

UNIVERSITY OF CAPE COAST

IMPORTANCE OF EMPLOYEE RETENTION FOR ATTAINMENT OF  
ORGANISATIONAL GOALS IN GHANA COMMERCIAL BANK, KUMASI

MOSES SEGBENYA

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IMPORTANCE OF EMPLOYEE RETENTION FOR ATTAINMENT OF  
ORGANISATIONAL GOALS IN GHANA COMMERCIAL BANK,  
KUMASI

BY

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THESIS SUBMITTED TO THE DEPARTMENT OF MANAGEMENT  
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IN HUMAN RESOURCE MANAGEMENT

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## **DECLARATION**

### **Candidate's Declaration**

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

Candidate's Name: Moses Segbenya

Signature: .....

Date: .....

### **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.

Principal Supervisor's Name: Dr. Francis Enu- Kwesi

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Co-Supervisor's Name: Mrs. Elizabeth Annan-Prah

Signature .....

Date: .....

## **ABSTRACT**

The study examined the importance of employee retention for attainment of organisational goals in Ghana Commercial Bank (GCB), Kumasi. Various factors that contributed to attainment of goals such as organisational factors, human resource factors, organisational benefits, commitment, employees retention and job satisfaction were examined.

Quantitative research design, specifically a correlational study design was adopted. A study population of 98 senior and junior members of staff, and nine branch managers of GCB, Kumasi were sampled for the study. Interview guide and self administered questionnaire were the research instruments used. Statistical tools used to analyse the data included frequencies, correlation, standard multiple regression, step-wise regression and hierarchical multiple regression.

The findings of the study revealed that the organisational goals of GCB were effective and employees knew and understood the goals of the bank, but they conflicted with employees' personal goals. Employee retention was found to be high and was important for attainment of the bank's goals. However, more than half of the employees indicated their intention to quit the bank very soon. A relationship was found between policies, job satisfaction and employee retention; and employee retention and attainment of organisational goals. It was recommended that employees and branch managers should be involved in the formulation of the bank's goals. Reviewing banks retention policies to take care of all the spectrum of workers in the bank was also recommended.

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The area manager, branch managers and staff of GCB, Kumasi, deserve commendation for allowing me to involve them in the study. I am also thankful unto my parents, Mr. James Adzokatse and Madam Abla Vida Dzreh, Mr. D. K. Segbenya, Mr. P. Dorgbadzi, Gloria Atadika, Richard Atadika, Madam Patience Bikor and Mr. Ishmael Atadika, lecturers and the entire staff of the School of Business, UCC, for their support for my study.

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## **DEDICATION**

To my lovely wife, Mrs. Dzifa Segbenya, and my children, Sweetie  
Edem and Pretty Elorm.

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## **CHAPTER ONE**

### **INTRODUCTION**

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

Employee retention, from its inception, has been well emphasised in theories such as March and Simon's (1958) theory of organisational equilibrium, Mowday, Porter and Steer's (1973) theory of unmet expectation and Mobley's (1977) model of intermediate linkages (Bruce, 2003). All these theories seem to be making two major statements; firstly that retention efforts by management must take into consideration employees' higher needs in addition to their job context needs. Secondly, organisations can achieve their goals and remain competitive by retaining valuable employees. All these positions are better summed up in Herzberg's two factor motivational theory which classified employees needs into intrinsic and extrinsic needs (Mullins, 2010).

Employee retention actually began to appear with regularity on the business scene in the 1970s and early 1980s. Until then, especially in the early and mid-1900s, the essence of the relationship between employer and employee had been that of loyalty (Connel & Philip, 2002). Thus, it was usual to find employees in the 1950s and 1960s to remain with an organisation for very long time. If they changed jobs, it was usually a major career and life decision, and anyone who made many and frequent job changes was seen as somewhat out of the ordinary or an aberration. It was therefore not surprising

that March and Simon came out in 1958 with the theory on employee retention called organisational equilibrium which concluded that job satisfaction and lack of job alternatives contributed tremendously to retaining employees in that era (Bruce, 2003).

In the 1970s and later, there were large-scale layoffs, reducing the loyalty that employees felt toward their employers, and increases in skills development opportunities and cross-training, making people more “employable”. There was also a rise in the formation of small and medium-sized businesses as competitive employers, which provided viable employment opportunities in those times (Coff, 1997). These led to the ascendancy in job mobility and voluntary job changes and organisations began to feel the impact of the rise of voluntary employee turnover. Additionally, the power in the paternalistic “status quo” employer-employee relationship was also shifting from the employer to the employee, so a matching management tool began to be developed, which was employee retention (Connel & Philip, 2002).

In this earliest, simplest form, employee retention was a straightforward response to how employers can stem the flow. The first steps in employee retention were simply just some attempts to make the existing relationship better and more pleasant for the employee by dealing primarily with compensation, benefits, and the physical aspects of the working environment (Allan & Sienko, 1997). Allan and Sienko also stated that by the late 1980s and early 1990s, there was a growing realisation on the part of both employers and employees that there was more to employee retention than



hygiene factors which relate to the job context such as pay, security, work conditions and company policy.

Therefore, employers' attention shifted to the need to consider other higher needs of employees described by Herzberg's two-factor theory as the motivators such as recognition, responsibilities and interesting works since they were more able to retain employees than the hygiene factors (Woodruffe, 1999). From then till now, the most important issue on employee retention is the realisation that if employee retention is to be effective and sustainable, there is the need for a holistic approach to the individual employee that would go beyond simply adjusting the employee's compensation and benefits (Connel & Philip, 2002).

The various theories on employee retention have posited that there are factors that influence employee retention. Cheng (2004) grouped retention factors into organisational and human resource factors. The organisational factors include leadership style, company policies and culture, communication and work environment while the human resource factors include selection, reward and recognition, training and development. Other important factors are job satisfaction factors like responsibility, recognition, promotion, working condition, and interpersonal relationship; and benefit factors such as time off, family oriented, financial, health care and retirement benefits. Additionally, Hausknecht, Howard and Vance (2008) also stated employee retention factors to include job satisfaction, commitment, reward, promotional opportunities, and demographic characteristics.

From the foregoing, it is clear that employee retention would continue to play essential roles in organisations into the foreseeable future. This is

because organisations now constantly wrestle with trends such as accelerating product and technological changes, global competition, deregulations and demographic changes (Kane, 2000). Organisations are also faced with the need to retain core employees and additionally, society has now become knowledge-based where human capital is considered a key resource that is indispensable to the survival of businesses. Increasingly, organisations are competing for the best talented employees (Porter, 2003) and new companies recognise that an important element in business management is the need to successfully motivate and retain talented employees who survived organisational restructuring, downsizing or re-engineering initiatives.

Organisations exist to accomplish goals and the degree of achievement of these goals largely depends on the calibre of employees in these organisations. For this reason employers are careful to employ employees that will help them to achieve their goals. Astute employers go further to train, develop and put in place retention factors or measures to ensure that these employees remain and enable the organisation to continue to achieve its goal for a long period of time (Staw, 2001). Employees come to work with needs, aspiration and hopes and would contribute effectively to achieve the organisational goals when their concerns are considered. Provision of such a vehicle increases commitment and influences organisational performance, which leads to achievement of goals (Cheng, 2004).

Organisational goals are necessary for improving the performance of the employees, forging a shared understanding of what the organisation ought to accomplish and wants to accomplish and ensuring focus on common values (Hargreaves & Hopkins, 1994). Thus, it assists in focusing the energy of

workers towards attainment of organisational visions. Staw (2001) stated that top performing employees are goal-directed. For this reason, Staw emphasised that employees know their level of contribution to the organisational goals when there is specific task, a quota, a performance standard, or a deadline to meet. Thus, employees are motivated when they are part of the goals' setting and individual's goals are aligned to the organisational goals so that achieving those goals leads to promotion and helps to retain employees and make organisations profitable.

Employee retention is also an important issue in the Ghanaian economy. This importance is reflected in the attention that is paid to certain sectors of the economy such as health, education and agriculture (Dovlo, 2003). Both the public and the private sectors are said to be paying attention to employee retention. The banking sector of Ghana is also characterised with stiff competition among the banks especially with the introduction of the Banking Act, 2007 (Act 673). This is because the liberalised commercial banking sector has permitted offshore banks to operate in the country. Banks are poaching employees of other banks with attractive incentive packages so as to remain competitive, achieve their objectives and most importantly increase their market share or outwit their competitors (Amidu, Hinson & Mensah, 2006).

Ghana Commercial Bank (GCB), which is part of the financial system and one of the commercial banks in Ghana started operations in 1953 as wholly government owned until 1996 when under the economic recovery programme part of the government ownership was divested. Today, government ownership stands at 21.3 per cent while institutional holdings add

up to 78.64 percent. From one branch in the 1950s, GCB now has 151 branches and 11 agencies throughout the 10 regions and all districts of the nation in a bid to make banking accessible to all Ghanaians.

The bank's mission is to be the established leader in banking, satisfying the expectations of customers and shareholders, and providing a full range of cost efficient and high quality services through the optimisation of information technology and efficient branch network. The objective of GCB is to support the private sector and facilitate the nation's economic growth.

For the achievement of its mission and objective, GCB provides a wide range of products and services such as current and savings accounts, accounts for Ghanaian residents abroad, doorstep cash collection, loans and overdrafts. Others are treasury bills, fixed call deposits, Internet banking, Commernet Plus, Royal Banking, Smart pay (Fee payments), Kudi Nkosuo, GCB Inland Express Money Transfer and Moneygram. For the purpose of customer relation, the Bank has introduced the Personal Banker (PB) to enhance customer service and constantly sensitise front line staff on the need to ensure customer satisfaction (GCB, 2010).

To do the above, a human resource division has been established to perform activities that are directed toward attracting, developing and retaining well-motivated staff and an effective workforce for organisational efficiency and profitability in the bank. The department is headed by a General Manager who is assisted by a Personnel Manager and a Group Training Manager in the execution of the human resources activities. The core functions of the bank's human resource department include manpower planning, staffing and de-

staffing, career development and training, employee relations and welfare, rewards management and performance management (GCB, 2010).

For the purpose of retaining its employees, GCB's workforce is currently being moulded, with the human resources division ensuring that key positions are filled with high calibre personnel. Employees are also provided with the requisite training to empower and motivate them for efficient service delivery. GCB pays special attention to employees' work environment, recruiting and retaining the best human resource to carry out the bank's mandate and applying best practices in internal policies, procedures, processes and service delivery.

### **Statement of the problem**

Ghana Commercial Bank is part of the Ghanaian economy as well as the banking industry. GCB plays important roles such as maintenance of individual and corporate savings and current accounts, commercial and corporate lending, corporate advisory services and international trade financing. GCB also recruits competent employees to execute these tasks. The key players in the banking system can be said to include banks, non-bank financial institutions, stockbrokers and insurance companies. Thus, borrowers, lenders, intermediaries and supporting institutions like the Bank of Ghana depend on the smooth running of the system. Therefore, failure of GCB as part of the system can have severe ramifications on the Ghanaian economy and the financial sector as well as on other employers.

Organisations recruit human resources and train them to fit into their set-ups. This is done so that organisational goals can be attained.

Organisations therefore go to great length to ensure that recruited employees are retained. To retain employees, organisations consider organisational factors, job satisfaction factors, human resource factors and employees' benefits to meet the needs of their employees (Cheng, 2004). A noteworthy fact is that organisations that are unable to retain their employees have to spend lots of money and other resources to attract, recruit and train new employees, which would make recruiting new employees more expensive than retaining the existing ones (Jackson & Mathis, 2006). Such instability can lead to loss of market share and profit.

According to the latest 2010 Banking Survey, conducted by accounting professionals, Pricewaterhouse Coopers, Ghana Commercial Bank lost 4.3 percent of its market share in 2010 and currently controls 14.3 percent of market share. However, no empirical study has been conducted to determine whether the loss can even be partially attributed to employee retention issues. Additionally, only a few studies have been carried out on employee retention in developing countries. In Ghana, such studies have focused on retention of health workers and teaching staff (Dovlo, 2003). The various studies on employee retention in the developed countries dwell on organisational factors, job satisfaction and human resource factors (Cheng, 2004).

Thus, there is lack of empirical evidence on how organisational factors, human resource factors, job satisfaction and organisational benefits can influence employee retention, which eventually leads to attainment of organisational goals in GCB, Kumasi. This study therefore sought to examine out how these factors contribute to employee retention and attainment of organisational goals in Ghana Commercial Bank, Kumasi.

### **Objectives of the study**

The main objective of the study was to examine the importance of employee retention to attainment of organisational goals in Ghana Commercial Bank, Kumasi. The specific objectives were to:

- I. Examine the employees' views of the organisational goals of GCB.
- II. Determine the level of employee retention.
- III. Examine how organisational benefits, job satisfaction, commitment, human resource factors and organisational factors contribute to employee retention.
- IV. Examine the contribution of employee retention to the realisation of organisational goals.
- V. Examine how human resource factors, organisational factors and organisational benefits directly or indirectly predict the attainment of organisational goals.
- VI. Make recommendations for employee retention and attainment of organisational goals.

### **Research questions**

In order to address the above objectives, the following research questions were posed:

1. What are the employees' views of the organisational goals of GCB, Kumasi?
2. What is the level of employee retention in GCB, Kumasi?

3. How do organisational benefits, job satisfaction, commitment, human resource factors and organisational factors contribute to employee retention?
4. What are the contributions of employee retention to the realisation of organisational goals?
5. How do human resource factors, organisational factors and organisational benefits directly or indirectly predict the attainment of organisational goals?

### **Hypotheses of the study**

The hypothesis for the study was:

#### Hypothesis 1

H<sub>0</sub>: Employees' perception of human resource factors, organisational factors and organisational benefits does not significantly predict the realisation of organisational goals indirectly.

H<sub>1</sub>: Employees' perception of human resource factors, organisational factors and organisational benefits significantly predicts the realisation of organisational goals indirectly.

### **Scope of the study**

The research was purported to examine factors that contribute to employee retention and attainment of organisational goals in GCB within Kumasi metropolis. For this purpose the study grouped these factors into three independent variables such as organisational factors like leadership style, company policies and culture, communication and work environment; human



resource factors such as selection, reward and recognition, training and development.

Other factors were organisational benefits as independent variable consisting of time off, family oriented, financial, health care, retirement benefits and employee assistant programmes. How job satisfaction and commitment mediate the effects of these factors on employee retention was considered. The study also looked at the effect of the independent variables mediated by job satisfaction, commitment and employee retention on the dependent variable of the study which was attainment of organisational goals. The discussion on these was looked at from employees and management perspectives and the generalisation of the findings was limited to GCB.

### **Significance of the research**

This research study is important in various ways to the banking industry, the management of Ghana Commercial Bank and future researchers. To the banking industry, the findings and results of the study offer understanding of the factors that affect employee retention and attainment of organisational goals and help outline the future policy formulation of the industry.

To the management of GCB, the results are expected to offer answers to the basic question of why employees stay and what would cause them to leave and to help GCB devise appropriate retention policies and strategies to enhance employee retention and attainment of organisational goals. To researchers, the results of the study will serve as literature to give additional

insight on the factors that may affect employee retention. The outcome will further serve as secondary data for future research on the topic.

### **Definition of terms**

#### Employee retention

This is a systematic effort by an employer to create and foster an environment that encourages employees to stay with the organisation by having policies and practices in place that address employees' diverse needs. For this study, it means employees' decision to stay or quit.

#### Human resource factors

These are factors that are more related to 'people issues' put in place by an organisation and managed by the human resource management department to strongly influence the decision of core employees to stay. In this study, these human resource factors are selection, reward and recognition, training and development.

#### Organisational factors

These are factors characteristic to a particular organisation which have an influence on the employee decision to stay with that organisation. These factors as considered in this study are leadership style, company policies and culture and communication.

