ;  $\rho=0.546$ ).

**Table 6****Sex of Respondent by Number of Years with Current Employer**

Sex	1-2 Yrs	3-5 Yrs	6-10 Yrs	11-20+	Total	N
Female	55.4	48.3	37.5	50.0	51.4	93
Male	44.6	51.7	62.5	50.0	48.6	88
Total	100.0	100.0	100.0	100.0	100.0	181
N	101	60	16	4		

Another background characteristic assessed was age of respondent and number of years stayed on the job (see Table 7). Amongst the various age groups, the 21-30 years group constituted the majority (74.3%) that had worked for 1-2 years. Workers who had worked between six to ten years were dominated by ages 31-39 years and 40-49 years, with 31.2% each respectively. In the final group, that is, 11 to 20 years, 40-49 years respondents dominated with 60 % (longest serving). The association between age and years of stay on the job were statistically significant ( $\chi^2=76.782$ ;  $df=12$ ;  $\rho=0.000$ ).

**Table 7****Age of Respondent by Number of Years with Current Employer**

	1-2 Yrs	3-5 Yrs	6-10 Yrs	11-20+	Total	N
≥ 20	13.3	1.5	6.2	0.0	8.2	16
21-30	74.3	57.4	18.8	20.0	62.4	121
31-39	7.6	35.3	31.2	20.0	19.6	38
40-49	3.8	2.9	31.2	60.0	7.2	14
49+	1.0	2.9	12.5	0.0	2.6	5
Total	100.0	100.0	100.0	100.0	100.0	194

Source: Field survey, 2009

It is generally believed that in Africa and other parts of world, sex-role stereotyping exists (Aderemi, Hassan, Siyanbola, & Taiwo, 2009). These roles often permeate into places of work. To this extent, certain roles in establishments such as the hospitality are “reserved” for women whilst others are given to men, even though the introduction of professionalism into the hospitality industry is changing this stereotyping. Based on these propositions, sex was analysed against department of work. The results are presented in Table 8.

Out of 31 workers in accommodation departments, 61.3% were males with the remaining 38.7% being females. Front office workers were dominated by females with more than half (53.6%) being females. Food and beverage departments too had the majority of 63.2% being females. The patterns observed in the front office and food and beverage departments were expected as these roles are more inclined towards some of the labelled sex roles in the various societies (Aderemi, Hassan, Siyanbola, & Taiwo, 2009). Similarly, the transport and security departments were all males, which are consistent with “acceptable’ male roles. Laundry section was shared fifty percent each among males and females. In all, there was no significant ( $\chi^2=11.385$ ;  $df=6$ ;  $\rho=.077$ ) relationship between gender and department of work. This may be attributed to the inability of any of the sexes to dominate in all the departments.

**Table 8****Sex of Respondent by Department or Division**

Sex	Accmdn	F. O.	F & B	Adm	Secur	Transp.	Laund.	Total	N
Femal	38.7	53.6	63.2	31.6	0.0	0.0	50.0	52.2	97
Male	61.3	46.4	36.8	68.4	100.0	100.0	50.0	47.8	89
Total	100	100	100	100	100	100	100	100	
N	31	56	76	19	1	1	2		186

Source: Field survey, 2009

**Departmental/Sectional Turnover Concerns**

High turnovers in businesses or organisations can occur in many facets if human capital is not well managed. This section presents issues on the levels of turnover in the various departments of the organisations studied. Table 9 presents the results in relation to the extent to which turnover are a problem within the various sections or departments in the various hotels. Also, it shows independent sample t-tests comparing management and employees views on the extent of concern of turnover at various sections or departments in the hotel industry. From Table 9, both employee and management respondents agreed that employee turnover is a serious concern in three of the departments (front office, accommodation and food and beverages) though there were no significant differences between employees and management respondents (the significant values are greater than 0.05).

**Table 9****Independent Sample Test between Management and Employees on the Extent of Concern of Turnover at Various sections in the Hotel Industry**

Statement	Status	N	II	SD	T	Sig
1. Extent of concern of employee turnover at the front office	Employee	196	3.1071	0.9993	0.564	0.574
	Management	34	3.0000	1.1547		
2. Extent of concern of employee turnover at the accommodation	Employee	195	3.1692	0.8835	1.951	0.052
	Management	34	2.8235	1.2903		
3. Extent of concern of employee turnover at the food and beverage	Employee	198	2.8788	1.0203	0.000	1.000
	Management	33	2.8788	1.1112		
4. Extent of concern of employee turnover at the administration	Employee	199	2.3015	1.0729	0.292	0.770
	Management	33	2.2424	1.0906		

Source: Field survey, 2009

Means were calculated from a scale of 1= Not a concern at all, 2= of some concern, 3= Serious concern and 4= Very serious concern

**Factors that Influence Employee Turnover**

This sought to find out about the causes of turnover in the hotel industry. Table 10 examines the extent of employee satisfaction in relation to pay. It presents the means and standard deviations obtained on all the questions relating to respondents' satisfaction with pay measured on a four-point scale. Additionally, the variables are ranked by mean in descending

order to help in understanding the overall influence each variable had on the respondents desire to stay with their organization.

From Table 10, ‘Satisfaction with pay’ had a composite mean of 2.3609. Based on the criterion that mean values of 2.50 and above are considered satisfactory while mean values of 2.49 and below are considered unsatisfactory, one may conclude that, employees were not satisfied with their pay levels.

**Table 10**  
**Respondents’ Satisfaction with Pay**

Statement	Mean	Std Dev
1. Considering what it costs to live this area, my pay is adequate.	2.1667	1.09799
2. For the job I do, I feel that the money I make is good.	2.1990	1.01005
3. Salaries and other incentives are paid on time.	2.4975	1.00062
4. Management's attempts at improving the wage and salary structure is satisfactory.	2.3650	1.00340
5. My company's compensation package as a whole has an influence on my desire to stay with my current employer.	2.5556	1.14193
Composite Mean	2.3609	0.76461

Source: Field survey, 2009;

However, the statement ‘My company’s compensation package as a whole has an influence on my desire to stay with my current employer’ received a mean of 2.5556, with a majority of 54.6% (108) agreeing and 45.5% (90) thinking otherwise (Table 11). The means of all items in the scale

fall within 2.1 and 2.4 with respondents disagreeing with all four items on the scale which measures their satisfaction levels with regard to pay.

**Table 11**

**Percentage Distribution of Respondents' Satisfaction with Pay**

Statement	SA	A	D	SD
1. Considering what it costs to live in this area, my pay is adequate.	36 (18.2)	30 (15.2)	63 (31.8)	69 (34.8)
2. For the job I do, I feel that the money I make is good.	27 (13.4)	45 (22.4)	70 (34.8)	59 (29.4)
3. Salaries and other incentives are paid on time.	39 (19.4)	58 (28.9)	68 (33.8)	36 (17.9)
4. Management's attempts at improving the wage and salary structure is satisfactory	32 (16.0)	54 (27.0)	69 (34.5)	45 (22.5)
5. My company's compensation package as a whole, has a positive influence on my desire to stay with my current employer	53 (26.8)	55 (27.8)	39 (19.7)	51 (25.8)

Source: Field Survey data, 2009

\*Percentages provided in parenthesis

Responses to employees' level of satisfaction with nature of work are presented in Table 12. Mean and Standard deviation results appear in Table 12. Overall, respondents were satisfied with the nature of their work (composite Mean = 2.5137, SD=0.57426). However, respondents disagreed that they had the freedom to use their own judgement (M=2.2250). In addition,



respondents agreed that their work schedules was stressful and boring (M=2.4627).

**Table 12**

**Respondents' Satisfaction in Relation to Nature of Work**

Statement	Mean	Std Dev
1. My work schedule is challenging and I feel satisfied	2.6667	0.87369
2. I have the chance to do something that makes me use of my abilities	2.7000	0.86239
3. My work schedule is boring and stressful	2.4627	0.92187
4. I have the freedom to use my own judgement	2.2250	0.91023
Composite Mean	2.5137	0.57426

Source: Field survey, 2009

Responses to employees' level of satisfaction with supervision are presented in Table 13. The means obtained for the various items in the satisfaction with supervision scale indicated that employees were satisfied with the kind of supervision they got from their superiors. Respondents agreed with most of the factors (all having a mean varying between 2.5 and 3.0) in the scale measuring their satisfaction with supervision.