### Job satisfaction

These are factors that measure employees' total feelings and attitudes towards their job. It is perceived as an attitudinal variable measuring the degree to which employees like their jobs and the various aspects of their jobs (Spector, 1997). These are responsibility, recognition, promotion, working condition, and interpersonal relationship.

### Organisational benefits

These are factors that are enjoyed by every employee of an organisation based on membership. These are time off, family oriented, financial, healthcare and retirement benefits.

### Organisational commitment

This is the degree to which an employee identifies with a particular organisation and its goals, and wishes to maintain membership in the organisation (Robbins, 2001). This study looked at the three aspects such as emotional attachment to an organisation, awareness of cost associated with leaving and feeling of obligation to continue employment with organisation.

### **Organisation of the study**

Employee retention has been shown in the chapter one, to be very important to the developed and the developing economies as well as the Ghanaian economy. Chapter two constituted the review of available related literature on the strengths and the weaknesses of major theories on employee retention. These theories included March and Simon's theory of organisational

equilibrium, Mowday, Porter and Steer's model of unmet expectations, and Mobley model of intermediate linkages. Relationships between the key variables of the study and employee retention were also addressed.

Chapter three outlined the methodology and the procedure for conducting the study. It included correlational study design and census techniques as well as questionnaires and interviews for data collection. Chapter four was mainly on the use of frequencies, percentages, correlation and regression for the analysis of the data collected based on the five objectives of the study, followed by discussion of the result. The final chapter, which was chapter five, focused on summary of findings, conclusions and recommendations for policy formulation in GCB and suggestion for future research.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **Introduction**

This chapter serves as the foundation for the development of this study. Reviews of relevant literature on employee retention in terms of theoretical framework, concept of employee retention, importance of employee retention, organisational goals and employee retention were looked at in the chapter. Other themes addressed in the chapter are empirical evidence, lessons learned and the gaps, the conceptual framework of the study, and conclusion.

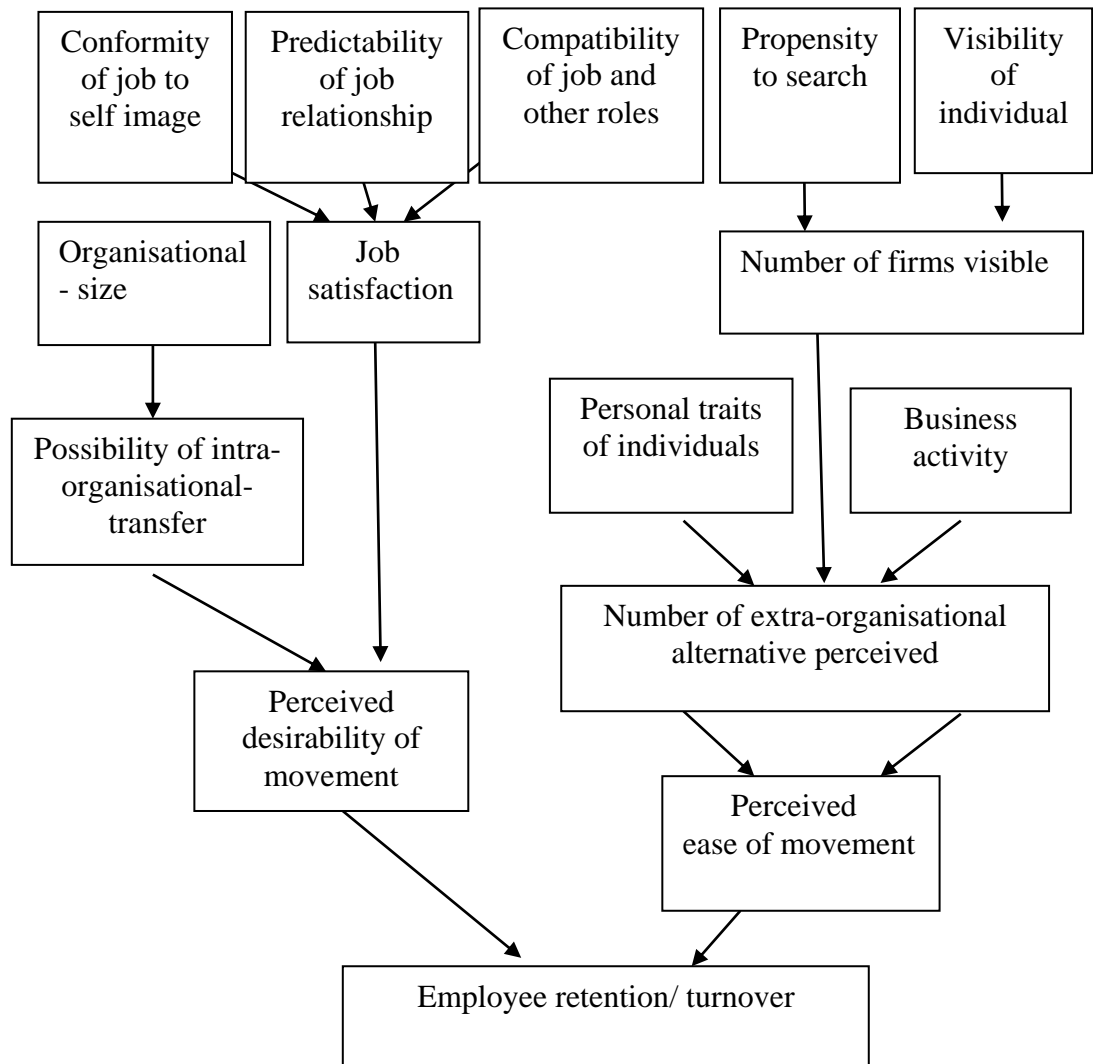
#### **Theories on employee retention**

Major theories that have been advanced in the literature over the past years that help explain why employees stay or quit were reviewed in the next section. These theories are March and Simon's theory of organisational equilibrium, Mowday, Porter and Steer's model of unmet expectations, Mobley model of intermediate linkages, Price and Mueller's model on retention and Herzberg's two-factor theory.

#### **March and Simon's theory of organisational equilibrium**

One of the earliest models of retention, according to Bruce (2003), is March and Simon's theory of organisational equilibrium in 1958 which states that employees participate in the organisation as long as inducements, such as

pay match or exceed the employees' inputs. The interaction of the inputs and inducements are influenced by two motivational components such as the perceived desirability of leaving and the ease of leaving. This can be seen in Figure 1.



**Figure 1: March and Simon's theory of organisational equilibrium**

Source: March and Simon, 1958

Perceived desirability of movement is commonly defined by the individual's satisfaction with the job. From Figure 1, three major constructs of satisfaction identified by the theory were conformity of the job characteristics

to the self-characterisation held by the individual, predictability of instrumental relationships on the job, and compatibility of work requirements with the requirements of other roles (March & Simon, 1958).

The second variable, perceived ease of movement generally reflects job alternatives and is influenced by constructs such as visibility of the individual employee, the number of firms visible, current organisation's prestige and individual's propensity to search for a job. It is therefore obvious that the individual employee would be more likely to leave an organisation if there were ample work available, or they had desirable characteristics or skills and the desirability and ability to do a job search and the visibility of the individual may also attract job offers from other organisations

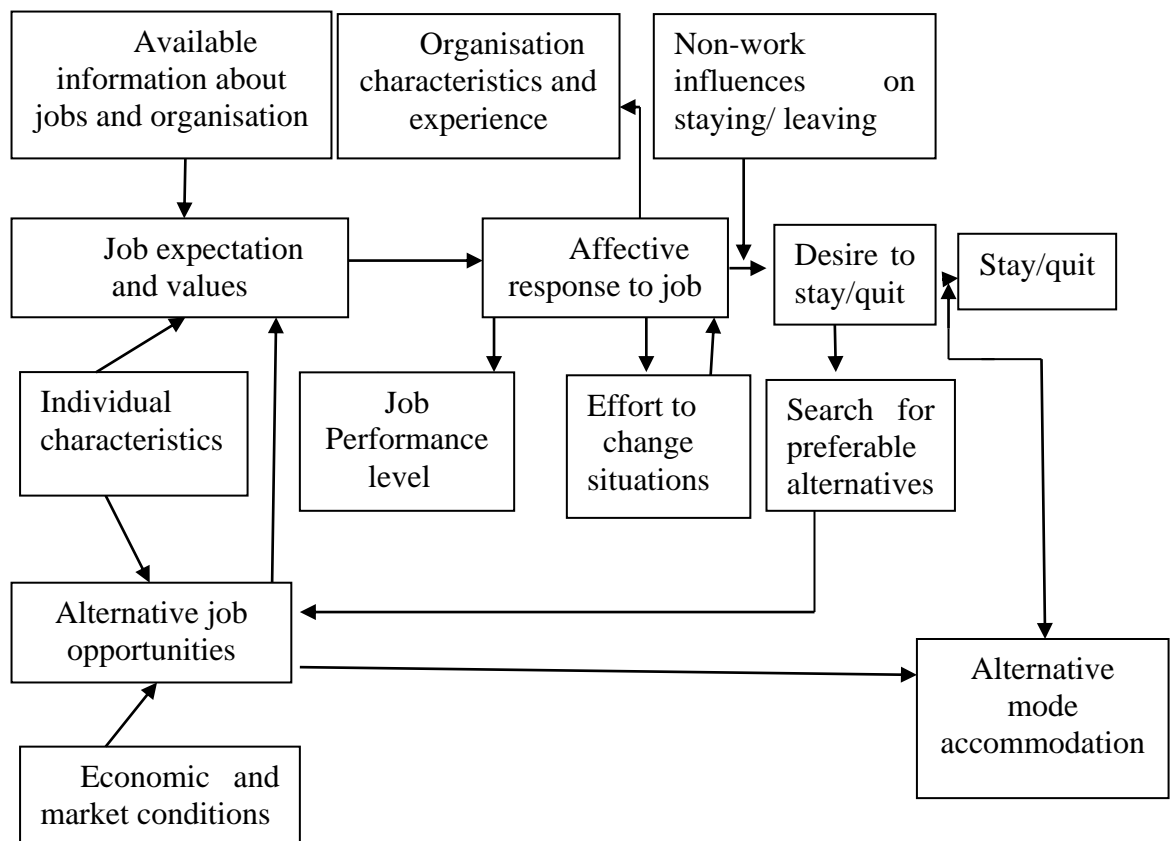
Viewed from the perspective of retention, the model suggests that employees will be more likely to stay when they are satisfied with their jobs and believe that there are few alternatives available. Hence, job satisfaction is included in this study as part of the factor affecting employees' decisions to stay. Many of the subsequent theories of retention have built upon the satisfaction/alternatives framework outlined by March and Simon.

However, the theory of organisational equilibrium has been criticised for lack of sufficient demonstrative and empirical validity. In addition, the simple relationship between perceived ease of movement and perceive desirability of movement is lost in many other theories. Therefore, it is necessary to put more variables into one model for discussion so that the function of every variable can be evaluated adequately based on the performance platform and this has opened up extensive research routes for

other scholars including Mowday, Porter and Steer's model of unmet expectations (Chen, 1997; Xie, 2003).

### Mowday, Porter and Steer's model of unmet expectations

Mowday, Porter and Steer in 1973 also came out with one of the major updates to March and Simon's theory and this was the theory of unmet expectations. They concluded that a variety of work-related and personal factors were important determinants on the decision to stay or leave and they named five unique aspects of the theory. These are captured in Figure 2.



**Figure 2: Mowday , Porter and Steers' model of unmet expectation**

Source: Mowday, Porter and Steers, 1982

From Figure 2, the determinants were recognition of the role of available information regarding the job and organisation, job expectations and



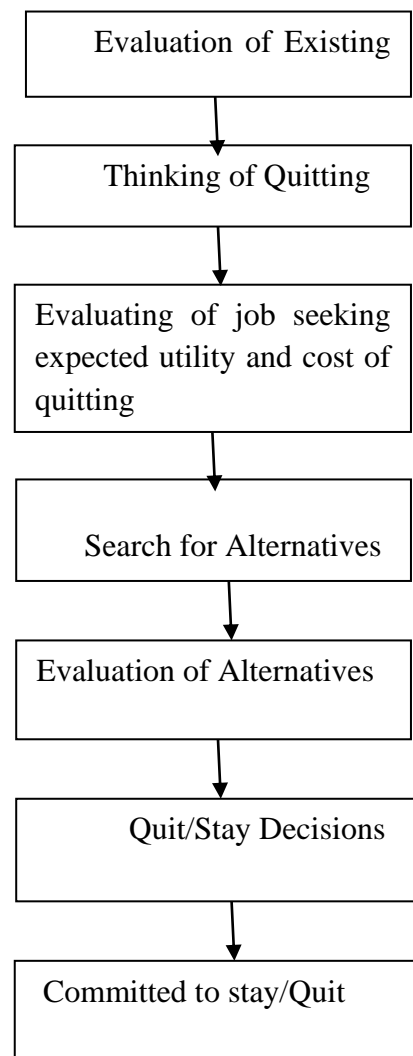
values and organisational characteristics and experiences. The rest were greater emphasis on non-work influences as they affect intentions to leave and the possibility that disaffected employees may try to change the situation in prior to leaving (Mowday, Porter & Steer, 1982). Mowday, Porter and Steer further suggested that employees are more likely to stay as they build longer tenure with the organisation because of seniority related perks or other valued outcomes such as advancement opportunities. The model did not receive much recognition because it was based on a small sample size of seven studies. This resulted in the introduction of the Mobley's model of intermediate linkages.

### **Mobley's model of intermediate linkages**

Several years later, Mobley presented a revised framework in 1977, which also focused on job satisfaction (Mobley, 1982). It was an intermediate linkages model that outlined seven steps such as evaluation of existing job to determine satisfaction or dissatisfaction, thinking of quitting, evaluation of job seeking expected utility and costs of quitting, search for alternatives. Others were evaluation of alternatives, making quit or stay decisions based on whether one is committed because of believing in the organisational goals and finally stay or quit present job. All these factors influence employee decision to stay or quit as depicted in Figure 3.

As suggested by Mobley (1977), the intermediate linkages model focused on the psychological processes of turnover. From Figure 3, it is clear that the seven steps follow a sequence but due to the individual nature of psychological processes, Mobley (1982) stated that it was not necessary to follow the steps in sequence or it was possible to miss steps entirely (Lee &

Mitchell, 1994). The importance of the model was the identification of the behavioural process that leads from dissatisfaction to turnover (Mowday et al., 1982). The model also has a great value, which is its rich description of the psychological process between job efforts and turnover (Lee & Mitchell, 1994). This arched the Mobley model into being the dominant model of psychological approaches to the turnover phenomena (Griffeth & Hom, 2000).



**Figure 3: Mobley's model of intermediate linkages**

Source: Mobley, 1982

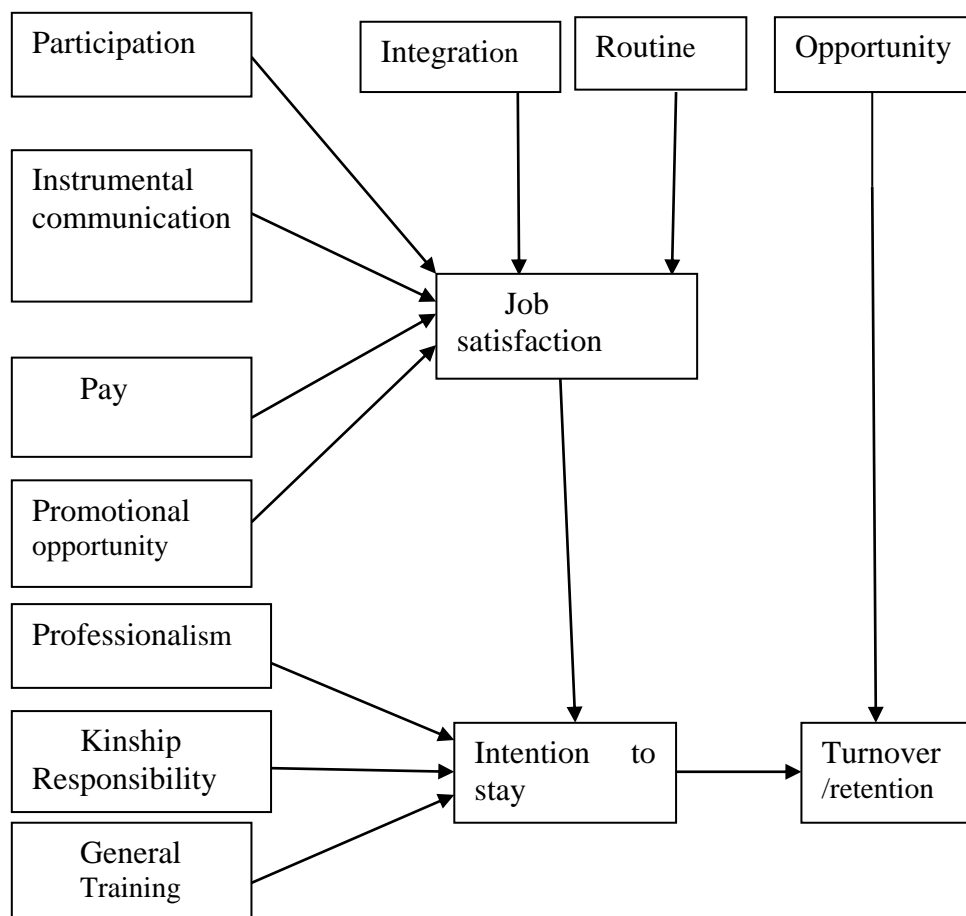
The model suggested that committed employees are expected to remain because they believe in the goals and values of the organisation and are willing to exert effort on its behalf. Job satisfaction and organisational commitment are most widely studied antecedents of turnover. Thus, Mobley (1982) and others reinforce the value of several dimensions, and were among the first to recognise organisational commitment as an important retention factor. The model was criticised for using only job satisfaction and commitment as factors influencing retention, which led to the introduction of the Price and Mueller's model on retention (Bruce, 2003). However, the model was simpler and was based on larger sample size as compared to Mowday, Porter and Steer's model of unmet expectations.

### **Price and Mueller's model on retention**

A sociologist, James Price in 1981 established a model integrating previous research and theorised that the factors of pay, communication, centralisation, and integration acted to mould an individual's job satisfaction (Griffeth & Hom, 2000). This can be seen in Figure 4. Griffeth and Hom also proposed, based on the model, that the availability of alternative job opportunities moderated the relationship between job satisfaction and turnover.

The Price and Mueller model as can be seen in Figure 4, shows that routine work reduces satisfaction. Workers who are participating in job related decisions, receiving work related information, forming close friendships with others at work, earning good and fair compensation, and enjoying opportunities for promotion are more likely to be satisfied (Griffeth & Hom,

1995). It also proposed that professionalism, generalised training, and minimal kinship responsibilities weakened an individual's intention to remain with the organisation. The study was criticised that though some R squares were statistically significant, they were small. Nevertheless, Price and Mueller addressed the problem of low explained variance and suggested that future studies may focus on additional variables and measurement considerations (Bruce, 2003). This led to the revised model in the 1986.



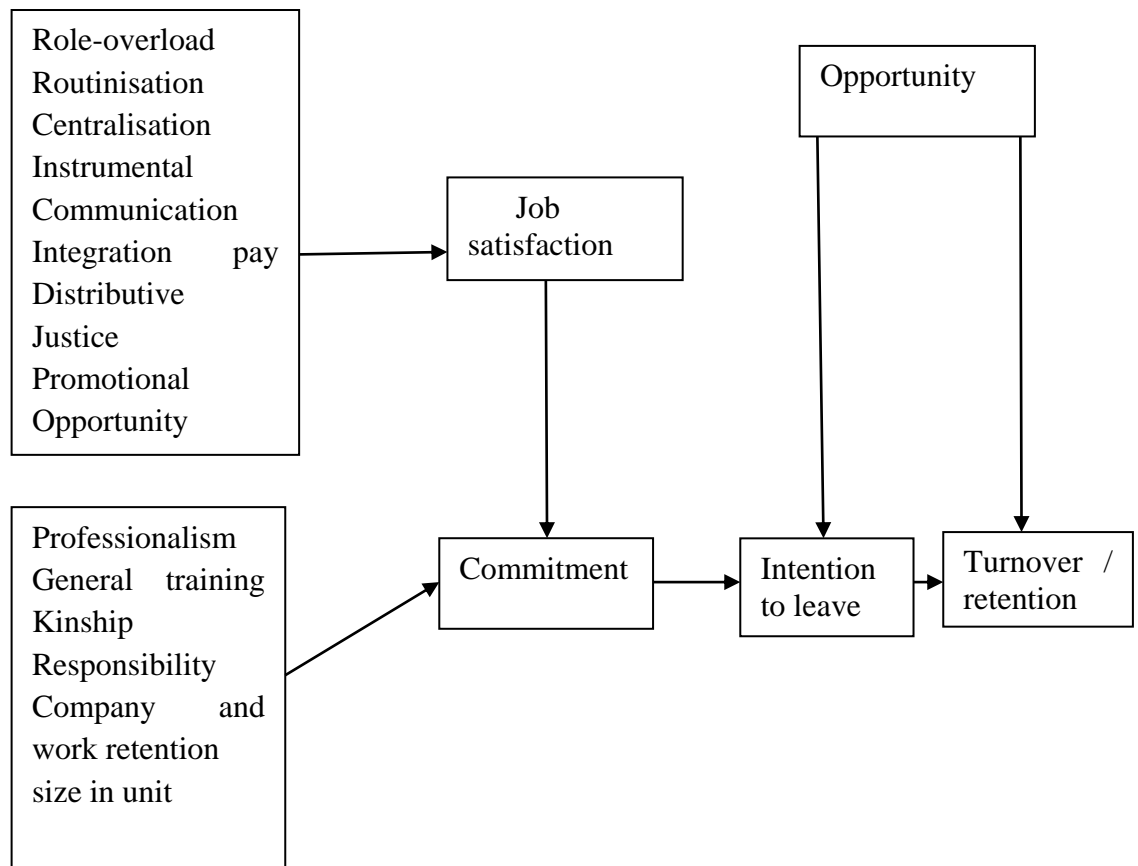
**Figure 4: Price and Mueller's model on turnover**

Source: Griffeth and Hom, 1995

Price and Mueller revised their 1981 model by introducing role overload and family pay as antecedents to satisfaction as enumerated in Figure 5. Workgroups and size of the organisation were added as antecedents of

organisational commitment and intent to leave. It is clear from Figure 5 that Price and Mueller also interjected commitment as a mediator between job satisfaction and intent to leave (Griffeth & Hom, 1995).

Price and Mueller (1986) presented an updated model that encompasses many of the earlier retention factors while introducing several new ones. Drawing from earlier perspectives, job satisfaction and perceived alternatives were considered immediate causes of decisions to stay, whereas pay, promotional opportunities, constituent attachments, kinship, and organisational commitment were included as not having direct influences.



**Figure 5: Price and Mueller’s revised model of turnover.**

Source: Griffeth and Hom, 1995

One important addition to the model was distributive justice. Drawing from the developing literature on equity theory at that time, the authors

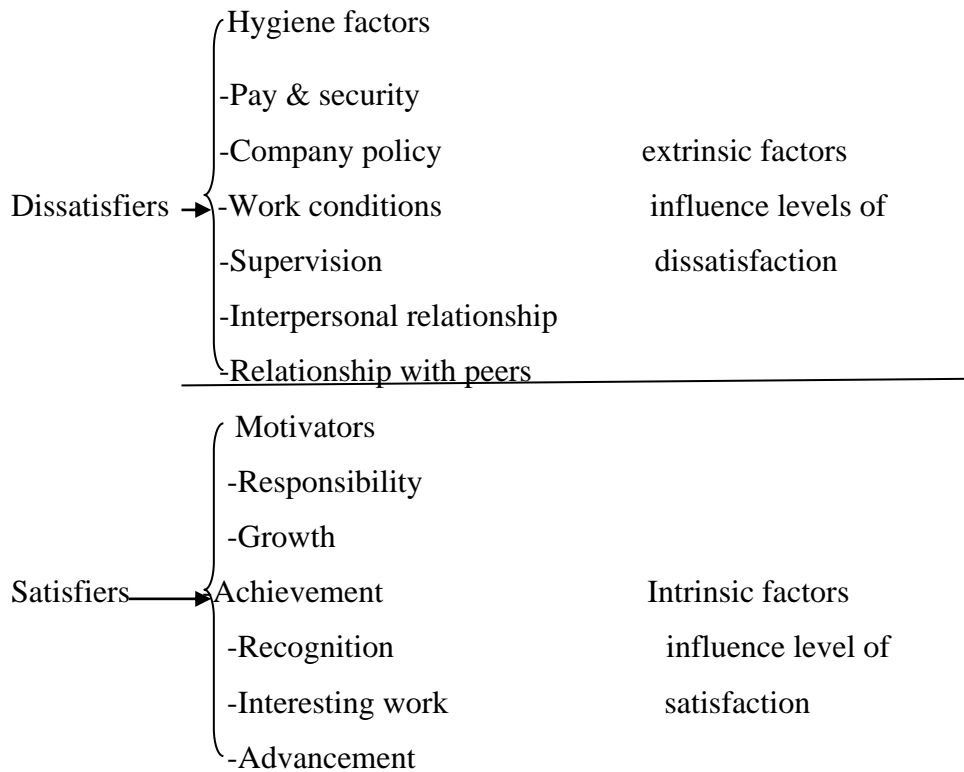
suggested that employees would be satisfied and thus more likely to stay if they felt that the outcomes they received reflected the effort and other inputs that they had invested. Price and Mueller, through their research, developed a comprehensive set of determinants of turnover and introduced salient variables that have now become accepted as part of the withdrawal process. However, their factual contribution to voluntary employee turnover was their thorough methodology (Griffeth & Hom, 2000). Price and Mueller's methodology still remains as an important model for research standards. All the factors mentioned in the theories so far can basically be grouped into extrinsic factors and intrinsic factors. This is better explained by the Herzberg's two-factor theory.

### **Herzberg two-factor theory**

In his research, Herzberg interviewed 203 accountant and engineers from different industries in America. Respondents were asked to relate times when they felt exceptionally good or bad about either their present or previous job. Responses to the interview were generally consistent and revealed that there were two different set of factors affecting motivation and work. This led to the two-factor theory of motivation and job satisfaction (Herzberg, Mausner & Snyderman, 2004).

One set of factors are those if absent, cause dissatisfaction and are related to the job context. They are concerned with the job environment and are extrinsic to the job itself. These factors are the hygiene or maintenance factors. They serve to prevent dissatisfaction. The other set of factors are those that, if present, set to motivate the individual to superior effort and

performance. These factors are related to the job content of the work itself. They are the motivators or growth factors. The strength of these factors will affect feelings of satisfaction or ‘no satisfaction’, but not dissatisfaction (Mullins, 2010). Mullins further stated that the opposite of ‘dissatisfaction’ is not satisfaction but simply, ‘no satisfaction’ as can be seen in Figure 6.



**Figure 6: Herzberg’s two – factor theory**

Source: Mullins, 2010

From Figure 6, it is clear that factors classified as motivators are responsibility, growth, achievement, recognition, interesting work and advancement opportunities. The hygiene factors that prevent dissatisfaction at work are pay and security, work condition, interpersonal relation, company policy and work condition. These hygiene factors are also the ‘dissatisfiers’ which are extrinsic factors influencing the level of dissatisfaction.

The motivators on the other hand are the satisfiers and are also the intrinsic factors influencing the level of satisfaction. Thus, it can be concluded

that what motivate employees to stay with an organisation for a long time according to the two-factor theory can broadly be grouped into intrinsic and extrinsic factors. Critics of Herzberg's two-factor theory stated that the two-factor outcome was observed because it was normal for people to take praise for satisfaction and charge dissatisfaction on external factors (Caplan & Teese, 1997). Despite this criticism, Herzberg's two-factor theory remains as one of the popular theories for managers, which also have an international appeal. Similarly, the current emphasis on self-development, career management and self-managed learning can be seen as having evolved from Herzberg's two-factor theory (Mullins, 2010).

### **The concept of employee retention**

Retention can literally be defined as keeping something in your possession. According to Caplan and Teese (1997), the concept of retention takes into consideration areas such as employee liking, identification, commitment, trust, readiness to recommend, and intention to stay with the organisation, with the first four being emotional-cognitive retention constructs, and the last two being behavioural intentions. Connell and Philip (2002) also defined employee retention as a systematic effort by organisation to create and foster an environment that encourages employees to remain employed by having policies and practices in place that address their diverse needs.

Employee retention is becoming more challenging in the era of competition among companies, including banks. This is due to the fact that companies as well as banks are using attractive incentive packages to poach and attract valuable employees from their competitors and the job market.



Changes in technology, global economics, trade agreements, and the like are directly affecting employee/employer relationships previously built on loyalty (Coff, 1997).

The main purpose of employee retention is not “job for life” but to achieve a competitive advantage and organisational goals with the employees. This is because workers have few qualms about leaving employers for greener pastures, and according to Armstrong (2006), every worker is five minutes away from handing his or her notice and 150 working hours away from walking out the door to a better offer. The turnover of valuable employees can have a disproportionate effect on the business and its performance.

Regardless of the source or type of candidates that an organisation recruits, the success of recruitment is ultimately determined by the complementary human resource strategies that start with selection and continue with retention (Kreisman, 2002). Kreisman also emphasised that after the selection process is completed and suitable employees are on board, the organisation needs to manage these employees so that they will remain productively engaged as long as the organisation needs them.

It costs an organisation a lot of resources to recruit and develop its employees in terms of training and development. These are done to equip the employees with the necessary skills, knowledge and competence to perform the current and future work assignment and challenges. Thus, employees possess institutional memory, build special relationship with employees and it will be double jeopardy to lose such talented employees because of the investment and competitors (Mitchell, 2002). Employers’ need for strategic efforts directed at retaining current employees are very important and

companies are now compelled to study or find out why employees leave and why they stay. Experts' observation can be of help in this regard but it is more prudent on the part of every organisation to determine the cause for its own employee retention situation (Jackson & Mathis, 2006).

According to Hausknecht, Howard and Vance (2008), concerted effort is required to retain talented employees but it must also be noted that there is limit to what any organisation can do. This is because retention is a complex matter affected by external and internal factors. Additionally, an organisation may not be able to change the conditions in the wider society or in the labour market that affect whether its employees remain with it. However, an organisation can certainly try to manage the company's climate, culture, and quality of work life so that employees will want to stay with the organisation. Thus, organisations should adopt particular strategies that contribute to the retention of their most valued employees while avoiding control methods that would appeal primarily to average or low performers.

Lockwood and Anari (1999) argued that in terms of job level differences, many talent management programmes emphasised developing and retaining the group of employees who have the potential to occupy the top leadership positions within the organisation in the near future. To this end, Lockwood and Anari again posit that organisations can benefit from knowing whether retention reasons differ based on the job level, which might then call for different retention strategies depending on where individuals reside within the organisational hierarchy.

Talented employees demonstrate broader and intense level of creativity, organisational learning, technical/functional knowledge, customer

service, flexibility, self-direction, commitment to the attainment of organisational goals, and these valuable employees are often not concentrated at the top of the organisation (Dibble, 1999). Instead, they are spread throughout, at the frontline, in the back room, and in leadership positions. They are customer service representatives, programmers, accountants, nurses, clerks and programmes coordinators (Thomas, 2000).