**Table 13****Respondents' Satisfaction with Supervision**

Statement	Mean	Std dev
1. I'm given free hand on the job to work to the best of my judgment.	2.5949	0.93884
2. I am better off working under my current supervisor.	2.3383	0.84556
3. The supervision I receive is the kind that greatly encourages me to put in extra effort.	2.8350	0.84934
4. My supervisor makes people in our work group feel that they are valued and important.	2.7940	0.90048
5. The way I'm treated by my supervisors influences my overall attitudes towards the job.	3.0352	0.83107
6. I have a cordial working relationship with my immediate boss	2.8750	0.83237
Composite Mean	2.7465	0.53515

Source: Field survey, 2009

Tables 14 and 15 present employees' perception of their motivational level. Employees were asked to indicate the extent of their agreement or disagreement with items measuring their motivation. Means and standard deviation results are presented in Table 14 while percentage distributions are presented in Table 15.

**Table 14**  
**Percentage Distribution of Respondents' Perception of their Level of**  
**Motivation**

Statement	SA	A	D	SD
1. I think I'm motivated enough to remain in this hotel all my working life, even if there are options to quit	21 (10.5)	32 (16.0)	61 (30.5)	86 (43)
2. Working relationship between management and employees is cordial	29 (14.6)	115 (58.1)	40 (20.2)	14 (7.1)
3. I have been able to attend or pursue a professional course since I joined this organisation	22 (11.1)	55 (27.6)	61 (30.7)	61 (30.7)
4. The level of my education determines my decision to leave or to stay	58 (29.0)	102 (51.0)	28 (14.0)	12 (6.0)
5. Management expresses its appreciation to its hard working employees	39 (19.5)	94 (47.0)	45 (22.5)	22 (11.0)

Source: Field Survey data 2009

\*Percentages in Parenthesis

The majority of respondents as shown in Table 14 (73.5%, M=1.9400) do not think they are motivated enough to remain in their current place of work for the rest of their lives (M=1.9400), However, they are of the view that management-employee relationship is cordial (M=2.8030), with 72.7% and 47% indicating that management shows enough appreciation to its hardworking employees (M=2.7500). Majority (61.4%) disagreed that they

have been able to attend or pursue a professional course since they joined the organization.

**Table 15**

**Respondents' Perception of their Level of Motivation**

Statement	Mean	Std Dev
1. I think I'm motivated enough to remain in this hotel all my working life, even if there are options to quit	1.9400	1.00571
2. Working relationship between management and employees is cordial	2.8030	0.77170
3. I have been able to attend or pursue a professional course since I joined this organization	2.1910	0.99682
4. The level of my education determines my decision to leave or to stay	3.0300	0.82004
5. Management expresses its appreciation to its hard working employees	2.7500	0.89527
Composite Mean	2.5450	0.58234

Source: Field survey, 2009

Tables 16 and 17 present employees' level of commitment to their organisation. As shown in Table 16, 83% (166) of respondents agreed that they were willing to put in a great deal of effort beyond what normally is expected in order to help their organisations to be successful; 62.3% (124) indicated that they have a little loyalty to their organisation; 62.7% (124) also suggested that they would recommend their organisation as a good place to work to a friend or relative; 81.9%(163) consented that they cared about the fate of their organisation. Others, 83.9% (167) of respondents suggested their

preparedness to tell others about their places of work while 63.9% (127) of respondents consented to their organisations strategy and mission.

**Table 16**

**Percentage Distribution of Respondents' Organisational Commitment**

Statement	SA	A	D	SD
1. I am willing to put in a great deal of effort beyond what normally is expected in order to help this organization to be successful	63 (31.5)	103 (51.5)	27 (13.5)	7 (3.5)
2. I feel little loyalty to this organization	27 (13.6)	97 (48.7)	58 (29.1)	17 (8.5)
3. I would proudly recommend this organization as a good place to work to a friend or relative	34 (17.2)	90 (45.5)	58 (29.3)	15 (7.6)
4. I really care about the fate of this organization	44 (22.1)	119 (59.8)	29 (14.6)	7 (3.5)
5. I am proud to tell others that I am part of this organization	43 (21.6)	124 (62.3)	23 (11.6)	9 (4.5)
6. I agree with the organization's strategy and mission	27 (13.6)	100 (50.3)	44 (22.1)	28 (14.1)

Source: Field survey, 2009 \*Percentages in parenthesis

Table 17 presents the percentage distribution of employee responses to their level of commitment to their organisation. With mean values varying from 2.6734 to 3.1100 and a composite mean of 2.8836, respondents perceived themselves to be committed to their organizations.

**Table 17****Respondents' Organisational Commitment**

Statement	Mean	Std Dev
1. I am willing to put in a great deal of effort beyond what normally is expected in order to help this organization to be successful	3.1100	0.76210
2. I feel little loyalty to this organization	2.6734	0.81578
3. I would proudly recommend this organization as a good place to work to a friend or relative	2.8737	2.24156
4. I really care about the fate of this organization	3.0050	0.71420
5. I am proud to tell others that I am part of this organization	3.0101	0.71767
6. I agree with the organization's strategy and mission	2.6332	0.88825
Composite Mean	2.8836	0.62036

Source: Field survey, 2009

In spite of the fact that respondents expressed their willingness to recommend the organization and were proud to tell others that they worked for the organisation, the majority (62.3%, 124) still agreed that they felt little loyalty to their organisation' (M=2.6734). This could be interpreted in different ways. One, organisational commitment may determine the level of employee loyalty to the vision and mission of an organisation and so on one hand, it could mean that employees were truly committed to their organization and did not intend to quit in the short term.

Table 18 presents means and standard deviations of scale items relating to employees' perception of job-hopping. The composite mean of 1.9801 gives the indication that respondents disagreed that they job-hop. They were of the view that turnover was not due to job-hopping. For them, they would not job-hop for any reason. For example, the exit of their colleagues would not influence them to leave; neither would they leave just for the fun of it.

**Table 18**

**Respondents' Perception About Job-Hopping**

Statement	Mean	Std Dev.
1. To me, switching jobs is a kind of a fun	1.8856	0.94437
2. Employees switch jobs because their colleagues do so.	2.0746	0.96406
3. Employees tend to change jobs for no apparent reasons.	1.8241	0.91244
Composite Mean	1.9801	0.83941

Source: Field survey, 2009

Table 19 shows the extent to which respondents perceive alternative employment opportunity. The majority (74.9% or 149) of respondents believed that if they left their current jobs, there were high odds of finding similar or better alternatives. The time duration for finding another employment was explored. In this direction too, 57.7% (116) indicated that they were sure of finding another job in a month after quitting. A little over half (51%) of respondents also felt that their chances of securing jobs were bright regardless of their ages, education and economic conditions.

**Table 19****Respondents' Perceived Alternative Employment Opportunities**

Statement	SA	A	D	SD
1. If I quit my current job, the chances that I would be able to find another job, which is as good as, or better than my present one is high.	67 (33.7)	82 (41.2)	34 (17.1)	16 (8.0)
2. If I have to leave this job, I would have another job as good as this one within a month.	50 (24.9)	66 (32.8)	70 (34.8)	15 (7.5)
3. There is no doubt in my mind that I can find a job that is at least as good as the one I now have.	58 (28.9)	83 (41.3)	41 (20.4)	19 (9.5)
4. Given my age, education, and the general economic condition, the chance of attaining a suitable position in some other organization is slim.	36 (18.0)	63 (31.5)	64 (32.0)	37 (18.5)
5. The chance of finding another job that would be acceptable is high.	46 (23.0)	102 (51.0)	38 (19.0)	14 (7.0)
6. It would be easy to find an acceptable alternative employment.	53 (26.9)	87 (44.2)	40 (20.3)	17 (8.6)

Source: Field survey, 2009

\*Percentages in Parenthesis

Comparing the composite mean of 2.8227 (Table 20) with the percentage distribution gives an indication of a very high perception among respondents of alternative employment opportunities. This is an interesting result considering the fact that majority of respondents are junior high school and senior high school graduates (75.2%). Considering that respondents



disagreed that given their age, education and general economic condition, the chance of securing a suitable position in some other organization is slim (M=2.4900, 51%), gives an indication that irrespective of the qualification held by the employees in the hotel industry, they had a strong perception that they have a chance of attaining suitable positions in some other organization should they quit their current job.

**Table 20**

**Percentage Distribution of Respondents' Perceived Alternative Employment Opportunities**

Statement	Mean	Std Dev.
1. If I leave my current job, the chances that I would be able to find another job that is as good as or better than my present one is high.	3.0050	0.91286
2. If I have to leave this job, I would have another job as good as this one within a month.	2.7512	0.91532
3. There is no doubt in my mind that I can find a job that is at least as good as the one I now have.	2.8955	0.92953
4. Given my age, education, and the general economic condition, the chance of attaining a suitable position in some other organization is slim.	2.4900	0.99238
5. The chance of finding another job that would be acceptable is high.	2.9000	0.83275
6. It would be easy to find an acceptable alternative employment.	2.8934	0.90000
Composite Mean	2.8227	0.59357

Source: Field survey, 2009

Table 21 provides a summary of, and a comparison between management and employees on “contributory factors to employee turnover”. The results as shown in Table 21 are variables that could serve as push factors influencing employees to quit their jobs.