Losing one or more of these valuable employees could have a significant impact on the organisational goals and ability to maintain its pinnacle in the market place (Kreisman, 2002). Additionally, Hausknecht et al. (2008) also identified employees who have “talent” and are “contributors” to the organisation as those who make a difference to customers, other employees, managers and executive management, shareholders, boards of directors and other constituents.

On the whole, all countries, organisations, professions or communities have been affected in one way or the other by the continuing series of layoffs, and restructurings, and developing economies are further challenged with the rapid brain drain of competent workforce. This puts a lot of pressure on employers to do their possible best to keep their staff from leaving their organisation. For this reason, astute employers are deliberate about seeking to hire the calibre of people they need because employee retention levels depend, in part on the people who are hired, why they are hired, and how they are managed (Dibble, 1999; Herman, 1999; Jordan-Evans & Kaye, 1999) and for that matter bringing in the right people for the right jobs is essential.

## **The need for employee retention**

Employers have a need to keep their staff especially the competent ones, from leaving the organisation. This is because, though the organisation's assets such as the physical, financial and intangible are very important, the most valuable asset, debatably, is a stable workforce with competence and dedication that holds all the other assets and guides their usage to achieve organisational goal and success (Jackson & Mathis, 2006).

Retaining of valuable employees is essential for an organisation due to the fact that recruitment involves a long process and organisations invest time and money in grooming an individual to make him/her ready for work and fit into the corporate culture. According to Griffeth and Hom (2000), retaining existing employees cost less than hiring new talents as organisations know their existing employees and what they want, and also the initial cost of attracting the new employees had already been spent. Costs of lost talent to an organisation, according to Kreisman (2002), cover areas such as recruitment costs, training costs, lost productivity costs and lost sales costs.

Additionally, employees working for a longer period of time are more familiar with the company's policies, guidelines and thus adjust better (Connell & Philip, 2002). According to Schultz and Schultz (2006), every individual needs time to adjust with others in terms of knowing team members well, eventually trusting them, and organisations always benefit when the employees are compatible with each other and discuss things among themselves to come out with something beneficial for all. When a new individual replaces an existing employee, adjustment problems crop up and individuals find it really difficult to establish a comfort level with the other

person. After striking a rapport with an existing employee, it is a challenge for the employees to adjust with someone new and most importantly trust him/her (Cohen & Nelson, 2010).

Pfeiffer (1995) observed that individuals sticking to an organisation for a longer span are more loyal towards the management and the organisation since they enjoy all kinds of benefits from the organisation and as a result are more attached to it. They hardly “badmouth” their organisation and always think in favour of the management. For them, the organisation comes first and all other things later. According to Mitchell (2002), the reason why employers should retain their employees is that longevity gives a company a powerful advantage, depth of knowledge gives organisation strength and the loss of a competent employee is increasingly difficult to replace with someone of comparable competence even with an effective succession planning process.

Another reason why employee retention is very important is that employees foster special relationship with key stakeholders such as customers, creditors and investors and workforce strength, capacity, and dependability influence the confidence of all these constituents (Ambrose, 1996). Furthermore, Mitchell (2002) also added that customer relationships are stronger when an organisation’s workforce is stable and customers can depend on the employees. That means continuity of their product knowledge, industry experience and proven performance. Mitchell emphasised that creditors and investors continually observe the stability and performance of their clients or organisation as a guarantee for granting and repayment of credit and positively influence the value of their stock. When they detect an unstable situation, they start asking questions and may feel uncertain.

Furthermore, a company's reputation is also at stake when turnover is high and no one feels confident dealing with an organisation, which cannot hold onto its employees since it suggests instability, poor management and a lack of good planning (Dessler, 1999). Regardless of whether an individual is let go or leaves on his own accord, more often than not, the employees leave with a 'bitter taste in their mouth'. That feeling is taken with them along with the skills they learned while working for the organisation and their sentiments are often repeated to future employers and their personal network (Powers, 2006).

Additionally, constant high turnover also creates unrest in present employees since positions which are made vacant create increased workloads for other staff members often outside their position profiles and the sense of instability and frustration can cause work backlogs and slow productivity (Mitchell, 2002). Employees also demonstrate lack of faith in the organisation when they see their co-workers departing and this affects productivity and work levels in negative ways (Kreisman, 2002).

Even though turnover can help organisations to reduce salary expenditure in the short term, it is equally essential for organisations to note that when an individual resigns from his present organisation, he/she is likely to join the competitors. In such cases, employees tend to take all the strategies, policies and business secrets from the current organisation to the new one and to avoid such cases it is essential to retain the employees (Ambrose, 1996). Finding and keeping qualified employees will start to become tougher than ever with the availability of online job searching. It is easier than ever for people to change jobs and the average number of jobs a person has in his life

has jumped dramatically. Thus organisations should be interested in small and simple things that can be done to make a huge difference in employee retention.

### **Organisational goals**

Activities of organisation are aimed at the attainment of its goals. A goal can be said to be a future expectation or a desired future state and can be used in a very broad sense to refer to the overall purpose of an organisation. The goals of an organisation usually determine the nature of its inputs and outputs, the series of activities through which the outputs are achieved, and interaction with the external environment. The extent to which an organisation is successful in attaining its goals is a basis for evaluating organisational performance and effectiveness (Mullins, 2010).

Goals are an important feature of work organisation and to be effective, goals should be stated clearly and communicated to all members of the organisation. Organisational goals are also effective when they contain a time element, are specific and carefully drawn, subject to alignment with other goals across departments in the organisation (Riggio, 2003). This is because goal setting is widely recognised as a successful means to increase work motivation and performance. However, DeCenzo and Robbins (2007) stated that, whether goals are set with the participation of all or assigned, the support of supervisors is the most important requirement for their achievement.

Individuals in an organisation usually have different and sometimes conflicting goals referred to as informal goals, which may be different from that of the officially stated goals also referred to as formal goals. Thus, the

need to align individual goals to the organisational goals is very important. However, goal setting can sometimes be said to be an over-simplistic response to a complex set of problems and a risk for target-driven organisation is that top-end people tend to be target-setters rather than implementers (Staw, 2001).

Ramlall (2004) argued that employees resist goals for lack of confidence, ability and knowledge. Similarly, employees resist goals when there are no internal benefits such as personal pride, or external rewards like money, promotion, or recognition in attaining goals. In order to overcome goal resistance, Ramlall stated that organisations should conduct training to raise employees' level of skills and self confidence. It is equally important for managers to provide feedback to employees on the degree to which they are attaining or failing short of their goals in order to adjust the level of effort or strategy accordingly. This calls for performance appraisal system and measures mutually set between the employee and the supervisor (DeCenzo & Robbins, 2007).

### **Organisational goals and employee retention**

The retention of employees has been shown to be very important to the development and accomplishment of the organisational goals and objectives. Employee retention can be a vital source of competitive advantage for any organisation (Davidson, 2001). Davidson further posits that one of the strategies adopted by leading organisations in the area of top employee retention include goal setting and skill development. Organisational goals are established by people and achieved by people in an organisation.



The success of every organisation is measured by the progress of people towards goals set by people. This means that the long-term economic health of most organisations depend on the efforts of employees with both appropriate capabilities and the motivation to do their jobs well. The degree of attainment of these organisational goals largely depends on the quality of the available human resource in the organisation. Employees are better motivated to contribute their best towards the organisational goals if the attainment of the organisational goals will lead to the realisation of their personal goals. Success in attaining a goal also reinforces acceptance of future goals and assists in retention (Mullins, 2010).

The longer employees stay with an organisation, the better they understand the business processes and are better positioned to help achieve the organisational goals than new employees. Thus, turnover can negatively affect organisation efforts to attain its goals (Ambrose, 1996). While employees are motivated when their goals are considered alongside the organisational goals, employers are also interested in retaining talents that contribute to the realisation of their goals. This is further supported by the theory of organisational equilibrium which proposes that every organisation will be more interested in retaining performing employees that contribute to the achievement of its goals (Bruce, 2003).

### **Organisational factors influencing employee retention.**

Organisational factors are leadership style, company policies and culture, communication and organisational justice. Leadership can be defined as the behaviour of an individual that results in non-coercive influence when

that person is directing and coordinating the activities of a group, towards the accomplishment of shared goals (Bryman, 1992). Leadership style therefore is the quality of the relationship an employee has with his or her immediate manager (Alpher, Sherman & Wolfson, 2006). It is important for managers to create a sustainable social environment in the organisation that will bond employees and management together. This contemporary management style is fast replacing the autocratic style of management, which sees employees as mere economic tools that must be exploited to achieve organisational goals.

Bryman (1992) showed that managers in high turnover organisations believe that employees are not to be trusted. Several research findings indicate that transformational and charismatic leadership style result in a high level of follower motivation and commitment as well as well-above-average organisational performance and attainment of organisational goals (Nanus, 1992; Steyrer, 1998). Transformational leadership is where leaders are able to both unite followers and change follower's goals and beliefs. Charismatic leadership on the other hand is leaders who, by force of their personal abilities are capable of causing their followers to accomplish outstanding feats.

Transformational leadership relates to employees perceived satisfaction and effectiveness than transactional leadership. Transactional leadership is a type of leadership style where leaders give followers something they want in exchange for something the leaders want. There is positive influence of transformational leaders in organisational outcomes which results in lowered intention to leave and lead to stronger organisational commitment (Alimo-Metcalfe & Alban-Metcalfe, 2001). Therefore, it appears that

leadership style has positive influence on organisational commitment and retention efforts.

Corporate culture or policy as an organisational factor is described as the invisible forces that shape life in business organisation (Sheriden, 1992). Management philosophies, policies, rituals and taboos interact to create the uniqueness of each company (Furnham, 2002). People often seek employment in a particular company because of its culture. However, Olorunjuwon (2008) stated that when the culture changes, whether through growth, new management or economic and regulatory interventions, some employees become uncomfortable and leave to find a culture that fits them better. Olorunjuwon further posited that some particular cultural attributes facilitate or inhibit good performance and attainment of organisational goals. For this reason, managers should design strategies for cultural change especially when it is assumed that benefits may accrue from the change more than consequences.

Communication as a component of organisational factors is important to employee retention and employers should communicate the organisational goals, policies, visions, strategies and the job requirement to employees (Becker & Gopinath, 2000), Becker and Gopinath further emphasised that communication helps to increase employees' level of consent, participation, motivation, identification and building of trust. This is because, employees want to be part of decisions and employers must ensure an atmosphere, which encourages employees to feel comfortable, making suggestions and trying out new ideas. According to Clarke (2001), there is the need to give attention to formal or official, and informal or unofficial communication channels in the

organisation to encourage open dialogue, shared knowledge and information to allow employees to adjust their effort to support organisational goals.

The term organisational justice was coined and defined by Greenberg (1987) as an individual's perception and reactions to fairness in an organisation. Justice or fairness refers to the idea that an action or decision is morally right, which may be defined according to ethics, religion, fairness, equity or law. The idea of organisational justice stems from Adams' equity theory, which posits that judgments of equity and inequity are derived from comparisons between one's self and others based on inputs and outcomes (Jackson & Mathis, 2006).

According to Greenberg (1987), the major dimensions of organisational justice are distributive, interpersonal, informational and procedural justice. Employees' perceptions of injustice within the organisation can result in a myriad of outcomes both positive and negative. Procedural justice refers to fairness of the processes that leads to outcomes. Distributive justice also means the fairness associated with decision outcomes and distribution of resources. Interpersonal justice is the perception of respect and propriety in one's treatment while informational justice means the adequacy of the explanation given in terms of their timeliness, specificity and truthfulness.

Outcomes are affected by perceptions of organisational justice as a whole or by different factors of organisational justice (Kreik, Muchinsky & Schreuder, 2002). Commonly cited outcomes affected by organisational justice according to Kreik, Muchinsky and Schreuder, included trust, performance, job satisfaction, organisational commitment, organisational citizenship behaviours (OCBs), counterproductive work behaviours (CWBs).

Therefore, it can be concluded that there is relationship between organisational justice and retention leading to attainment of organisational goals.

### **Human resource factors influencing employee retention**

The human resource department's effort to retain the best personnel begins with recruitment. Attracting and retaining the best people required creating and maintaining a positive reputation, internally as well as externally. Denton and Keith (1992) stated that, the better the match between recruits and the organisation the more likely it is to retain employees. Taylor and Cosenza (1997) posit that employers must be candid about the working conditions, responsibilities, opportunities and other details during recruitment to reduce the chances of making hiring mistakes. Taylor and Cosenza further stated that it is imperative for companies to give prospective employees a true picture of the organisation, if they hope to match the personality type with the climate and culture. It is clear that if organisations want to increase retention they must start with a solid recruiting and selection process.

Extrinsic rewards are human resource factors which are usually financial and tangible rewards given to employees by managers, such as pay raises, bonuses, and benefits in return for service. Extrinsic reward played a dominant role in earlier eras, when work was generally more routine and bureaucratic (Pfeffer, 1995). However, Woodruffe (1999) stated that extrinsic rewards remain significant for workers because pay is an important consideration for most workers in accepting a job. Armstrong and Murlis (2007) also stated that an organisation's extrinsic reward system can significantly affect the performance of the employees and their desire to

remain employed though money alone is not a retention factor. Compensation does not only provide a means of sustenance and allows people to satisfy the materialistic and recreational needs, but it also helps them to achieve their ego or self- esteem needs.

Hunt, Osborn and Schermerhorn (2003) argued that the only strategy for organisations to improve workforce productivity radically and enhance retention is to seek to optimise their workforce through comprehensive training and development programmes. It is necessary to ensure that employees have information, skills, and competencies that they need to work effectively in a rapidly changing and complex work environment (Cheng, 2004). According to Wan (2007), training is a set of activities that provides the opportunity to acquire and improve job related skills while development is also defined as the growth of realisation of a person's ability, through conscious or unconscious learning. Thus, Wan suggests that development is broader and more future oriented while training is for present job opportunities and more specific.

Employees consider training and development as crucial to their overall career growth and goal attainment and will be motivated to remain and build a career path in an organisation that offers them such opportunities. Thomas and Eaglen (2000) reported that low levels of training give rise to high levels of employee turnover and that the provision of good training has a positive effect on employee retention.

## **Job satisfaction and employee retention**

Employee satisfaction can be said to be the degree to which individuals like their job and their organisation. According to Armstrong (2006), employee satisfaction can be referred to as the attitude and feeling people have about their work. This means that the degree, to which employees are satisfied with what the organisation offered them, is translated into employees' approach and attitude toward their job. Armstrong also concluded that a positive and a favourable attitude towards the job indicate employee's satisfaction while a negative and unfavourable attitude towards the job indicates employee's dissatisfaction.

According to Bruce (2003), the theory of organisational equilibrium supports the view that job satisfaction plays a mediating role between self image, job relationship, other roles and retention. Employee satisfaction is therefore a function of a comparison between the outcomes or rewards received and the contributions put toward the job. Satisfaction occurs when the outcomes experienced outweigh the efforts put into the job, and dissatisfaction occurs when outcomes fall short of expectations (Jackson & Mathis, 2006).

Gerhart (2005) also posits that Price and Mueller's model on retention identify a range of factors that influence satisfaction, including an organisational structure that allows for employee participation, routinisation of the job, distributive justice, and promotional opportunities. According to Gerhart, satisfaction increases commitment; and commitment, in turn, increases the probability that employees will stay. This means that employees must be satisfied with human resource factors like salary, recruitment processes, training and development; organisational factors like organisational

culture or policies, communication, justice and fairness, leadership and benefit factors offered by the organisation in order to be committed to the organisation (Armstrong, 2006).

Research has shown that there are many environmental features that can be created and maintained to give employees job satisfaction (Armstrong & Murlis, 2007). According to Armstrong and Murlis, factors such as pay and benefits, communication, all seem to play part as to whether employees are satisfied with their jobs. Thus, employees stay because they are happy with what the organisation offered them. Most approaches to job satisfaction are based on the theory of motivation and attitudes towards work developed by Herzberg (Mullins, 2010).

### **Organisational benefits influencing employee retention**

Benefits are indirect rewards given to an employee or group of employees for organisational membership. Benefits can demonstrate to employees that a company is supportive and fair, and there is evidence to suggest that established benefits top the list of why employees choose to stay with their employer or to join the company in the first place (Dibble, 1999). Benefits offered by companies can be categorised into two broad areas such as mandated and voluntary benefits. These can further be grouped into time off benefits, family oriented benefits, financial benefits, health care benefits, and retirement benefits (Jackson & Mathis, 2006).

Employee benefits are constantly evolving as the workforce itself evolves, and as people identify new priorities as being important (Beech & Tompkins, 2002). It is important to note that the relative importance of



benefits will vary according to the specific needs of each individual. Companies with an older workforce demographic might see their retention efforts best served through benefit plans that cover health-related expenses (Armstrong & Murlis, 2007). Armstrong and Murlis also observed that companies with a significantly younger demographic workforce may find education subsidies or tuition rebates to be more effective retention drivers. Thus, benefits can lead to employee retention attainment of organisational goals.

### **Employee retention and commitment**

Employees' commitment has been identified as a critical factor in understanding and explaining retention and the work-related behaviour of employees in organisation. Becker (1960) described commitment as the tendency to engage in consistent lines of activity, namely staying with the organisation and the perceived costs associated with leaving the organisation including the loss of benefits, the disruption of personal relations produced by moving to another location, and the effort of seeking a new job. Organisational commitment was defined by Allen and Meyer (1990) as a psychological state that binds the individual to the organisation.

Hall, Schneider and Nygren (1970) argued that when the goals of the organisation and those of the individual become increasingly integrated or congruent, attitudinal commitment occurs. Thus, attitudinal commitment represents a state in which an individual identifies with a particular organisation and its goals, and maintains membership in order to facilitate these goals (Mowday et al., 1979). Allen and Meyer (1990) also stated that

affective commitment refers to employee's emotional attachment to, identification with, and involvement in the organisation. Continuance commitment, the third component, was also defined by Allen and Meyer as an awareness of the costs associated with leaving the organisation and normative commitment was defined by them as a feeling of obligation to continue employment with the organisation.

Organisational commitment differs from the concept of job satisfaction. Organisational commitment focuses on attachment to the employing organisation, while job satisfaction emphasised the specific task environment where an employee performs his or her duties (Mowday et al., 1979). Moreover, organisational commitment appears to develop slowly but consistently over time as employees think about their relationship with the organisation and this type of commitment is less affected by day-to-day events in the workplace. Thus, organisational commitment can be seen as the extent to which an individual accepts and internalises the goals and values of an organisation and views her or his organisational role in terms of its contribution to those goals and values (DeCotiis & Summers, 1987).

Price and Mueller (1981) put forward a two-factor model of commitment and were of the view that employee commitment mediates the influence of satisfaction on employee retention. In other words, satisfaction is hypothesised to influence turnover behaviour through its impact on intention to stay or quit. Based on social exchange and interdependence theories, Price and Mueller proposed that employees' commitment to an organisation is strongly believed to be the direct predictor of retention. According to them, employee satisfaction is a strong determinant of employees' commitment.

Commitment requires the patient and concerted effort of the whole organisation (Becker, 1960). To build commitment, Becker suggested that managers must take into consideration the degree to which employees are satisfied with organisational factors, human resource factors, and benefit factors. Thus, employee commitment mediates the effects of job satisfaction on retention efforts and attainment of organisational goals.

### **Demographic variables and employee retention**

Demographic characteristics have been mentioned in the literature as having the capacity to mediate the effects of several factors on employee retention and turnover and most of these studies mentioned age, education, job level, gender and tenure with the organisation (Miller & Wheeler, 1992). The effects of employees' satisfaction, organisational factors, human resource factors and benefits factors on employee's decision to stay or quit will largely depend on employee's age, education, levels in the organisation, gender and tenure.

Manlove and Guzel (1997) posited that better educated employees are more likely to leave than their counterparts. According to Golang, Elsik and Russ (1999), levels of education were related to retention only for employees holding mid- level position jobs and as such those who have specialised skills and those with limited education turn to remain on the job for a longer period of time than those who have moderate degree of educational attainment. Golang, Elsik and Russ also observed that marital status was indirectly related to intention to quit or stay, in that, employees who are married are satisfied with their jobs and feel less stress than their unmarried colleagues.

According to Becker (1960), over time employees invest in organisation in the forms of pay raises, benefits, stock and position and these investments bond the employees to the organisation. These investment costs increase with age and tenure. Tenure was also found to have an inverse relationship with retention and turnover. Turnover rate are significantly higher among employees with shorter length of service than among those who are employed longer (Poole, 1997; Somers, 1995). Therefore retained employees turn to become more committed to the employing organisation and the bond reduces the likelihood that the employee will quit.

Mathieu and Zajac (1990) stated that there is a positive correlation between age and commitment and older workers are more committed as compared to younger employees. This is because younger workers are lured to new opportunities by higher salaries and greater responsibility, because retirement benefits and other non-salary compensation matter less to them than to their older counterparts (Wallace, 1997). Wallace also stated that younger workers care more about the upfront compensation and they do not care as much about the benefits that come along with the salary. Younger employees manage their careers as they would invest and want to build career equity by joining and leaving the right jobs at the right time, trying to get experience from various work places and taking a strategic approach toward building their career by using one job as a launch pad for the next.

### **Empirical evidence on employee retention**

There is always a certain amount of employee turnover due to retirement, promotion and career development. However, some industries and

specific occupations experience attrition rate far greater than others. Some empirical evidence exists on factors contributing to employee retention and attainment of organisational goals. Some of these are looked at in this session.

A study conducted by Dovlo and Nyonator (1999) examined migration of locally trained doctors from Ghana using graduates of University of Ghana medical school as a proxy. The objectives of the study were to describe trends in the loss of medical personnel to emigration and the influence this has on human resources planning, including forecasting of staff supply and requirements. It was also to provide some information towards the development of strategies to offset such losses. An exploratory descriptive survey and simple random sampling were used to select 46 respondents. The methods included using classmates to recall the whereabouts of their colleagues, the examination of the graduation records of the Medical School from its inception, and retention data from the Medical and Dental Council.

The instrument used was questionnaire and data were analysed with correlation and regression. The study concluded that the search for better remuneration and conditions of service, search for better postgraduate training opportunities, and ability to afford basic life amenities such as a car, domestic appliances, and decent housing, were some of the reasons for the exodus. Other reasons given, included, lack of incentives for hard work, frustration of junior doctors by their senior colleagues and delayed promotions. It also stated that about 50 per cent to 75 percent of each batch of graduates emigrates. Recommendations made to stem the exodus were redressing excessive bureaucracy and increasing incentives.

Cheng (2004) studied human resource management practices of Australian organisations and retention of their core employees. A grounded research approach or design was used and a simple random sampling method was used to select 12 human resource managers, 800 employees of nine Australian organisations and opinions from an expert panel of thirteen. Instruments used were in-depth interview for human resource managers, Delphi technique for experts' opinions and questionnaire for the employees. Questionnaire items measured on seven point Likert scale were used.

Data were analysed with the Statistical Product and Service Solutions (SPSS) version 14 using tools like exploratory factor analysis, correlation and stepwise regression. The study concluded by grouping eight retention factors that influence core employees to stay. These were human resource factors like person organisational fit, remuneration, reward, training and development and challenging job opportunities, and organisational factors such as leadership behaviour, company culture and policy, teamwork and satisfactory work.

A study conducted by Olorunjuwon (2008) examined how intrinsic and extrinsic motivational variables can be used by managers to influence retention and reduce turnover of key employees in both public and private sector organisation in the Eastern Cape Province of South Africa. A quantitative research design was used. The study used simple random sampling method to select a total sample of 145 respondents – 54 management and 91 non-management employees from two public sector organisations and two private sector organisations with total population of 1,490 employees and 310 employees respectively. Questionnaire items measured on a five point Likert scale was used to collect data from respondents.

Statistical Product and Service Solutions (SPSS) version 16.0 tools were used in analysing the data and the Chi-square test of association together with Pearson correlation matrix were used for testing the hypothesis of the study. The study hypothesised that, employees in the private sector organisations were more motivated by combination of intrinsic and extrinsic factors than public sector employees. The result showed that employees in both the public and private sector organisations were motivated to a very large extent by a combination of intrinsic and extrinsic factors. Motivational variables such as training and development, recognition/reward for good performance as intrinsic factors; and competitive salary package and job security as extrinsic factors, ranked amongst the most important variables that motivate employees to remain in an organisation.

Sajid and Mohammad (2008) researched the relationship between career opportunities, work life policies, job characteristics and organisational commitment of information technology (IT) professionals in Pakistan. Quantitative research design and census techniques were used to select all the 155 professionals from 16 organisations. Questionnaire items measured on five point Likert scale were used and data were analysed using correlation matrix and multiple regression. The results showed that career opportunities and work life policies in IT professionals were significantly correlated with organisational commitment, while job characteristics do not determine their organisational commitment. They recommended that organisations will have to devise more family friendly policies and provide opportunities for career development to IT professionals to induce organisational commitment.

Ayesha, Madiha and Tirmizi (2009) carried out a study on determinants of employee retention in the telecom sector of Pakistan. This research was conducted to study the impact of career development opportunities, supervisor support, working environment, rewards and work-life policies on employee retention in that country. A quantitative research design was used and instrument for data collection was questionnaire for a sample of 150 respondents. Secondary data were gathered from previous researchers' articles and journals.

The hypothesis of the study was that career development opportunities, supervisor support, working environment, rewards and work-life policies do not impact directly on employee retention. The data were then analysed and hypothesis was tested using correlation and regression analysis. The results of the study showed that career development opportunities, supervisor support, working environment, rewards and work-life policies had a direct and positive impact on employee retention in the telecom sector of Pakistan.

Finally, a study was conducted by Cordero (2011) on employee retention in the American Lodging Industry. The study examined how employees' satisfaction with the type of work, pay, co-workers, and personal relationships at their workplace can influence employee retention. Employees' organisational commitment and their perceived relationship with their supervisor and the effects on retention were also examined. The researcher used quantitative research methods. Simple random sampling was used to select 59 employees from a population of 117 employees from house-keeping, food service departments and the front desk. Interview schedules and questionnaire measured on a 5-point scale from "disagree," rated as one, to



“agree,” rated as five, were the instruments used to collect the data. The data were analysed using the Statistical Product and Service Solutions (SPSS), version 16.0.

Descriptive statistical methods of frequency distribution and percentage were used to analyse the data characterising the demographics and variables being researched. Analysis of variance (ANOVA) was used to detect any significant differences in the group means of the variables. Correlation analysis was also used to show the strength of association among the variables. The results of the study suggested that hotel employees were satisfied with their job, but there was room for improvement. The degree of satisfaction varied according to department or type of work and age. There was no direct link found between job satisfaction and ethnicity. The pay scale and incentives among hotel employees engendered higher levels of job satisfaction and organisational commitment. Organisational commitment among hotel employees was inversely related to turnover intentions among department, age, and ethnicity.

### **Lessons learned**

It is conspicuous from the literature review that employee retention is an important area that researchers are still given attention to. Several studies have been done in the developed countries on factors influencing retention. Factors identified in these studies included job satisfaction, commitment, human resource factors and organisational factors. The few research works in the developing countries, especially Ghana were on retention of health workers and teaching staff which concluded on pay as a major factor. The

differences in the factors can be attributed to the different environment where these studies were carried out.

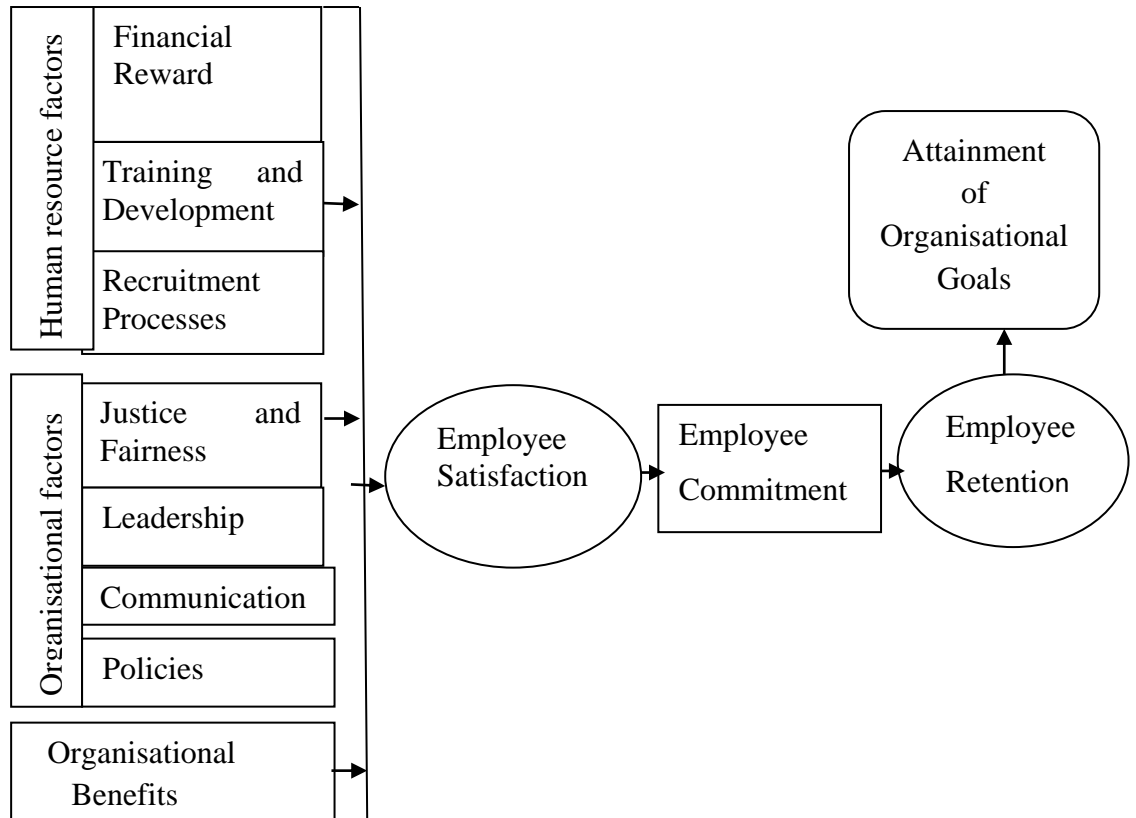
The various studies adopted quantitative method and qualitative research designs. Quantitative design was used for data gathered from the field with the help of questionnaire. The scaling system was used and most of the studies adopted five point Likert scaling system. The main instruments for the studies were interview schedule and questionnaire. Data collected for the studies were from both primary and secondary sources. Secondary data were collected from published documents on the topics while primary data were also collected from the field by the researchers.

Statistical Product and Service Solutions (SPSS) version 16.0 tools were employed to analyse the data. Descriptive statistical methods of frequency distribution and percentages were used to analyse data characterising the demographics and variables of the studies. The data were mostly further analysed with correlation and regression techniques. These techniques were used to identify and establish the relationship between variables of the studies and develop a group of independent variables that are useful in predicting the dependent variables.

### **Conceptual framework of employee retention and attainment of organisational goals**

Several factors identified from the literature review were grouped into three independent variables to form the conceptual framework of the study. These, as seen Figure 7 are organisational factors, human resource factors, and organisational benefits. Job satisfaction, employee commitment and employee

retention served as mediating variables. Attainment of organisational goals was the dependent variable.