**Table 21:**

**Non-parametric Chi-square Results on Management and Employees Views on Determinants of Turnover**

Statement	Status	Chi-Square	Df	Sig
Poor reward and compensation systems	Employee	76.20	3	0.000*
	Management	30.24	3	0.000*
Low job satisfaction	Employee	64.97	3	0.000*
	Management	2.80	3	0.247
Poor management-employee relationship	Employee	28.68	3	0.000*
	Management	8.58	3	.035*
Delays in promotions	Employee	71.96	3	0.000*
	Management	11.97		.007*
Weak career opportunities	Employee	85.21	3	0.000*
	Management	11.97		.007*
Low motivation of employees	Employee	67.20	3	0.000*
	Management	5.20	3	.074
Competing organisation provide better working conditions	Employee	103.20	3	0.000*
	Management	8.63	3	.013*

Source: Fieldwork, 2009

\*= Significant at 0.05 (CI: 95%)

On a scale of 1- 4 (Strongly disagree to strongly agree) respondents (both management and employees) were to show by ranking, the extent of their agreement or disagreement with possible contributory factors that would influence employees' decision to quit their current jobs. Non-parametric Chi-Square test is used to examine the perceived relationship among employees and management on one hand and some push factors of turnover.

The results as shown in Table 21 suggests that employees and management of the various hospitality industries agreed on the relationship between poor reward and compensation systems, poor management–employee relationship, delays in promotion, weak career opportunities and provision of better working conditions by other organisations and intentions to quit. Highly significant relationships are observed. However, on low job satisfaction and low motivation of employees and the desire to quit, employees and management differed in their opinions. While significant relationship is noted among employees, insignificant relationship is found among management on the relationship between job satisfaction ( $\chi^2=2.80$ ;  $df=3$ ;  $p=0.000$ ) and low motivation ( $\chi^2=5.20$ ;  $df=3$ ;  $p=0.074$ ).

The literature suggests and presupposes that an employee's intention to leave will eventually lead to actual turnover (Sager, Griffeth & Hom, 1998; Khatri 1998). It was against this background that respondents' intention to leave was measured. As far as intention to quit is concerned, the findings reveal that 76.6% (who are the majority) of respondents had the intention to do so. To identify which of the major sub-themes of the study (satisfaction, motivation, organisational commitment, job-hopping and alternative employment opportunities) that significantly explain an employee's intention

to quit the present employer, the Pearson Chi-square statistic was used to identify the most influential variables. The results are presented in Table 22. Three of the variables studied, which are satisfaction ( $\rho=0.046$ ), motivation ( $\rho=0.000$ ) and alternative job opportunities ( $\rho=0.006$ ) were significant at 0.05. The most significant of them all was motivation. However, organisational commitment ( $\rho=0.187$ ) and job-hopping ( $\rho=0.238$ ) were not significant variables to explain one's intention to leave the present job.

Given that motivation was the most significant seems understandable when these findings are evaluated in the framework of other studies (e.g. Clarke, 2001) which confirms that it improves workers' performance and satisfaction as well as reduces intention to quit jobs. Moreover the significance of perceived employment opportunities with intention to leave suggests that when employees are less satisfied, less motivated and has a perceived available alternative employment opportunity then they have more intention to switch jobs.

**Table 22**  
**Pearson Chi-square test Results of Six Independent Variables with Intentions to Quit**

Independent variable	Pearson Chi-Square	Asymp. Sig. (2-sided)
Job satisfaction	7.978	0.046*
Motivation	28.482	0.000*
Organizational commitment	4.794	0.187 n.s.
Job-Hopping	4.229	0.238 n.s.
Alternative opportunities	12.313	0.006*

Source: Field survey, 2009; \*= Significant at 0.05 (CI: 95%); n.s. =Not significant; Criterion variable: intentions to leave [Yes=1 & No=2, categorical).

## **Factors that Account for Employee Retention in the Hotel Industry**

Retaining good quality skills is an important vision of almost all employers. However, there are situations where voluntary turnover becomes so persistent that it becomes a challenge for employers. It is generally accepted that retention ensures continuity, thereby engendering productivity. This section explores some of these factors that could create a positive ambience for retention. Respondents were asked to indicate the level of their agreement or disagreement with four Likert-type items regarding factors that would influence their decision to stay with their current employer. Results are presented in Table 23.

Respondents agreed to all four statements as contributory factors to their decision to stay. As indicated in the Table 23, 89.4 % (176) indicated 'recognition' as a factor that would influence their decision to stay, and this was the highest rated variable. This was followed by 87.2 % (170) of respondents citing 'reward for a good work done', then 86.7% (170) of respondents indicating 'opportunity for training and career advancement' and then lastly, 79.8% (158) of respondents indicating 'good competitive pay'. The growing body of literature on compensation, recognition, rewards and training opportunities abound in the human resource lexicon with contentions here and there. However, what experts seem to agree on is the context of these motivators.

**Table 23****Percentage Distribution of Contributory Factors to Employee Decision to Stay with an Organization**

Statement	SA	A	D	SD
1. A good competitive compensation package (Good salary, Bonuses, Overtime pay)	117(59.1%)	41(20.7%)	24(12.1%)	16(8.1%)
2. Recognition	87(44.2%)	89(45.2%)	16(8.1%)	5(2.5%)
3. Reward for a good job done	82(42.1%)	88(45.1%)	20(10.3%)	5(2.6%)
4. Opportunity for training and career development	93(47.4%)	77(39.3%)	19(9.7%)	6(3.1%)

Source: Field survey, 2009

Owing to the fact that the context of this study is different from what the literature review reveals, it is therefore hypothesised that there is no significant relationship between compensation, recognition, reward, opportunity for training and intention to quit.

Four predictor variables were run against an employee's intentions to quit. These variables were competitive compensation in the present organisation compared with other similar institutions, recognition by management of employee's performance, opportunities for further training and ultimate monetary rewards. These were based on the assumption that given a commensurate level of contentment with either of the variables, an employee will not like to leave the present employer. These assumptions were assessed

with Pearson Chi-square. This statistical technique was used because the data generated from the study was mainly categorical. This made it prudent to employ categorical Pearson Chi-square to assess which of the variables will be significant (results are presented in Table 24). Amongst the variables considered, only competitive compensation was found to be significant ( $p=0.011$ , CI=95%). This means that as far as the employees surveyed were concerned, the most important factor that might influence an employee's decision to stay with their present employer is competitive compensation.

**Table 24:**  
**Pearson Chi-square Results of Four Independent Variables with Intentions to Quit**

Predictor variable	Pearson Chi-S	Asymp. Sig. (2-sided)
Competitive compensation	11.058	.011*
Recognition for performance	2.546	.467 n.s.
Opportunities for training	3.812	.282 n.s.
Rewards for good work done	3.526	.317 n.s.

Source: Field survey, 2009

\*= Significant at 0.05 (CI: 95%); n.s. =Not significant

Criterion variable: Intentions to leave

### **Solutions to Problem of Turnover in the Hotel Industry in Cape Coast and Elmina**

Table 25 provides a summary and a ranking according to frequency of response for the item 'Solution to the turnover problem'. There were seven proposed solutions of which respondents (both employees and management) were to select the three most important factors that could solve the problem of

employee turnover. This addresses the fourth research question ‘What measures do employers and employees think should be taken to reduce employee turnover in the hotel industry?’

**Table 25**  
**Solutions to the Problem of Employee Turnover**

Solution	Employee	Management
1. Better working conditions	144 (71.6%)	29 (82.9%)
2. Better career prospects and job security	89 (44.3)	15 (42.9)
3. Provision of training to equip employees with necessary Skills	121 (60.2)	20 (57.1)
4. Good communication between management and employees	111 (55.2)	15 (42.9)
5. Involvement of employee in decision making	73 (36.3)	13 (37.1)
6. Employ people with the right qualification	40 (19.9)	16 (45.7)
7. Enhance employee-employee relationship	36 (17.9)	8 (22.9)

Source: Field survey, 2009

Majority(71.6%) of employee respondents indicated better working conditions as the most important variable necessary for the solution of employee turnover followed by provision of training to equip employees with necessary skills(60.2%) and good communication between management and employees(55.2%). With management responses, better working conditions rated highest(82.9%) while provision of training to equip employees with



necessary skills rated second(57.1%) and employ people with the right qualification rated third(45.7%).

As indicated in Table 25, both employee and management respondents rated better working conditions as the highest factor (71.6% and 82.9% for employees and management respectively) and provision of training to equip employees with necessary skills (60.2%, 57.1%) as the second highest factor to solving the problem. For the third highest rated solution, employee respondents and management respondents varied in their opinions. While employees (55.2%) felt that ‘good communication between management and employees would solve the problem, management (45.7%) felt ‘employing people with the right qualification’ was the third most important solution to the problem.