**Figure 7: Conceptual framework of employee retention and attainment of organisational goals.**

Source: Author's construct, 2011

The conceptual framework depicts that organisational factors, human resource factors, and organisational benefits influence organisational goals. However, the degree of the effect would be influenced by employees' commitment, job satisfaction and employee retention. The conceptual framework also shows that, there is a relationship between employee retention

and attainment of organisational goals. Thus, achievement of organisational goals becomes possible and easier if employees are retained.

### **Conclusion**

Details of employee retention were explained in this chapter. Price and Mueller's revised model on employee retention came out as the most updated, detailed but easy to understand model on retention. Factors considered by the models were better summed up by the Herzberg's two-factor theory as intrinsic and extrinsic factors.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **Introduction**

The method used in carrying out the study is discussed in this chapter. The various steps that are adopted in studying the research problem along with the logic behind them are explained in this chapter. Types of data collected and particular methods adopted as well as the justification for technique of analysing data, is also provided in the chapter. Research issues such as quantitative and qualitative research design, correlational study design, questionnaire and interview, population, sample, data source, measurements of variables, pre-testing, data collection and data analysis are also presented in this chapter.

#### **Study organisation**

The study organisation for the research was Ghana Commercial Bank, Kumasi. Ghana Commercial Bank is one of the 24 major banks in the Kumasi metropolis. GCB has nine branches in the metropolis and the highest among all the banks in the metropolis. GCB, Kumasi is headed by the area manager who is also responsible for other branches in the Ashanti Region. Functional areas under the area manager were clearing secretariat, GCNet office, valuation office, legal section, corporate office and small and medium enterprises' (SMEs) office. All these functional heads report directly to the

area manager. The nine branches also report directly to the area office, which is also accountable to the head office, Accra. These nine branches were GCB Ahinsan, GCB Kumasi Main, GCB Asafo Market and GCB Kejetia. The rest were GCB KNUST, GCB Tech. Junction, GCB Jubilee House, GCB Bantama and GCB Harper Road.

### **Research design**

Research approaches are basically categorised into quantitative and qualitative approaches or both (Shaughnessy & Zechmeister, 1997). This study has adopted both quantitative and qualitative research design. That is concurrent embedded mixed method. Concurrent embedded mixed method is where a researcher conducting either a qualitative or quantitative study embeds a smaller strand of the other method, as an enhancement. Mixed methods research is a methodology for conducting research that involves collecting, analyzing, and integrating quantitative and qualitative research (Creswell & Clark, 2007). Thus, in this study, the qualitative method is embedded or used to support the quantitative method.

The quantitative research design was used for data collected through questionnaire administered to employees. According to Strauss and Corbin (1998), quantitative research design is a study whose findings are mainly the product of statistical summary and analysis. The main feature of quantitative research is the heavy reliance of the researcher on data analysis to arrive at findings or conclusions. Numbers are assigned to the properties in the phenomena to represent their qualities.

Qualitative research, on the other hand, is referred to by Rubin (2005) as a research which produces findings that are not arrived at by statistical summary or analysis and lack quantification altogether. They are most commonly obtained from interviews and observations and can be used to describe individuals, groups or social movements. The main difference between quantitative and qualitative researches has been in the procedure rather than quality. In qualitative research, findings are not arrived at by statistical methods or other methods of quantification. Qualitative research is mostly characterised by masses of data much of which may be irrelevant to the study whereas quantitative research is usually associated with numbers which possess specific characteristics which make them very useful for analytical purposes.

Ghuri and Gronhaug (2005) view quantitative research as an efficient way to represent information and meanings. Ghauri and Gronhaug noted that qualitative research allows for in-depth, more open and detailed study of selected issues while quantitative research is more generalised. Follow-up questions can be asked during interviews or focus groups in qualitative research whereas quantitative research does not provide respondents with such an option. In quantitative research, Rubin (2005) further noted that analyses are conducted through the use of diagrams and statistics unlike in qualitative research which uses conceptualisation. Finally, Blanche, Durrheim and Painter (2006) stated that quantitative method findings are generaliseable, the data are objective and more scientific than a qualitative research design.

According to Mouton (2001), a research design is a plan or a blue print of how a researcher intends to conduct a study. This involves plans for data collection, the instrument for gathering information, how information gathered would be processed and analysed to give meaning to a research finding. Ghauri and Gronhaug (2005) stated that a research design should be effective in producing the wanted information within the constraints put on the researcher. Such constraints include time, budget and skills.

### **Study design**

The correlational study design was used for this study. The reasons that necessitated the use of this design were the use of questionnaire and interview, which allowed the collection of large amount of data from a sizeable population. The study also involves the description of factors that contribute to employee retention and establish how the factors correlate with employee retention.

Amedahe and Gyimah (2005) refer to correlational design as a method of research, which attempts to determine whether and to what extent or degree a relationship exists between two or more quantifiable variables. Correlation research is also sometimes referred to as descriptive research because it describes the relationship between variables but in a different way with the use of correlation coefficient. The purpose of correlation research is to explain important human behaviour and characteristics in quantitative terms and how they relate, and it also helps in prediction of events. Amedahe and Gyimah further stated that data collection tool for relationship study can be done by methods including questionnaire and interview schedules.



### **The study population and sample**

The research population comprised a total of 120 members of staff of all the nine branches of GCB within Kumasi metropolis. This included 111 junior and senior members of staff and nine branch managers of GCB. Due to the nature of the population within the metropolis, it was appropriate to use census technique. This means that the entire population was covered. The names of the branches and their staff strength and number of managers used for the study are shown in Table 1.

Table 1

#### **Staff and managers distribution in the branches**

Name of branch	Staff strength	Branch managers	Total
GCB Ahinsan	11	1	12
GCB Kumasi Main	23	1	24
GCB Asafo Market	13	1	14
GCB Kejetia	9	1	10
GCB KNUST	12	1	13
GCB Tech. Junction	9	1	10
GCB Jubilee House	16	1	17
GCB Bantama	8	1	9
GCB Harper Road	10	1	11
Total	111	9	120

Source: Field survey, 2012

According to Hair, Bush and Ortinau (2003) census technique is a procedure in which the researcher attempts to question or observe all members

of a defined target population. Though census technique has disadvantages of been costly and time consuming with regards to large population, it does not arise in this study because the population is small. The choice of census technique for this study was also based on the fact that it had the advantages of giving more accurate and detailed results as compared to other techniques. Out of the 111 employees, 68 employees were females and 43 were males. It also comprised 80 junior members of staff and 31 senior members of staff. The nine branch managers were also made up of 4 males and 5 females.

### **Data collection**

The data for the study were collected on the five objectives of the study. These were to examine GCB goals; levels of employee retention; examine how organisational benefits, job satisfaction, commitment, human resource factors and organisational factors contribute to employee retention. The rest were to examine the contribution of employee retention to the realisation of organisational goals and to examine how human resource factors, organisational factors and organisational benefits directly or indirectly predict the attainment of organisational goals.

The data comprised primary, qualitative and quantitative data type. However, the study dwelt more on primary and quantitative data because of the correlational research design. Primary, qualitative and quantitative data were collected from the field. Instruments for collection of primary, qualitative and quantitative data were questionnaire administered to senior and junior members of staff of the bank and the interview guide for interviewing of branch managers. Amedahe and Gyimah (2005) explained questionnaire as a

list of items or statements relating to the aims of the study, hypotheses and research questions to be verified and answered, to which the respondent is required to answer in writing and in absence of the researcher.

Interview guide was also used to collect the qualitative data from the nine branch managers. Hair, Bush and Ortinau (2003) stated that an interview is a form of questions characterised by verbal questioning of respondents for answers in face-to-face situation or by phone. It is helpful in eliciting information that could not be obtained and to cross check the views expressed on the questionnaire items. The researcher collected the data himself.

### **Instruments design**

The questionnaire was divided into five sections as A, B, C, D and E. Section A dwelt on demographic characteristics of respondents. Section B considered questions on organisational goals of GCB, Kumasi. Section C also looked at the level of employee retention and examined the contribution of employee retention to the realisation of organisational goals. Section D captured questions on factors of retention and organisational goals such as organisational factors, human resource factors, job satisfaction and benefit factors. Finally, there were questions on employee commitment under section E. The interview guide also used six broad but few areas that captured all the objectives such as organisational goals, retention issues, organisational factors, human resource factors, job satisfaction, benefits and employee commitment.

Open-ended and close-ended items were used. Both methods were blended in all the sections with the exception of section D. Amedahe and Gyimah (2005) posit that items that call for short, check-mark or list responses

and mostly require yes or no answers, ranking of alternatives or checking an item from a list of suggested responses, are structured or close-ended questions. Amedahe and Gyimah further stated that open-ended items or unstructured items on the other hand call for free response in the respondents' own words and provide greater depth of response.

The research instruments used items that were measured on a scale of 1 to 5 with 1 representing low agreement while 5 represented strong agreement. Employee retention was measured with intention to quit or stay. Organisational goals were also measured with how individual goals aligned with organisational goals and the effective goals items such as specific, measurable, attainable, realistic and time-bound of organisational goals.

Job satisfaction was measured by using suggestions from Herzberg's two factor-theory cited in Mullins (2010) such as responsibility, recognition, advancement, work conditions and interpersonal relations. Organisational factors were measured with leadership style, company policy and culture, communication and organisational justice. Recruitment and selection; reward, training and development were used to measure human resource factors and organisational benefits were also measured with time off benefits, family oriented benefits, financial benefits, health care benefits and retirement benefits.

### **Pre-testing of instruments**

The questionnaire and interview guide were given to supervisors and colleagues for their comments and suggestions after the design. This was done to ensure refinement and content validity. According to Creswell (2007),

modified instrument or combined instruments in a study causes distortions to the original validity and reliability of instrument and would be necessary to re-establish validity and reliability.

The instruments were pre-tested at the Agricultural Development Bank, Kumasi. The bank was chosen because it provides similar services and shares similar characteristics with members of the study population. This was done to evaluate and refine statements to ensure easy reading and understanding for respondents. The items were tested on 30 employees and one branch manager. The Cronbach Alpha reliability co-efficients obtained for the questionnaires were between 0.905 and 0.678 for the individual sections. This shows that the instrument was reliable.

According to Cooper and Schindler (2006), a Cronbach's Alpha value of 0.5 is acceptable in determining reliability and the internal consistency of instruments. Rubin (2005) also agreed that unlike scientific experiments that can yield values from 0.7 to 1, when dealing with psychological constructs, values below 0.7 can realistically be accepted because of the diversity of the constructs being measured. The pre-testing was done from 1<sup>st</sup> February, to 14<sup>th</sup> February, 2012.

## **Ethics**

Gravetter and Forzano (2006) stated that research ethics concern the responsibility of researchers to be honest and respectful to all individuals who are affected by the research studies or their reports of the studies' results. To ensure this, the researcher obtained an introductory letter from the School of Business, University of Cape Coast. This letter was forwarded to the Kumasi

metropolitan area manager of GCB. The researcher also obtained an introductory letter from the area manager introducing the researcher to all the nine managers of the nine branches concerned, asking them to give the necessary assistance to the researcher to enable him complete the project.

There was an introductory statement on the questionnaire which encouraged respondents to give frank responses to items. It also assured respondents of confidentiality of their responses and spelt out the purpose of the research as a purely academic exercise. Concerning the interview, the purpose of the interview was explained to respondents, terms of confidentiality addressed, the format of the interview explained, duration of interview indicated and interviewees were allowed to clarify any doubt about the interview. Permission was sought from respondents to record the interview and the mode of the recording was also made known to the respondents.

### **Field work**

The field work, which was the data collection started from 21<sup>st</sup> February, to 4<sup>th</sup> April, 2012. Questionnaires were distributed to the employees of GCB, Kumasi, starting from the first branch until all the nine branches were covered. Purposive sampling method was used to distribute the instruments. A follow up was made every week to prompt and encourage respondents to answer the questionnaires. The researcher collected the data himself. In all 98 completed questionnaires were received from employees representing a response rate of 88 percent. All the nine branch managers were also interviewed, representing a response rate of 100 per cent.

## **Field challenges**

Due to the limited time at the disposal of the bank's staff caused by the nature of their work, some respondents were not cooperative because of the length of the questionnaire. Some respondents also were not able to provide vital information in much detail due to time and the structured nature of most of the items. However, the persistent weekly interaction with respondents resulted in 88 percent response rate.

## **Data Analysis**

Data collected via questionnaires and interviews were analysed quantitatively and qualitatively. The qualitative data were analysed by identifying patterns while quantitative data were also analysed using descriptive and inferential statistics and for ensuring conclusion validity. Conclusion validity is the degree to which conclusions reached about relationships in data are reasonable. Data collected were screened, edited to remove errors, summarised and coded appropriately. Descriptive statistics such as mean, percentages and standard deviation were employed to represent the responses obtained from the respondents. These statistical methods were chosen to determine levels of retention among staff. Statistical Product and Service Solutions, was employed to further analyse the data.

Specifically, data on objectives one and two and bio data were analysed with cross tabulation, frequencies, means and standard deviation. Data for objective three were also analysed with means, standard deviation, Pearson's correlation matrix and step-wise multiple regression. Standard multiple regression was used for objective four and hierarchical multiple

regression and standard multiple regression were the tools used to analyse data for the fifth objective.

The purpose of using regression analysis was to develop a group of independent variables such as human resource factors, organisational factors, organisational benefits; mediating variables such as employee satisfaction, commitment and employee retention that are useful in predicting the dependent variable, which is the organisational goals. The regression analysis also helped to eliminate any of these variables that did not provide any additional prediction to the attainment of organisational goals in the equation (Fidel & Tabachnick, 2001). The study used standard multiple regression so as to identify the contribution of the independent variable to the dependent variable. It was also used to identify the best predictor variable among the independent variables.

According to Pallant (2005), in standard multiple regression, all independent or predictor variables are entered into the equation simultaneously. Each independent variable is evaluated in terms of its predictive power, as compared to the other independent variables. This approach would also tell how much unique variance in the dependent variable each of the independent variables explained. The independent variables for the study were organisational factors, human resource factors, and organisational benefits. Employee retention, job satisfaction and employee commitment were the mediating variables and attainment of organisational goals was the dependent variable.



## **Conclusion**

The chapter discussed the methodology used in collecting and analysing data. The study adopted correlational study design because the study involves the use of questionnaire and interviews which allowed the collection of large amount of data from a population. The data collection instruments were both open-ended and close-ended questions. The qualitative data was used to support the quantitative data of the study.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

#### **Introduction**

The main purpose of the study was to determine the importance of employee retention to the attainment of organisational goals in GCB, Kumasi and to examine the extent to which organisational factors, human resource factors, job satisfaction and organisational benefits, employee commitment contribute to employee retention and attainment of organisational goals. A total of 111 questionnaires were administered to employees of GCB, Kumasi, and 98 were retrieved representing 88 percent of the target population. All the nine branch managers were also interviewed. The first part of the results presented in this chapter focuses briefly on the bio data, while the subsequent sections address each of the specific objectives of the study.

#### **Bio data of respondents**

Respondents' bio data discussed in this section was on employees' age, sex, length of service, educational level, employees' job levels and position in the bank. Table 2 presents employees' ages. Age was grouped according to Mathieu and Zajac's (1990) recommendation that employees under 35 years were youthful, above 35 but below 45 were middle age and above 45 to retirement age were older employees.

Table 2

**Age of respondents**

Age	Frequency	Percentage
Less than 35 years	59	60.2
36 - 45years	9	9.2
46 years and above	30	30.6
Total	98	100

Source: Field survey, 2012.

Table 2 shows that majority (60.2%) of the 98 respondents were less than 35 years old followed by those that were 46 years and above (30.6%). This means that GCB, Kumasi, had more youthful employees as compared to middle age and older employees. Mathieu and Zajac (1990) observed that youthful employees are more energetic and any organisation with more of them will perform well in order to attain the organisational goals. With respect to gender, 60.2 percent of the 98 employees were females and 39.8 percent were males. This means that GCB, Kumasi is a female dominated organisation. This corroborates Connell and Philip's (2002) assertion that the service sector is dominated by female employees.