Also, variables pertaining to solution to the turnover problem were assessed with two independent age sub-groups; young adults (ages between 21-40 and old adults (age 41 and above) as given by Dilworth (2005). The means, standard deviations and significant scores are reported from independent sample t-test analysis in Table 26. The mean scores for young and old adults measured on the Likert scale did not differ much. With the exception of ‘involvement of employees in decision-making’ which was the only variable that showed a statistically significant difference between the young and old ( $p=0.025 < \alpha=0.05$ ), the other six variables showed no significant relationship between the young and old.

This could mean that the young do not really fancy being involved in decision-making. They are young and can leave for other jobs any time if they think they are not getting their due (Bell & Winters, 1993). However, the older

adult might have reached the peak of their career achievement and so may be much more interested in cementing what they now have with their organizations. As a result, they may want to be involved in making decisions that affect them.

**Table 26**  
**Independent Sample t-test Between Respondents' Age Category and Their Perceived Solutions to the Problem of Turnover**

Solutions to turnover	Age category	N	Mean	SD	T	Sig.
Better working conditions	Young Adult	14	1.2958	0.4581	0.458	0.647
	Old Adult	57				
Better career prospects and job security	Young Adult	14	1.5915	0.4932	1.259	0.199
	Old Adult	57				
Provision of training to equip employees with necessary skills	Young Adult	14	1.3944	0.4904	0.109	0.913
	Old Adult	57				
Good communication between management and employees	Young Adult	14	1.4296	0.4967	1.012	0.313
	Old Adult	57				
Involvement of employee in decision making	Young Adult	14	1.5845	0.4945	2.266	0.025
	Old Adult	57				
Employ people with the right qualification	Young Adult	14	1.7887	0.4096	0.568	0.571
	Old Adult	57				
Enhance employee-employee relationship	Young Adult	14	1.8380	0.3697	1.093	0.276
	Old Adult	57				

Source: Field survey, 2009

### **The Effects of Demographic Characteristics on Turnover Intentions**

Demographic factors have been found to have a stable relationship with turnover intention in past research. They include age, tenure, level of education, level of income and job category (managerial or non managerial). In this study therefore, certain demographic variables were disaggregated with the data to find out if any of such relationship exists. Therefore, on this basis the effects of demographic variables on turnover intentions were assessed. A logistic regression technique was employed to assess the likelihood for an employee to leave present job; the dependent variable used had a binary response (Yes=1 and No=0). The variables evaluated were sex, educational level and age. Results are presented in Table 27.

Generally, apart from educational background of respondents, none of the socio-demographic background characteristics showed any substantial effect on intentions to quit. However, in the case of education, the propensity to quit increased with high educational attainment. For instance, respondents with first degree were about 10 ( $p<001$ ) times more likely to leave their present jobs if they had an alternative.

**Table 27****Logistic Regression Results on Demographic Characteristics and Turnover Intentions**

Characteristic	Category	Odds Ratio
Age	<20 (ref)	
	21-30	0.76
	31-49	2.45
	40-49	7.35
	Over 49	1.43
Sex	Male (ref)	
	Female	0.88
Education	Primary (ref)	
	Junior High School	1.18***
	Senior High School	1.32***
	HND	5.47***
	Graduate degree	9.58***
	Postgraduate	+
Department	Accommodation (ref)	
	Front Office	0.55
	Food and beverage	0.51
	Administration	0.65
	Security	+
	Transport	+
	Laundry	2.44***
Years on the job	1-2 (ref)	
	3-5	1.05
	6-10	3.06
	11+	+

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p<0.10\*; p<0.05\*\*; p<0.001\*\*\* +=Perfect prediction

*Note: variables that predicted failure perfectly were automatically dropped.*

**Effects of age on work attitudes.** Previous studies established that the young and the more educated tend to change jobs for greener pastures than the old and less educated ones (Dodd-McCue & Wright, 1996). Hence, it was hypothesized that age has no significant relationship with work attitudes. As a result of this, three satisfaction variables, which include pay rise, nature of work, and job supervision were assessed with two independent age sub-groups; young adults (ages 21-40) and old adults(ages 41 and above). The means, standard deviations and significant scores are reported from independent sample t-test analysis. The mean scores for young and old adults measured on the Likert scale did not differ much on the relationship between age and satisfaction with pay as means hovered approximately around 2.4 for young adults and old adults respectively.

In terms of individual variability, young adults could be described as a homogeneous category as their standard deviation was more or less closer to zero (0.67) than old adults (0.93). This is understandable as people's view of life changes and varies with increase in age. This is not surprising as there was significant differences between younger adults' and older adults' level of satisfaction as far as salary levels were concerned; thus at 0.05 critical level, the null hypothesis was not supported by the available data as the relationship was rather found to be highly significant  $p=0.002$ . Similarly, this was the case with nature of work and motivation (see Table 28).

Statistically significant differences were recorded between young adults and old adults for nature of work ( $p=0.004 < \alpha=0.05$ ) and motivation ( $p=0.011 < \alpha=0.05$ ). However, means of young adults and old adults were not different in terms of employee satisfaction measured in supervision and

organisational commitment, satisfaction with supervision; ( $p=0.155 > \alpha=0.05$ ) and organisational commitment ( $p=0.781 > \alpha=0.05$ ).

**Table 28**  
**Independent Sample t-test Comparing Young Adults and Old Adults on Retention Factors**

Variable	Status	N	II	SD	T	Sig.
1. Satisfaction With Pay	Young Adult	142	2.3648	0.68981	0.035	0.002
	Old Adult	57	2.3605	0.93268		
2. Satisfaction with Nature of Work	Young Adult	142	2.4888	0.52893	1.012	0.040
	Old Adult	57	2.5804	0.68265		
3. Satisfaction with Supervision	Young Adult	142	2.7505	0.52490	1.533	0.155
	Old Adult	57	2.8883	0.63027		
4. Motivation	Young Adult	142	2.5070	0.52991	1.458	0.011
	Old Adult	57	2.6404	0.69894		
5. Organizational Commitment	Young Adult	142	2.8575	0.63427	0.788	0.781
	Old Adult	57	2.9339	0.57750		

Source: Field survey, 2009

The study also sought to explore the effects of educational attainment on work attitudes (satisfaction with salaries, nature of work, supervision, motivation and organisational commitment). These multiple hypotheses were tested to explore the effects of educational level on the above dependent variables. Since means were being explored for differences, a One-way

ANOVA was used. The categories of independent variable were used: basic education, secondary, and tertiary (including higher degrees). Expectations in satisfaction as indicated by salaries were observed to be similar among basic, secondary and tertiary educational backgrounds since their means were statistically significant ( $\rho=0.048<0.05$ ). This was also amplified by the F-ratio, which was also greater than two (2), thus  $F=3.092$ .

Statistically, the means among primary, secondary and tertiary level graduates were found to be similar as the  $\rho$ -values for nature of work ( $\rho=0.033<0.05$ ;  $F=3.477$ ) and motivation ( $\rho=0.049<0.05$ ;  $F=3.063$ ) were significant (see Table 29). The means of the various educational levels with supervision ( $\rho=0.984>0.05$ ) and organisational commitment ( $\rho=0.240>0.05$ ) were the same. The  $\rho$ -values for both supervision and organizational commitment showed no significant relationship.

**Table 29****One way ANOVA between Respondents' Satisfaction, Motivation, Organizational Commitment and Educational Level**

Variable	Education	N	II	SD	F	Sig.
1. Satisfaction With Pay	Basic	18	2.5833	0.87195	3.092	0.048
	Secondary	125	2.2664	0.72551		
	Tertiary	47	2.5404	0.78343		
1. Satisfaction with Nature of Work	Basic	18	2.7917	0.60785	3.477	0.033
	Secondary	125	2.4553	0.52817		
	Tertiary	47	2.6117	0.64859		
3. Satisfaction with Supervision	Basic	18	2.8574	0.65258	0.984	0.376
	Secondary	125	2.7547	0.53376		
	Tertiary	47	2.8780	0.55576		
4. Motivation	Basic	18	2.8361	0.75611	3.063	0.049
	Secondary	125	2.4912	0.53143		
	Tertiary	47	2.6021	0.61379		
5. Organizational Commitment	Basic	18	2.8704	0.60184	1.440	0.240
	Secondary	125	2.8416	0.66105		
	Tertiary	47	3.0199	0.47921		

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Source: Field Survey data 2009



## **Discussion**

### **Background of Respondents**

The study found the relationship between age and years of stay on current job to be statistically significant. Older people tended to have stayed longer in their current jobs than younger respondents. This could be because younger ones just entered employment and may still be deciding what they want to do for a career while older ones started work much earlier and so may be cementing their relationship with their employers (Banerjee, 2008). Also, people may use the first few years on the job as stepping stones. After a few years, people either leave or remain. This is confirmed by Jurkiewicz (2000) who stated that these younger generation employees do not commit themselves to an organization, instead they commit to themselves and so do things that are in consonance with their interests and values.

The results revealed that those who form the core of this service industry are young adults. Most of these young people after Senior High School, or vocational school, require one or two years working experience (especially, those who attend the vocational schools which are in levels i.e. Level 1, 2, 3 etc) in order to move to next level of their studies in the various vocational schools and as such would not be expected to remain in the industry for long. This could give some hints for understanding turnover in the industry. If these young people (between 20 years and 30 years) are the human resource of the hotel industry in Cape Coast and Elmina, then it seems possible that management also does not see the need to provide conditions of service that are favourable to such persons since they may not want to 'spend'

on these human resource that would eventually leave. If this is the case, then turnover in the hotel industry would be of a recurring nature.

Most of the respondents had Senior High School Certificate. Contrary to the belief that female drop out of school more than men do, the study found that with the exception of HND, females had higher levels of education than men. Also a statistically significant association was found between sex and education. Given that sex had a statistically significant relationship with education, it could be indicative that more females have interest in working in the hotel industry than men. This is based on the assumption that females are associated with the roles (serving, cooking, cleaning etc) performed by the hotel industry (Groshen, 1991). If this is the case, then it could mean that because the females have an interest in working in this industry, they seek to acquire the necessary qualification that would enable them gain employment as well as aspire to higher positions. On the contrary, men may not be that enthusiastic in working in this industry and so those who may have found themselves there are those who may not have a requisite educational qualification.

Comparing the figures of management and employee respondents gives an indication that managerial level employees tended to stay longer on their jobs than lower level employees. This is probably because, they have higher qualification. This assumption stems from the fact that, there is a positive correlation between recognized higher qualification and income received. People in managerial positions tend to enjoy perks and other facilities and have more responsibilities that invariably require more commitment to their organization. This is confirmed by Price and Mueller

(1986) and Wai and Robinson (1998) who found that non-managerial employees are more likely to quit than managerial employees.

### **The Extent of Concern of Turnover at Various Sections in the Hotel Industry**

Both employee and management respondents agreed that employee turnover was a serious concern in three departments (front office, accommodation and food and beverages) though there was no significant difference for all variables between employees and management respondents (the significance values are greater than 0.05). This suggests that turnover is an issue for the hotel industry in both Cape Coast and Elmina. A proof of this was reflected in respondents' educational background. When one considers that the majority of respondents were those who had Junior High to Senior High School Certification, it is not surprising that these three departments (front-office, accommodation, food and beverage) are faced with turnover issues.

It could also be said that most of these people temporarily use the hotel industry as stepping stones for the furtherance of their education. They might comprise those awaiting admission into tertiary or other vocational institutions and so might not stay more than a year in the industry. If this happens to be the case, then hoteliers would have no other option than to face the challenge of retaining employees as it would be a recurring problem. Furthermore, the fact that most of the workforce in the hotel industry in Cape Coast and Elmina are aged between 21 and 35 might explain the tendency of 'leaving' since this generation of people (Generation X and Y – born between 1965 – 1979 and 1980 – 2000 respectively) have often been described as having different views

or attitudes towards a variety of workforce issues, such as work related expectations; organisational commitment; job satisfaction; strategies to achieve success; and personal and work priorities (Dilworth, 2005).

The issue becomes more alarming as employees had intentions to leave. A proof of this was also reflected in respondents' response to the items in the questionnaire that requested them to indicate whether or not they would leave if they had options and also, whether or not they were motivated enough to remain in their current jobs all their lives. The majority of respondents (74.4%) stated they were not likely to remain in the hotel industry for the rest of their lives, and for the reason that motivation was low in the hotel industry even though later logistic regression did not give enough evidence to support these outcomes.

The results also indicated that administrative departments did not face much of the turnover problems in the hotel industry in Cape Coast and Elmina. The fact that both employee and management respondents stated that employee turnover is not of a serious concern at the administrative level, means that, though employees at the administrative levels do experience some level of turnover, it is not as alarming as that of the other departments which forms the core of the organization (workers in these departments have a direct contact with customers and their services or relationship to customers determines and affects a customer's repeat visit). This could be an indication that people at the managerial levels do not have the tendency to turnover probably because their qualification allows them to enjoy certain privileges that motivate them to continue on the job.

## **Factors that Account for Employee Turnover in the Hotel Industry**

The study found that employees were not satisfied with their pay. And this could influence their decision to quit their current employment. This is similar to the results of Dibble (1999) who concludes that employees who experience dissatisfaction are more likely to be unproductive and may have a desire to quit their jobs. Furthermore, the study found a statistically significant relationship between satisfaction with pay and intention to quit. There was also a significant difference between young and old adult's levels of satisfaction with pay. Thus, the findings suggest that dissatisfaction with pay may lead to turnover.

The results of the study showed that, overall, respondents were satisfied with the nature of their work. However, respondents do not think they have the freedom to use their own judgement. This could be an indication that employees work strictly according to rules (that is, they go strictly by the book) and therefore have no chance to think outside of the 'box'. This could also mean that employees are not empowered enough to be able to influence to a certain extent, decision-making in their organization. Having a degree of autonomy over one's work and over the direction of the company, leads to a sense of greater control and influence which in turn leads to satisfaction.

The results also revealed that employees' felt their work schedule was stressful and boring. Hence, poor nature of work in terms of being routinized, not result oriented, low on skill enhancement and low on stimulation may result in dissatisfaction with the job, thereby causing turnover. Further, there

was found to be a statistical significance between satisfaction with nature of work and intention to quit.

The results therefore suggest that nature of work influences an employee's intention to quit. This means that the kinds of tasks performed and the environment in which they are carried out all could, if not satisfactory to an employee cause their exit. The finding parallels with Williams and Anderson's (1991) study of occupational change where results indicated that workers switched jobs because of better working conditions and advancement opportunities.

The study also found that employees felt satisfied with the kind of supervision they got from their superiors. Nevertheless, their response to a particular item (regarding direct supervision) revealed their dissatisfaction with their direct supervisory styles. This implied that they might be more satisfied if they worked under different supervisors. Furthermore, it was revealed by the results that the way they are treated by their supervisors would influence their overall attitudes towards their jobs. Hence, employees could be less satisfied should supervisors relate differently from what they expect. Not surprisingly, the hypothesis tested found a significant relationship between satisfaction with supervision and intention to quit. Indeed, the quality of one's direct supervisor relationships influences employees' overall attitude towards one's job.

This result finds support in the social capital theory. This theory posits that the quality of the relationship between employees and management influences organisational effectiveness by affecting the quality of processes embedded within the organisation (Cohen & Prusak, 2001; Coleman, 1990;

Lin, 2001). Hence, the theory argues that good quality relationships between employees and supervisors not only benefit the individuals involved, but also benefit the organisation as a whole. This is because when a critical mass of social relationships between the organisational hierarchies are effective, it means that information, resources, emotional support, trust and goodwill are flowing bi-directionally and social capital within the organisation is accruing (Cohen & Prusak, 2001). As a result, employees may be better armed to undertake tasks, solve problems and meet the needs of the client efficiently and effectively. Thus, if employees perceive that their supervisors are not relating well with them, it would have a toll on their attitudes towards their job and eventually, lead to turnover.

Again, the finding supports previous research results by Firth, Mellor, Moore, and Loquet (2004) who looked at the role of supervisor support on satisfaction and employee commitment. Their study found that emotional support from supervisors and self-esteem mediated the impact of stressors on stress reactions, satisfaction, commitment to the organization and intention to quit. Debrah (1993) also found that a supervisor with poor interpersonal skills and lack of flexibility very quickly drives employees away.

The study found that respondents were to some extent motivated in their place of work but not motivated enough to remain on their current jobs all their life. It was also revealed that an opportunity for training and career development prospects was important to their motivation. The results also showed that among the factors that would help resolve the turnover problem, 'Provision of training to equip employees with necessary skills' was paramount. The results therefore give evidence that 'opportunity for training'

might be absent in the hotel industry in Cape Coast and Elmina since a considerable number of respondents indicated they had not had opportunity for further training since they joined their organization.

From the above, it could be inferred that the respondents highly regard matters concerning career advancement and the opportunities to learn and grow that is offered by their organization. Thus, this supports the idea that opportunity for training and development may be a motivating factor which can in turn influence an employee's decision to stay with his or her current employer. This finding agrees with the results of Walker Information's (2005) study, which found that motivated employees would become loyal when they perceive their organization as offering the opportunities to learn, grow and at the same time provide a clear established career path that they can pursue in the organization. Motivation was found to be significantly related to intention to quit and a significant difference was also found between young and old adult's level of motivation.