Table 3 presents cross tabulation of employees' length of service against job levels. Length of service was grouped based on the maximum number of years an employee can work in the bank and taking into consideration the voluntary retirement age of 60 years. Thus, there were three grouping which were 'length of service below 15 years', 'above 15 years but below 25 years' and 'above 25 years to 60 years at retirement'.

Table 3

**Respondents' length of service and job levels**

Length of service	Job level					
	Junior level		Middle level		Senior level	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
<15 years	39	88.6	15	45.5	9	42.9
16-25years	3	6.8	7	21.2	4	19.0
26-36years	2	4.6	11	33.3	8	38.1
Total	44	100	33	100	21	100

Source: Field survey, 2012

The table indicates that most (88.6%) of the junior level employees, more (45.5%) of the middle level employees and more (42.9%) of the senior level employees respectively, served the bank for less than 15 years. There were also more of the 98 employees at the junior level (44) than the middle level (33) and the senior level (21). These mean that GCB had a 'pyramid' shape of workforce with a broad base and narrow apex. These may lead to high turnover because Poole (1997) postulated that employees with shorter length of service and at the junior levels do not stay with their organisations for long and any organisation with more of such employees may experience high turnover.

Table 4 presents employees' level of education. It is evident from Table 4 that more than half (54.2%) of the 98 employees were bachelor degrees holders and 21.4 percent were masters' degrees holders. This means

that the bank had very educated workforce and it may influence performance and attainment of goals as suggested by Manlove and Guzel (1997) who stated that organisations with higher educated employees do achieve their goals better than those with less educated employees. Employees who had secondary, diploma and other levels of education also constituted 24.4 percent of the 98 respondents.

Table 4

**Employees' level of education**

Level of education	Frequency	Percentage
Secondary level	11	11.2
Diploma	12	12.2
Bachelor degrees	53	54.2
Masters' degrees	21	21.4
Others	1	1.0
Total	98	100

Source: Field survey, 2012.

Employees' job position can also be seen in Table 5. The table shows that most of the 98 employees were cashiers (42.9%) and personal bankers (30.6%). These two positions constituted 73.5 percent of the total number of respondents. This means that the bank has more employees that deal with customers directly or on 'one on one' basis. This can positively help the bank to achieve its goal of serving customers better as postulated by Mullins (2010). Mullins stated that an organisation with more front line staff is able to deal

with customer faster and better attainment of organisational goals. The remaining 26.5 percent are treasury officers, operation managers and others.

Table 5

**Employees’ job position**

Job position	Frequency	Percentage
Cashier	42	42.9
Treasury officer	4	4.1
Personal banker	30	30.6
Operations manager	10	10.2
Others	12	12.2
Total	98	100

Source: Field survey, 2012

**Employees’ views of the organisational goals of GCB**

This section examined the extent to which GCB employees perceive the organisational goals of the bank. This was done by looking for the presence of seven items such as employees’ knowledge of goals, understanding of goals, whether goals were measurably, attainable, realistic, time bound, and alignments of organisational goals with employees’ personal goals. Tables 6, 7, 8 and 9 seek to establish the way they perceive the organisational goals of the bank.

Results for employees’ levels of knowledge and understanding of the organisational goals of GCB are presented in Table 6. Table 6 indicates that 88.7 percent of the 98 respondents had fairly high, high to very high levels of knowledge on the organisational goals of GCB, Kumasi. This is likely to lead

to committed employees as postulated by Griffeth and Hom (2000). Griffeth and Hom are of the view that employees who know the organisation's goals are expected to remain because such employees are willing to exert efforts on behalf of their organisations.

Table 6

**Employees' knowledge and understanding levels of goals**

Levels of Response	Employees Knowledge on Organisational Goals of GCB		Employees Understanding of the Organisational Goals of GCB	
	Frequency	Percentage	Frequency	Percentage
Very high	53	54.0	50	51.0
High	20	20.4	24	24.5
Fairly high	14	14.3	9	9.2
Low	8	8.2	11	11.2
Very low	3	3.1	4	4.1
Total	98	100	98	100

Source: Field survey, 2012

However, 11.3 percent of the 98 employees had low to very low levels of knowledge of the goals of the bank. This can lead to low performance as suggested by Mullins (2010) that employees' levels of knowledge of an organisational goals is a strong determinant of employees' performance and the success of every organisation.

With respect to understanding of goals, 84.7 percent of the 98 employees had fairly high, high to very high understanding. This means that majority of the employees understood the organisational goals of GCB. This can easily induce employees to give up their best efforts towards attainment of

goals. This finding is in agreement with that of Riggio's (2003) finding that the understanding of organisational goals determines the nature of employees' inputs and outputs. However, 15.3 percent of the respondents had low to very low understanding of the goals of the bank. This means that these employees do not actually understand what was required of them and can lead to low performance as stated by Mullins (2010). Mullins is of the view that employees can only perform well only when they understand their organisational goals.

The level of employees' agreement that GCB's goals were measurable and time bound is represented in Table 7. Table 7 shows that 71.4 percent of the 98 employees had fairly high, high to very high perception that GCB's goals were measurable. This can lead to motivation and retention as postulated by Staw (2001) who observed that measurable goals motivate employees to stay with organisation. This is further supported by all the nine branch managers interviewed who indicated that the goals of GCB had been reduced to financial and quantifiable targets for the branches and for that matter it was measurable. The results corresponded to a further question asked as to whether employees' contribution to attainment to organisational could be measured and 58.2 percent of employees asserted that their contributions to the attainment of the goals were measurable.

Meanwhile, 28.6 percent of the 98 employees had low to very low perception that GCB's goals were measurable. It means that these employees did not agree that the bank's goals were quantifiable and can result to dissatisfaction and high turnover. This finding is congruent with the findings of Riggio (2003) who found that employees easily become dissatisfied and



quit when the goals of the organisation are not quantifiable because employees would not be able to know how much they have contributed towards the goals.

Table 7

**Employees' levels of agreement that goals are time bound and measurable**

Levels of Response	Employees View on the Time Bound Nature of GCB's Goals		Employees View on the Measurable Nature of GCB's Goals	
	Frequency	Percentage	Frequency	Percentage
Very high	23	23.5	32	32.7
High	26	26.5	12	12.2
Fairly high	33	33.7	26	26.5
Low	9	9.2	23	23.5
Very low	7	7.1	5	5.1
Total	98	100	98	100

Source: Field survey, 2012

It is also evident from Table 7 that 50 percent of the 98 employees had high to very high perception that GCB's goals were time bound, while 33.7 percent had fairly high level of perception that GCB's goals were time bound. It means that half of respondents were positively aware as to when to achieve a particular target. That is, both monthly and yearly targets deadlines were made known to them. This is in agreement with Mullins' (2010) view that for goals to be time bound, it must have a time frame such as monthly, quarterly, mid-year or annually. On the other hand, 16.3 percent of the respondents had low to very low levels of perception that the goals were time bound. This can lead to lack of concentration as suggested by Griffeth and Hom (2000).

Griffeth and Hom stated that employees usually lose concentration and under-perform when goals are not time bound.

Table 8 presents the results for employees' levels of agreement that GCB's goals were achievable and realistic. The table indicates that 53.1 percent of the 98 respondents had high to very high perception that GCB's goals were realistic and 25.5 percent of the employees also had fairly high perception that GCB goals were realistic. This means more than half of the respondents agreed that GCB's goals were reasonable set. Furthermore, when respondents were asked as to whether they had the tools to meet their targets, 74.5 percent of the employees admitted that they had the tools to meet their targets. Hence, the targets were realistic to them. These findings are consistent with Riggio's (2003) view that for goals to be realistic, the employees must have the necessary tools to accomplish such goals.

Table 8

**Employees' levels of agreement that goals are achievable and realistic**

Levels of Response	Employees View on the Attainment of GCB's Goals		Employees View on the Realistic Nature of GCB's Goals	
	Frequency	Percentage	Frequency	Percentage
	Very high	48	49.0	28
High	18	18.4	24	24.5
Fairly high	23	23.4	25	25.5
Low	4	4.1	9	9.2
Very low	5	5.1	12	12.2
<b>Total</b>	<b>98</b>	<b>100</b>	<b>98</b>	<b>100</b>

Source: Field survey, 2012

However, 21.4 percent of the 98 respondents had low to very low perception that GCB's goals were realistic. This is likely to lead to inability to attain organisational goals, as reported by Ramlall (2004) that if employees have the perception that their targets are not pragmatic or practicable, they would be less motivated and unable to help to achieve their organisational goals.

Responses on whether GCB's goals were attainable or achievable can also be seen in Table 8. It reveals that 90.8 percent of the 98 respondents had fairly high, high to very high perception that GCB's goals were attainable. This finding corresponded with another finding where 74.5 percent of the employees indicated that they had the necessary support from colleagues and supervisors to meet their targets. These views coincide with DeCenzo and Robbins' (2007) submission that goals' effectiveness largely depends on the support given to those who work to achieve such goals. A few (9.2%) of the respondents however, had low perception that the goals were attainable which can result in high turnover as postulated by Mullins (2010). Mullins stated that when goals are not within the limit of employees, they may quit due to lack of motivation from inability to attain such goals.

Table 9 presents results on employees' view on the conflict between their personal goals and the organisational goals of GCB. From Table 9, it is evident that 37.8 percent of respondents indicated that the conflict between organisational goals and their personal goals was high to very high, and 28.6 percent of respondents also indicated a fairly high level of conflict between personal goals and the organisational goals. This means that majority of the employees of GCB agreed that there was no alignment between their personal

goals and that of GCB. Branch managers interviewed confirmed this by saying that there were three levels in the bank for decision making and all these levels were to be consulted for decisions to be taken or setting of goals. Yet, this was not always the case and inputs of staff were hardly taken or inculcated in the decisions of the top management.

Table 9

**Employees' views on the conflict between personal and organisational goals**

Levels of Response	Employees View on the Alignment of Personal Goals with Organisational Goals of GCB	
	Frequency	Percentage
Very high	22	22.5
High	15	15.3
Fairly high	28	28.6
Low	21	21.4
Very low	12	12.2
Total	98	100

Source: Field survey, 2012

There is the possibility that this can reduce employees' commitment and the bank's ability to attain its goals. This result is contrary to the views of DeCenzo and Robbins (2007) who found that the involvement of employees in goals setting is a major tool for ensuring strong alignment of employees' personal goals and the organisational goals and to ensure retention. This is also inconsistent with the position of Mullins (2010) who concluded that goals alignment motivates employees to give up their best to the attainment of the

organisational goals and subsequent goals or targets. Meanwhile, 33.6 percent of the respondents agreed that there was low to very low level of conflict between their personal goals and that of the bank, a finding that is consistent with the view of Mullins (2010) that goal alignment influences satisfaction and retention.

### **Level of employee retention**

Research objective two was to determine the level of employee retention in GCB, Kumasi. Items used to measure this were ‘levels of retention’, ‘factors contributing to retention’, ‘intention to stay’, ‘intention to quit’, ‘length of stay’. These items were in line with suggested items by Kreisman (2002). Cross tabulation was used and responses were presented in frequencies and percentages.

With regards to ‘levels of retention’ in GCB, 66.3 percent of the 98 employees admitted that employee retention rate was high. All the nine branch managers interviewed also confirmed that employee retention in GCB was high. This can lead to attainment of organisational goals as suggested by Kreisman (2002). Kreisman found that high employee retention is important because the cost of replacing lost talent is higher than cost of retaining that employee and retained employees build stronger and better relationship with co-workers, customers, shareholders and management which leads to goals attainment. On the other hand, 33.7 percent of the 98 respondents stated that employee retention rate was low. Low retention according to Ambrose (1996) means high turnover and can negatively affect organisation’s efforts to attain its goals.

The study presented five factors to respondents and asked them to select the best factor or factors that they perceived were the reasons for the high employee retention in GCB. The results are presented in Table 10. From Table 10, it is evident that in a rank order, training and development, various benefits, employees' commitment, job satisfaction and fair treatment and justice were the major factors that were mentioned to have contributed to the high employee retention in GCB, Kumasi. Advancement opportunity however, was rated the least among all the factors. This finding was further corroborated by branch managers who mentioned that retention in GCB was high because the bank provides training and e-learning for employees, and there were in-house and off-the-job training to equip employees to perform effectively.

Table 10

**Factors that contributed to high level of employee retention**

Factors	Frequencies	Percentage
Training and Development	27	27.5
Various benefits	23	23.5
Commitment	16	16.3
Job satisfaction	14	14.3
Faire treatment & justice	13	13.3
Advancement opportunities	5	5.1
Total	98	100

Source: Field survey, 2012

The branch managers added that employee retention in GCB was also high because there was lack of employment opportunities in Ghana. Thus, employees of GCB were likely to stay with the bank for fear of being out of

job. This kind of commitment is what Allen and Meyer (1991) called continuance commitment. Thus, the findings of Hausknecht, Howard and Vance (2008) that there are factors that influence high employee retention in an organisation are confirmed by this study.

Literature supports that high employee retention today is not a guarantee for high retention in the future and for that reason there must be continuous concerted efforts to ensure incessant employee retention (Ambrose, 1996). Thus, the study went further to examine employees' intention to quit or stay. More than half (53.1%) of the 98 employees had the intention to quit or switch career. Those who decided to quit indicated lack of advancement opportunities or career progression mostly followed with unfair treatment and lastly lack of job satisfaction as reasons for their decision. The branch managers confirmed this finding by stating that employees of GCB often complain about lack of advancement opportunities in the bank.

These employees who have decided to quit also mentioned that their colleagues who quit GCB mostly joined other banks or retired due to age and their reason for quitting was not quite different from that of the current workforce. The finding therefore corroborates the findings of Hausknecht, Howard and Vance (2008) that organisations must continue to improve upon their strategies and factors in order to continue to appeal to employees to stay else employees may decide to quit for better job offers.

Meanwhile, 46.9 percent indicated that they had the intention to stay with the bank. These employees who decided to stay mentioned that there were limited job opportunities in Ghana, that they were satisfied with their job, or wanted more experience at GCB and because they were getting to their

retirement age. This finding confirmed the assertion of branch managers that employee retention was high because there was general lack of employment opportunities in Ghana.

Out of the 46.9 percent of the total number of current workforce who had the intention to stay, 34.4 percent of them intended to stay for a period of one to five years. Those who intended to work with GCB for six to 10 years were 31.1 percent while 11.1 percent and 8.9 of them intended to work for 11 to 15 years and 16 to 20 years respectively. Lastly, 15.5 percent of the employees who decided to stay had decided to work with GCB for a period of 26 years and above.

Cordero (2011) has argued that demographic characteristics play a major role in employees' intention to quit. With this in mind, the study determined how age, gender, educational level, job position, level of position and length of service influenced employees' intention to quit GCB, Kumasi. Cross tabulation was used in analysing this and the results pertaining to gender are shown in Table 11.

Table 11

**Employees' intention to quit and gender**

Gender	Intention to Quit			
	No		Yes	
	Frequency	Percentage	Frequency	Percentage
Male	21	45.7	18	34.6
Female	25	54.3	34	65.4
Total	46	100	52	100

Source: Field survey, 2012



It is evident from Table 11 that out of the 52 employees who had the intention to quit, 65.4 percent of them were females while 34.6 percent were males. This means that more female employees intend to quit as compared to the male employees. This finding is contrary to the conventional norm affirmed by Cordero (2011) that males' intention to quit organisations is higher than females. However, there were 46 employees who had no intention to quit. This comprised 54.3 percent females and 45.7 percent males. This means that more females had the intention to stay with GCB, Kumasi, than male employees. This result confirms the finding of Cordero (2011) that female employees stay longer with an organisation than male employees.