The results of the study revealed that respondents are committed to their organization. However, in spite of the fact that respondents indicated their willingness to recommend the organization and were proud to tell others they worked for the organization, the majority further indicated that they felt little loyalty to the organization. This result gives an interesting picture of respondent's perceived commitment levels and could be interpreted in different ways. At a glance, one could conclude that employee commitment is not a problem to the hospitality industry in Cape Coast and Elmina since employees seem to have a considerable level of commitment towards their organizations. It could also mean that there are other factors other than lack of



commitment on the part of employees that account for turnover in the industry. On the other hand, the finding could also mean that employees are declaring to the outside world that they are committed to their organization but in reality, they are not. With the least opportunity for 'greener pastures', they would leave.

Debrah (1994) found evidence of a move towards enhancing employee commitment to combat employee turnover in their sample of eleven hotels in Singapore. In effect, organizational commitment can be enhanced by proactive socialization of employees (Aryee, 1991); by gradually moving away from control-based management philosophy to commitment-based philosophy, and by managing appropriately the organizational culture (Debrah, 1993).

The study found that employees in the hotel industry in Cape Coast and Elmina did not job-hop. Respondents were of the view that turnover was not due to job-hopping. For them, they would not job-hop for any apparent reasons. Though job-hopping as an antecedent of turnover finds support in literature (Khatri et al., 2001) the results of this study suggested that job-hopping was not the problem in the hotel industry in Cape Coast and Elmina.

Also, the study found that respondents had a high perception of alternative employment opportunity. This is an interesting result considering that majority of respondents are junior high school and senior high school graduates. This suggests how serious turnover in the industry could be if measures are not put in place to curb the situation. The results imply that employees would leave their current jobs the moment they saw other job opportunities elsewhere be it in the hotel industry or any other industry. Consequently, the study found perceived alternative employment opportunity

to be statistically significantly related to turnover. This is to say that when options that are more attractive beckon from outside the industry, employees will not hesitate to leave.

This is similar to the results of a study by Morrell, et al. (2004) on turnover among nurses in the National Health Service (NHS) system of England and Wales. Using a sample of 352 nurse quitters in the NHS system, and employing both quantitative and qualitative methods, the researchers concluded that many NHS system nurses left their positions because of alternative opportunities elsewhere as well as a strong labour market for nurses within the system.

#### **Factors that Account for Employee Decision to Stay in the Hotel Industry**

The study found that recognition (which was the highest rated variable), reward for a good work done, opportunity for training and development and competitive pay were factors that would influence an employee's decision to stay in his or her current job though results shown on contributory factors to staying with an organisation indicated that competitive pay was the most significant variable related to turnover. Thus, contrary to the notion that employees would always settle for higher wages and salaries, the results revealed that it is not always the case. Undoubtedly, pay is important, but there are factors, other than pay, that affect intention to turnover. This corroborates Abassi and Hollman's (2000) results. In their study, they identified lack of recognition and lack of competitive compensation systems as some reasons for employee turnover in the organization.

The finding that employees are interested in ‘reward for good work done’ also finds support in literature. For example, Ledford and Mohrman (1993); Vandenberg and Nelson (1999) stated that remuneration needs to be clearly linked to goals and individually tailored to acknowledge differences in intrinsic motivations. They concluded that employees need to feel that they are to be compensated for effective use of power, information and knowledge.

### **Solution to the Problem of Turnover in the Hotel Industry in Cape Coast and Elmina**

The results show that employees are interested in better working conditions as in better pay, benefits, favourable working environment and the like. They will also go for an organization that has their personal development at heart and as such seek to provide opportunities for training and development and also be comfortable with a good rapport between employees and management. This finding supports previous studies. Sturgeon (2006) agrees that training is one of the main drivers of employee satisfaction. Tarasco and Damato (2006) also identified training in the form of ongoing professional development as an important contributory factor to employee satisfaction.

Management’s view of employing people with the right qualification as a solution to the turnover problem in the industry could be justified on the grounds that results on educational qualification tend to suggest that majority of the Senior High School leavers use the industry as a stepping stone to await an admission into tertiary institutions.

## **Demographic Variables and Intention to Leave**

The results showed that the majority of respondents expressed their willingness to leave their present jobs if they got other options. However, when these responses were evaluated with sex, educational level and age, no significant relationship was found among these variables with the exception of educational level which had an effect on intentions to leave. Educational level having an effect on intention to quit is understandable since people with higher educational qualification tend to seek for opportunities that offer them a wide range of benefits that is commensurate with their qualification. The works of Dodd-McCue and Wright (1996) and Mannheim, Baruch and Tal (1997) found that people with higher education have a need for achievement which in turn leads to organisational commitment. Therefore if the need for achievement is not met, they seek other alternatives that meet those needs.

## **Summary**

The study looked at causes of employee turnover as well as those factors that would influence an employee's decision to stay with the hotel industry. Efforts were also made to find out in which departments of the hotel turnover was of serious concern and to find possible solutions to the problem. From the analysis, the study revealed that low levels of motivation, and commitment, perception of availability of alternative employment as well as uncompetitive pay schemes account for turnover in the industry. On the other hand, recognition by management, reward for a good job done, opportunities for training and career advancement as well as a good compensation package would affect an employee's decision to stay with an organization.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### Introduction

This chapter presents an overview of the study and a summary of findings. Implications for the hotel industry with regard to possible retention strategies are also discussed. Finally, recommendations for possible future research are explored.

The study investigated the nature of employee turnover in the hotel industry in Cape Coast and Elmina. It sought to answer the following research questions:

- a) In what areas or departments of the industry is turnover a serious concern?
- b) What factors account for the employee turnover in the hotel industry?
- c) What factors influence employees' decision to stay with the hotel?
- d) What measures do employers and employees think should be taken to reduce employee turnover in the hotel industry.
- e) Do demographic (sex, age, length of stay, department of work, educational level) variables influence employee intention to quit?

The subjects for the study were 240 employees made up 205 non-managerial employees and 35 management personnel drawn from the four categories of hotels in Cape Coast and Elmina in the Central Region of Ghana. The instrument used for the data collection was a questionnaire. Responses to

items were weighted on a four point scale. The instruments were administered by the researcher directly to the respondents, and the return rate was 85%.

Frequencies, percentages, means and standard deviation were employed in the data analysis. In testing for hypotheses, the Chi-square, binary logistic regression model, and independent samples t-test were employed. The findings based on the research questions which guided the study are summarised below.

### **Summary of Findings**

The findings of the study are presented according to research questions starting with the first question.

- a. The first objective was to identify areas or departments in the hotel industry in which turnover is a serious concern and the following major issue emerged:
  - i. Some units or departments of the hotel industry in Cape Coast and Elmina were more prone to turnover than others. The front-office, accommodation, and food and beverage departments were seen to record more employee exits than administrative departments.
- b. The second objective focussed on factors that account for the problem of turnover in the hotel industry in Cape Coast and Elmina and the key findings were:
  - i. Dissatisfaction with pay levels accounted for turnover in the industry. All three variables (pay, nature of work, supervision) measuring satisfaction were found to be significantly related to intention to quit.

- ii. Quality of supervisor relationship affected overall satisfaction. A significant difference was also found between young and old adult's levels of satisfaction with pay and nature of work.
- iii. Having a cordial employee-management relationship, showing appreciation, provision for opportunities for training and development enhance employee motivation. Consequently, the absence of these factors influence employees to quit their jobs.
- iv. Motivation was found to be significantly related to intention to quit. A significant difference was also found between young and old adult's level of motivation.
- v. There is a high perception of alternative employment opportunities among employees of the hotel industry.
- vi. There is a significant relationship between perceived available employment opportunities and intention to quit.
- c. Objective three addressed factors that influence employees' decision to stay with their employer and the main issues that emerged were as follows:
  - i. With increased motivation levels employees were likely to stay on their jobs.
  - ii. Recognition, reward for good work done, good competitive pay and opportunity for training and career advancement were factors that could influence an employee's decision to stay.
  - iii. Competitive pay was found to be significantly related to turnover intention.

- d. The next objective was to identify Probable measures that should be taken to reduce turnover in the hotel industry in Cape Coast and Elmina and the main issues that emerged were:
  - i. Both employees and management viewed recognition, reward for a good work done, provision of training and career advancement opportunities and good competitive packages as some factors to consider in a bid to solving the turnover problem in the hotel industry.
  - ii. Mechanisms that ensured good rapport between employees and management as well as those that ensure proper and effective recruitment practices that lead to the attraction of the right and qualified personnel would reduce employee turnover.
- e. The last objective focussed on the effect of demographic variables on employee turnover and the key finding was:
  - i. Educational level had an effect on intentions to quit

### **Conclusions from the Study**

This study found employee turnover an issue in the hotel industry and specifically in the Cape Coast and Elmina area. The study revealed that the front-office, accommodation and the food and beverage departments are more prone to turnover than the administrative department.

An employee has intention to switch when he is dissatisfied (with his pay, supervision and nature of work); less motivated, less committed, and perceives alternative job opportunities. Organizational practices in relation to nature of work, environmental issues (alternative employment opportunities)



and work attitudes (motivation, satisfaction and commitment) are all determinants of employee turnover.

Recognition, reward for a good work done, competitive compensation and opportunity for training and career advancement influence intention to stay, hence, it is very important to reinforce them by applying the right human resource policies, more especially because employees' satisfaction with their jobs and commitment to their organizations has been viewed as major determinants of organizational effectiveness.

Provision of better working conditions, employing people with the right skills and provision of training to equip employees with necessary skills and provision of good communication between management and employees were found to solve the problem of turnover. These are important since they have been found to correlate satisfactorily with satisfaction and intention to stay.

It was found that the more educated were more likely to leave their jobs for alternative jobs than the less educated. This is so because when people acquire higher educational qualification, then they have wide options. They can move out of the organisation at anytime if they realise that their expectations are not being met.

The conceptual framework of the study based on other empirical studies proposed that certain factors such as motivation, satisfaction, poor supervision, alternative opportunities, the tendency to job-hop and career advancement opportunities determined an employee's decision to stay with or leave an organization depending on how favourable or unfavourable they considered such variables. It was confirmed in the study that factors such as

low motivation, poor wages and perception of alternative employment opportunities influenced an employee's decision to quit. However, contrary to previous research findings and as proposed by the conceptual framework, organisational commitment and job-hopping were found not to influence employee intentions to quit.

### **Recommendations**

Based on the findings and conclusions of the study, it is recommended that management should:

1. Be committed to establishing effective remuneration (salaries, bonuses, overtime) policies.
2. Motivate employees in the form of non-monetary compensations, like – on-the-job training, health needs, job-security, in the form of ranking (upgrading); congenial environment for job satisfaction and self-actualization.
3. Ensure supervisor support to enhance employees' intention to stay on the job. This means that measures must be put in place to help supervisors recognise that each supervisory relationship is important, unique and requires different skills and approaches.
4. Establish sound and effective retention strategies - provision of better working conditions, establishing good communication lines between management and employees and providing opportunities for training and development - if the organization is to progress in the area of retaining their employees.

5. Create a working environment that enriches the tasks that are carried out, doing away with the boredom that comes with the routines of employees' work. Also, design work systems that influence the thinking of all employees.
6. Create an environment for continuous learning and construct a more comprehensive employee career development program that not only helps in motivating and improving employee satisfaction, but also uplifts their loyalty level.
7. Find out about what employees think about their jobs, their attitudes towards their jobs, what peeps them up in giving off their best and what kinds of organizational practices demoralize and eventually push them out (especially high performers). This knowledge would help employers come up with feasible strategies to curb the problem before it gets out of hand.

### **Suggestions for Further Research**

This study found that turnover does not appear to be a problem in the administrative departments of the hotel industry therefore; more research could focus on managerial turnover to unveil the real issues involved and to find out if turnover is not really an issue. Also, it was indicated by employees that they have not had opportunity to pursue further training since they joined their various organizations. Against this background, it is suggested that further studies are done to see the relationship between training and development and turnover.

## **Conclusion**

The study investigated the nature of employee turnover in the hotel industry in Cape Coast and Elmina. The respondents for the study were 280 hotel employees from Cape coast and Elmina in the Central Region of Ghana. The study found among other things that employee's dissatisfaction with pay levels is a determining factor in their decision to quit. It was found that employees were not willing to stay with their current employer due to inadequate motivation. The study also revealed the front-office, accommodation and the food and beverage departments to be more prone to turnover than the administrative department. Both management and employees consider recognition, reward for good work done as relevant to resolving the problem of employee turnover.

It can be said that, in Cape Coast and Elmina, a hotel employee has intention to change jobs when he is dissatisfied with, for example, his pay, is less motivated and perceives alternative job opportunities. This means that nature of work, environmental issues and work attitudes are all determinants of employee turnover.

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.

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## APPENDIX A

### HOTELS IN CAPE COAST AND ELMINA (2008/2009)

<b>BUDGET</b>	<b>LOCATION</b>
Isycom Guest house	Brimsu Road
Sammo Hotel Hotel	Bakaano
Hexagon Guest House	North Ola
Oasis Beach Resort	Jubilee Park
Amkred Guest House	Bakaano
Abbina Lodge	Elmina
Nyansapo Hotel	Elmina
Dawson's Lodge	Elmina
Jangels Hotel	Akotokyir Jnc
Saralotte Guest House	Ola
Mudek Hotel	Pedu
Excelsior Guest House	Pedu
Mabel's Guest House	Elmina
Hotel Central	Pedu
Kokodo Guest House	2 <sup>nd</sup> Ridge
Nabbak Guest House	Eyifua
Nokaans	DVLA
Marnico Hotel	Akotokyir Jnc
One Africa	Elmina
Savoy Hotel	Tantri
Kofgan Hotel	Pedu
Fespa Hotel	Pedu
Mighty Victory Hotel	Jubilee Sch
Vec Hotel	Siwdu
Haizel Guest House	Tantri

**ONE STAR/GUEST HOUSE(S)**

Pedu Guest House	Pedu
FairHill Guest House	North Ola
Ewurafio Guest House	North Ola
Arafyn Guest Lodge	Pedu
Hilands Court Hotel	Elmina
Bridge Guest House	Elmina
C-Lottes	Aboom
Jubilee Lodge	Adisadel
Prospect Lodge	Kotokuraba

**TWO STAR**

Heaven's Lodge	Opp.National
Cape Coast Hotel	Pedu Junction
Sanaa Lodge	Ola
Hans Cottage	Jukwa

**THREE STAR**

Elmina Beach Resort	Elmina
Coconut Groove	Elmina



## **APPENDIX B**

### **UNIVERSITY OF CAPE COAST SCHOOL OF BUSINESS STUDENT RESEARCH WORK**

#### **Employee Questionnaire**

Dear Respondent,

I am Josephine Pepra-Mensah, an MBA Student of the University of Cape Coast. I am conducting a research project on the topic “Employee turnover in the Hotel Industry in Cape Coast and Elmina”, as part of the requirement for the MBA program. To this effect, I humbly solicit your help in completing this questionnaire. This questionnaire will take about five minutes to complete. Your participation in this survey is completely voluntary and you may skip any question if you wish. The study is basically for academic purposes thus, I guarantee that your responses will be kept strictly anonymous and confidential. Thank you very much for your anticipated consideration.

#### **SECTION A: Background Information**

The questions below are about your personal background. Please answer the questions correctly as they apply to you.

1) What is your current age (at your last birthday)?

under 20     21 to 30     31 to 39     40 to 49   

over 49

2) What is your sex?     female     male

3) Educational background (your highest completed level of education)

Primary school     Junior High School     Senior High School  
 Graduate degree     Post-graduate degree     other (Please specify).....

**SECTION B: Employment Information**

4) In which department or division of the hotel do you work? Please tick the appropriate.

Accommodation (e.g. Housekeeping)   

Front office   

Food and beverage   

Administration   

Other

.....

5) How long have you been with your current employer? .....years

1- 2years   

3-5years   

6-10years   

11-20years and above   

6) The following are some of the factors that will influence an employee's decision to stay with a company. Please indicate the extent to which you agree or disagree with these statements. Where 4=Strongly Agree; 3 = Agree; 2 = Disagree; 1 = Strongly Disagree

*Table Q1: Contributory factors to employee decisions to stay with organization*

<b>Variable</b>	<b>SA</b>	<b>A</b>	<b>D</b>	<b>SD</b>
A competitive compensation package (e.g. Good salary, Bonuses, pay for overtime etc)				
Recognition for a good job done				
Reward for a good work done				
Opportunities for training and career development				

Other

(specify).....

### SECTION C

On a scale of 1 – 4, please indicate the extent to which you think that employee turnover is a concern in the various departments/sections/units in your current organization. Where, 4 = very serious concern; 3 = serious concern; 2 = of some concern; 1 = not a concern at all.

*Table Q2: The extent of the turnover problem*

<b>Department/Section/Unit</b>	<b>(4)</b>	<b>(3)</b>	<b>(2)</b>	<b>(1)</b>
Front office				
Accommodation				
Food & Beverage				
Administration				

## SECTION D: Job Satisfaction

### *(I) Satisfaction with Pay*

Please indicate the extent to which you agree or disagree with the statements in the table. Where 4=Strongly Agree; 3 = Agree; 2 = Disagree; and 1 = Strongly Disagree

*Table Q3: Satisfaction with pay*

<b>Statement</b>	<b>SA</b>	<b>A</b>	<b>D</b>	<b>SD</b>
Considering what it costs to live in this area, my pay is adequate				
For the job I do, I feel that the money I make is good				
Salaries and other incentives are paid on time				
Management's attempts at improving the wage and salary structure is satisfactory				
My company's pay package, as a whole, has a positive influence on my desire to stay with my current employer				

### *(II) Satisfaction with Nature of Work*

Please indicate the extent to which you agree or disagree with the statements in Table Q4 regarding factors that make you satisfied with the nature of your work. Where 4=Strongly Agree; 3 = Agree; 2 = Disagree; 1 = Strongly Disagree

*Table Q4: Satisfaction with nature of work*

<b>Statement</b>	<b>SA</b>	<b>A</b>	<b>D</b>	<b>SD</b>
My work schedule is challenging and I feel satisfied				
I have the chance to do something that makes use of my abilities				
My work schedule is boring and stressful				
I have the freedom to use my own judgement				

***(III) Satisfaction with Supervision***

Please indicate the extent to which you agree or disagree with the statements in Table Q5 regarding factors that make you satisfied with supervision at your workplace. Where 4=Strongly Agree; 3 = Agree; 2 = Disagree; 1 = Strongly Disagree.

*Table Q5: Satisfaction with supervision*

<b>Statement</b>	<b>SA</b>	<b>A</b>	<b>D</b>	<b>SD</b>
I'm given free hand on the job to work to the best of my judgement				
I have the feeling I would be better off working under different supervision				
The supervision I receive is the kind that greatly encourages me to put in extra effort				
My supervisor makes people in our work group feel that they are valued and important				
The way I'm treated by my supervisors influences my overall attitude towards the job				
I have a cordial working relationship with my immediate boss				

**SECTION E: Motivation**

Please indicate the extent to which you agree or disagree with the statements in question Table Q6 regarding factors that will motivate you at your workplace. Where 4=Strongly Agree; 3 = Agree; 2 = Disagree; 1 = Strongly Disagree

Table Q6:

Motivation

Statement	SA	A	D	SD
I think I'm motivated enough to remain in this hotel all my working life, even if there are options to quit				
Working relationship between management and employees is cordial				
I have been able to attend pursue a professional course since I joined this organization				
The level of my education determines my decision to leave or stay				
Management expresses its appreciation to its hard working employees				

**SECTION F: Organizational Commitment**

Please indicate the extent to which you agree or disagree with the statements in Table Q7 regarding your commitment to your current organization. Place a check mark in the appropriate column. Where 4=Strongly Agree; 3 = Agree; 2 = Disagree; 1 = Strongly Disagree

Table Q7:

Organizational commitment

Statement	SA	A	D	SD
I am willing to put in a great deal of effort beyond what normally is expected in order to help this organization to be successful				
I feel little loyalty to this organization				
I would proudly recommend this organization as a good place to work to a friend or relative				
I really care about the fate of this organization				
I am proud to tell others that I am part of this organization				
I agree with the organization's strategy and mission				

### SECTION G: Job-Hopping

Please indicate the extent to which you agree or disagree with the statements in Table Q8 regarding job hopping by employees. Where 4=Strongly Agree; 3 = Agree; 2 = Disagree; 1 = Strongly Disagree.

*Table Q8: Job-Hopping*

Statement	SA	A	D	SD
To me, switching jobs is a kind of a fun				
Employees switch jobs because their colleagues do so				
Employees tend to change jobs for no apparent reasons				

### SECTION H: Perceived Alternative Employment Opportunities

Please indicate the extent to which you agree or disagree with the statements in question Table Q9 regarding your perception of alternative employment opportunities. Where 4=Strongly Agree; 3 = Agree; 2 = Disagree; 1 = Strongly Disagree.

*Table Q9: Perceived Alternative Employment Opportunities*

Statement	SA	A	D	SD
If I quit my current job, the chances that I would be able to find another job which is as good as, or better than my present one is high				
If I have to leave this job, I would have another job as good as this one within a month				
There is no doubt in my mind that I can find a job that is at least as good as the one I now have				

Given my age, education, and the general economic condition, the chance of attaining a suitable position in some other organization is slim				
The chance of finding another job that would be acceptable is high				
It would be easy to find an acceptable alternative employment				

### SECTION I

#### Contributory factors to Employee turnover

1) Please indicate the extent to which you agree or disagree with the factors listed in Table Q10 as reasons why employees quit their jobs in the hotel industry. Where 4=Strongly Agree; 3 = Agree; 2 = Disagree; 1 = Strongly Disagree. Please tick appropriately.

*Table Q10                      Contributory factors to Employee turnover*

	<b>SA</b>	<b>A</b>	<b>D</b>	<b>SD</b>
Poor reward and compensation systems				
Low job satisfaction due to too much workload				
Poor management-employee relationship				
Delays in promotion				
Weak career opportunities				
Low motivation of employees				
Competing organizations provide better working conditions				

Other (Please specify).....



2. If you had the option to quit this job, would you readily leave? **Yes** [  ]  
**No** [  ]

3. Table Q11 shows a list of solutions to the turnover problem. Please tick the three most important of the solutions that you think can help reduce employee turnover in the hotel industry.

*Table Q11 Solution to the Problem of Employee turnover*

<b><i>Solution to the turnover problem</i></b>	<b>Tick(√)</b>
Better working conditions	
Better career prospects and job security	
Provision of training to equip employees with necessary skills	
Good communication between management and employees	
Involvement of employees in decision-making	
Employ people with the right qualification	
Enhance employee-employee relationship	
Other (please specify)	

Thank you.

APPENDIX C

**University of Cape Coast  
School of Business  
Student Research Work**

**QUESTIONNAIRE FOR MANAGEMENT**

Sir/ Madam,

I am Josephine Pepra-Mensah, an MBA Student of the University of Cape Coast. I am conducting a research project on the topic “Employee turnover in the Hotel Industry in Cape Coast and Elmina”, as part of the requirement for the MBA program. To this effect, I humbly solicit your help in completing this questionnaire. This questionnaire will take about three minutes to complete. Your participation in this survey is completely voluntary and you may skip any question if you wish. The study is basically for academic purposes thus, I guarantee that your responses will be kept strictly anonymous and confidential. Thank you very much for your anticipated consideration.

**SECTION A: Background Information**

- 1) What is your job title (the section or unit in which you work).....
- |                                   |     |
|-----------------------------------|-----|
| Accommodation (e.g. Housekeeping) | [ ] |
| Front office                      | [ ] |
| Food and beverage                 | [ ] |
| Administration                    | [ ] |
| Other.....                        |     |

2) How long have you been in your current job?

1- 2years [ ]

3-5years [ ]

6-10years [ ]

11-20years and above [ ]

**SECTION B: The Extent of the Turnover Problem**

3) On a scale of 1 – 4, please indicate the extent to which you think that employee turnover is a concern in the various departments/sections/units in your current organization. Where, 4 = very serious concern; 3 = serious concern; 2 = of some concern; 1 = not a concern at all

*Table Q1 The extent of the turnover problem*

<b>Department/Section/Unit</b>	<b>(4)</b>	<b>(3)</b>	<b>(2)</b>	<b>(1)</b>
Front office				
Accommodation(e.g. Housekeeping)				
Food & Beverage				
Administration				

**SECTION C: Contributory factors to Employee turnover**

4) Please indicate the extent to which you agree or disagree with the factors listed in Table Q2 as reasons why employees quit their jobs in the hotel industry. Where 4=Strongly Agree; 3 = Agree; 2 = Disagree; 1 = Strongly Disagree. Please tick appropriately.

*Table Q2 Contributory factors to Employee turnover*

	<b>SA</b>	<b>A</b>	<b>D</b>	<b>SD</b>
Poor reward and compensation systems				
Low job satisfaction				
Poor management-employee relationship				
Delays in promotion				
Weak career opportunities				
Low motivation of employees				
Competing organizations provide better working conditions				

Other (Please specify).....

**SECTION D: Solution to the Problem of Employee Turnover**

5) Table Q11 shows a list of solutions to the turnover problem. Please tick the three most important of the solutions that you think can help reduce employee turnover in the hotel industry.

*Table Q11 Solution to the Problem of Employee turnover*

<b><i>Solution to the turnover problem</i></b>	<b>Tick(√)</b>
Better working conditions	
Better career prospects and job security	
Provision of training to equip employees with necessary skills	
Good communication between management and employees	
Involvement of employees in decision-making	
Employ people with the right qualification	
Enhance employee-employee relationship	
Other (please specify)	

Thank you.