Table 12

**Age and employees' intention to quit**

Age of respondents	Intention to Quit			
	No		Yes	
	Frequency	Percentage	Frequency	Percentage
Less than 35 years	21	45.7	38	73.1
36 - 45 years	4	8.6	5	9.6
46 years and above	21	45.7	9	17.3
Total	46	100	52	100

Source: Field survey, 2012

The result for how age relates to intention to quit in Ghana Commercial Bank, Kumasi is presented in Table 12. Table 12 shows that the youth dominated the population with 73.1 percent of the 52 employees who had the intention to quit. This finding is congruent with the findings of

Wallace (1997) who found that older employees stay longer with an organisation than younger employees. However, the 45.7 percent of employees less than 35 years who intended not to quit could be attributed to the need for experience and using one job as a launch pad for another as mentioned by Wallace.

Level of education was also emphasised in the literature to have influenced intention to quit or stay. Table 13 thus, presents the result for how levels of education relate to intention to quit. It is evident from Table 13 that most of the employees who had the intention to quit were bachelor degrees (53.9%) and masters degree (23%) holders. This means that as employees get higher education, the intention to quit GCB, Kumasi, increases.

Table 13

**Level of education and intention to quit**

Levels of education	Intention to Quit			
	No		Yes	
	Frequency	Percentage	Frequency	Percentage
Secondary level	8	17.4	3	5.8
Diploma	3	6.4	9	17.3
Bachelor degree	25	54.4	28	53.9
Masters degree	9	19.6	12	23.0
Others	1	2.2	0	0.0
Total	46	100	52	100

Source: Field survey, 2012

This finding is similar to Manlove and Guzel's (1997) position that better educated employees are more likely to quit. It is also consistent with the

findings of Golang, Elsik and Russ (1999) that employees with lower levels of education or employees with limited education turn to remain with the organisation for longer periods of time than those who have moderate degrees of educational attainment. Notwithstanding that, it is also obvious that there were more bachelor degrees and masters' degrees holders (54.4% and 19.6% respectively) who had the intention to stay as compared with those who held diploma, secondary level and other forms of certificates. This could be due to promotions and high job satisfaction as asserted by Bruce (2003) that better educated employees only stay longer with their organisations when there are corresponding promotions and higher job satisfaction.

Table 14

**Job categories and employees' intention to quit**

Job category	Intention to Quit			
	No		Yes	
	Frequency	Percentage	Frequency	Percentage
Cashier	25	54.4	17	32.7
Treasury officer	2	4.4	2	3.8
Personal banker	8	17.4	22	42.3
Operations manager	7	15.2	3	5.8
Others	4	8.6	8	15.4
Total	46	100	52	100

Source: Field survey, 2012

Table 14 relates employees' job categories to employees' intention to quit. The table shows that more personal bankers and cashiers (42.3% and 32.7% respectively) had intention to quit than operations managers, treasury

officers and other categories of employees. This means the bank may suffer in its desire and effort to serve customers better in order to remain competitive. This is because, these groups of employees were the largest groups of employees of the bank and their duties mostly included dealing with customers on 'one on one' basis. This has implications for recruitment cost, and training and development cost for the bank.

This finding confirms that of Wallace (1997) that losing front line employees has a serious repercussion on organisations' effort to serve their customers because such employees quit with loyal customers to them. With respect to the 46 employees who had the intention to stay, 54.4 percent were cashiers and 17.4 percent were personal bankers. This means that the two group of employees constituted 71.8 percent of the 46 employees who wanted to stay, with the remaining categories of employees such as treasury officers, operations managers and others constituting 28.2 percent. This could be due to the need for experience as stated by Wallace.

Table 15 shows how employees' levels of position in the bank relate to their intention to quit. It is conspicuous from the table that there were more employees at the junior level (48.1%) and middle level (30.7%) out of the 52 employees who had the intention of quitting Ghana Commercial Bank, Kumasi than those who were in senior and other levels. This finding confirms that of Somers (1995). Somers is of the view that employees at lower levels of organisation do not stay longer. Despite this result, there were also 41.3 percent and 37.8 percent of the 46 employees at junior level and middle level who had the intention to stay. This, according to Wallace (1997), could be due the need for experience.

Table 15

**Level of position and employees' intention to quit**

Levels of position	Intention to Quit			
	No		Yes	
	Frequency	Percentage	Frequency	Percentage
Junior level	19	41.3	25	48.1
Middle level	16	37.8	17	30.7
Senior level	10	23.7	7	13.5
Others	1	2.2	3	5.7
Total	46	100	52	100

Source: Field survey, 2012

Length of service and how it relates to employee intention to quit was examined and the results are presented in Table 16. The table shows that employees who served the bank less than 15 years were in the majority (84.6%) out of the 52 employees who had the intention to quit. There were also 1.9 percent and 13.5 percent of those who served the bank for 16 years to 25 years; and 26 years to 36 years respectively. This means that as employees spend more time with the bank, the intention to stay with the bank increases. This accords with the finding of Wallace (1997) that over time employees invest in organisation in the forms of pension, pay benefits and promotions and these investments bond the employees to the organisation.

Moreover, there were more employees who served the bank for less than 15 years (45.7%) who have also indicated their intention to stay than those who served longer than 15 years. This result is therefore contrary to the

findings of Poole (1997) that employees with shorter length of service quit their organisation more than those who are employed longer.

Table 16

**Employees' length of service and intention to quit**

Length of service	Intention to Quit			
	No		Yes	
	Frequency	Percentage	Frequency	Percentage
Less than 15 years	21	45.7	44	84.6
16 - 25 years	12	26.1	1	1.9
26 - 36 years	13	28.2	7	13.5
Total	46	100	52	100

Source: Field survey, 2012

**Contribution of organisational benefits, job satisfaction, commitment, human resource factors and organisational factors to employee retention**

This section was intended to investigate whether or not the perception of employees of GCB, Kumasi, on employee retention had any statistically significant relationship with reward, training and development, recruitment and selection as constructs of human resource factors. Other variables that the section examined with respect to statistically significant relationships with retention include justice and fairness, leadership, policies, communication which are the constructs of organisational factors. Organisational benefits, job satisfaction and commitment were also analysed to determine which contributed more to employee retention in GCB, Kumasi.

The relationship between the factors and employee retention was determined first. Pearson correlation matrix was used. Here a correlation was established between the factors and employee retention. The factors were made up of many items. These items were combined to get composite factors. Table 17 presents the results for the correlation analysis of employees' perceptions on the factors and employee retention. As seen in Table 17, the opinions of GCB employees within Kumasi were significantly and positively correlated with all the factors that influence employee retention at 0.01 and 0.05 alpha levels respectively.

Table 17

**Correlation coefficients between employees' perceptions on the factors and employee retention**

Factors	Mean	SD	Employee Retention	Sig.
Organisational benefits	3.46	0.76	0.23*	0.043
Training and development	3.32	0.95	0.35**	0.004
Policies	3.31	0.92	0.55**	0.001
Communication	3.30	0.95	0.40**	0.000
Commitment	3.26	0.56	0.25*	0.045
Job satisfaction	3.05	0.52	0.44**	0.000
Leadership	2.96	0.99	0.12	0.088
Justice and fairness	2.92	0.76	0.33**	0.000
Recruitment and selection	2.56	0.85	0.20*	0.034
Reward	2.52	0.56	0.22*	0.045

\*\*p<0.01 \*p<0.05

Source: Field survey, 2012

The following values of correlation interpretations suggested by Cohen (1988) were used as guidelines for the interpretation of the correlation results:

Correlation coefficient

$r = 0.10$  to  $0.29$  or  $r = -0.10$  to  $-0.29$  Very Weak.

$r = 0.30$  to  $0.49$  or  $r = -0.30$  to  $-0.49$  Weak.

$r = 0.50$  to  $1.0$  or  $r = -0.50$  to  $-1.0$  Strong.

Level of significance (p-value) =  $p \leq 0.05$  (2-tailed).

The correlation matrix (Table 17) indicates that there was a significantly strong positive relationship between policies and employee retention ( $r = 0.55$ , p-value = 0.001). This finding is similar to Cordero's (2011) finding ( $r = 0.53$ , p-value = 0.001) of a strong positive and significant relationship between factors of employee retention in the lodging industry.

Moderate and positive correlations were observed between training and development and employee retention ( $r = 0.35$ , p-value = 0.004); communication and employee retention ( $r = 0.40$ , p-value = 0.000); job satisfaction and employee retention ( $r = 0.44$ , p-value = 0.000); justice and fairness and employee retention ( $r = 0.33$ , p-value = 0.000). All these are consistent with the findings of Cheng (2004) who had values from  $r = 0.41$  to  $r = 0.43$  as significant positive relationship between justice and fairness; training and development; communication and employee retention.

Statistically significant but weak positive relationships were found between organisational benefits and employee retention ( $r = 0.23$ , p-value = 0.043); commitment and employee retention ( $r = 0.25$ , p-value = 0.045); recruitment and selection and employee retention ( $r = 0.20$ , p-value = 0.034); reward and employee retention ( $r = 0.22$ , p-value = 0.045). These results are



less convincing than those of Cheng (2004) who had values from ( $r = 0.42$ ) to ( $r = 0.66$ ) for these variables.

Out of the eight variables stated in the conceptual framework of the study which according to literature had significantly positive relationship with employee retention through employees' satisfaction and commitment, only four variables were confirmed by the study to have had that significant positive relationship. These were policies, communication, justice and fairness and training and development.

The findings mean that employees who perceived better policies, training and development, communication, job satisfaction, justice and fairness, organisational benefits, commitment, recruitment and selection and reward exhibited more positive reactions in favour of employee retention. This corroborates the findings of Cordero (2011) who concluded that how employee perceived factors in an organisation would greatly influence their decision to stay or not.

An aspect of objective three of the study was to find out the most significant contributing factors to employee retention in GCB, Kumasi. The study used step-wise multiple regression for the analysis. This type of regression is used to determine the independent variables that contribute more significantly to the dependent variable. Thus, the step-wise multiple regression analysis was conducted with employee retention as the dependent variable, and with reward, training and development, recruitment and selection, justice and fairness, leadership, policies, communication, organisational benefits, job satisfaction and commitment as the independent variables. Table 18 presents the results for the step wise regression analysis.

Table 18

**Contributions of the most significant factors to employee retention**

Model	Factors	Beta	Std Error	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	R <sup>2</sup> Change	Sig.
1	(Constant)	1.54						
	Policies	.546**	.052	.547	.298	.288		.000
2	(Constant)	1.084						
	Policies	.433**	.061					.007
	Job satisfaction	.207*	.109	.613	.328	.314	.030	.019

Dependent Variable: Employee Retention    \*\*p<0.01    \*p<0.05

Source: Field survey, 2012

Table 18 indicates two models. In the first model, all the independent variables were excluded from the model except policies ( $\beta = .546$ , p-value = .000). The unique contribution of policies to employee retention was .298 with an adjusted R<sup>2</sup> coefficient of .288. In the second model, policies ( $\beta = .433$ , p-value = .007) and job satisfaction ( $\beta = 0.207$ , p-value = .019) were considered as the most statistically significant factors that contributed more to employee retention and were not excluded from the model.

The unique contribution of the job satisfaction factor when it was considered in the second model was .030 (3%) with an adjusted R<sup>2</sup> of .314. On the whole, policies emerged as the most statistically significant factor in explaining the variance in employee retention with the other noteworthy variable being job satisfaction. Only these two factors emerged as the most

statistical significant predictors of employee retention. Thus, the most predictive variable out of the four variables in the conceptual framework that had significantly positive relationship with employee retention is policy. The predictive potency of policy has been found by this study to be high when mediated by job satisfaction as displayed in the conceptual framework.

To find out the particular thing about the policies of the bank that influenced employees to stay, the study went further and examined how the items used to measure policies were rated by the employees. This was done by determining the normality of the distribution. According to Fidel and Tabachnick (2001), normal distribution has four characteristics such as the mean, mode and median are equal; it is symmetrical; it is asymptotic and it is neither too peaked nor too flat. Fidel and Tabachnick further stated that to use skewness and kurtosis to see if a distribution is normal, one has to convert the given skewness and kurtosis scores to z-scores using the formula:  $Z \text{ skewness} = (K-0)/SE \text{ skewness}$  or  $Z \text{ kurtosis} = (S-0)/SE \text{ kurtosis}$ . Where S = skewness; K = kurtosis; SE = standard error of skewness or kurtosis. If the Z score or value is smaller than 1.96 or 2.58, the distribution is normal.

The mode, mean and median values obtained for the distribution of the study were all approximately three (mode, mean and median = 3) confirming normality of the data for the study. Furthermore, the Z scores or values obtained from using the formula  $Z \text{ kurtosis} = (S-0)/SE \text{ kurtosis}$ , (where SE= 0.483), were below the 1.96 and 2.58 thresholds. The skewness values were also within -0.5 to 0.5 ranges. These further confirmed the normality of the distribution. This can be seen from Table 19. The scale for the mean was determined by adding all the items on the scale of 1-5 and dividing it by five.

That was  $1+2+3+4+5/5=3$ . It means any value above 3 was high and below it was low.

Table 19

**Policies**

Policy items	Mean	Std. Deviation	Skewness		Z-Score (S-0/SE)
			Statistics	Std. Error	
The bank has a defined vision/mission to meet its goals	3.50	1.30	.515	.244	1.07
The organisational structure facilitate the way we do things in GCB	3.32	1.06	.191	.244	0.40
Progress towards meeting planned objectives is periodically reviewed	3.30	1.07	-.100	.244	0.21
GCB policies and procedures are helpful	3.11	1.15	-.099	.244	0.20

Scale: 0-2.9= Low, 3.0 and above =High

Source: Field survey, 2012

It is evident from Table 19 that, all the items were rated high with mean values above 3.0 ( $M > 3.0$ ). The overall mean of  $M=3.31$  also confirmed it. It is also clear that employees rated ‘the bank’s vision relates to its goals’ and ‘the organisational structure facilitating the way we do things in GCB’ very high with the highest mean values of 3.50 and 3.32 respectively. This means that the four policy areas of the bank that contributed to employee retention significantly more than any other factors were informing employees

on important matters to them, organisational structure that facilitates employees job, periodical review of progress towards target and helpful procedure of doing things in the bank. This finding supports the findings of Cheng (2004) who found organisational policies among other eight variables to have influenced core employee retention in Australian organisations.

Employees' job satisfaction being the second most contributing factor to employee retention also means that employees stay with the bank because they were happy with what the bank was offering them. The values obtained for the mode, mean and median were approximately three for each of them. The very things that employees of GCB were very satisfied with can also be seen from Table 20. It is evident from the table that the skewness values for the items fell within -0.5 to +0.5 ranges indicating normality of the data. The Z score was obtained using the standard error (SE for kurtosis) value of 0.483. Meanwhile, the standard error for skewness was also 0.244. All the Z scores were below the 1.96 and 2.58 highest levels confirming the normality of the distribution.

Table 20 shows that the satisfaction levels of the employees on all the items were very high with overall mean value of 3.43. Meanwhile, the satisfaction level for the chance to know other people on the job, work relationships and fair treatment from supervisors, were rated higher than all the items. The finding is congruent with that of Gerhart (2004) that there are many environmental features that can be created and maintained to give employees job satisfaction. Employees' satisfaction with pay and benefits, communication, motivation, justice and leisure time, determines their desire to stay with that organisation.

Table 20

**Job satisfaction**

Job satisfaction items	Mean	Std. Deviation	Skewness	Z-Score
I am satisfied with the amount of pay and fringe benefits received	3.00	1.19	.037	0.77
I am satisfied with the levels of personal growth/development I get in doing my job.	3.21	1.21	.317	0.66
I am satisfied with the challenges in my job.	3.39	1.20	.426	0.88
I am satisfied with the level of independent thought and action I can exercise in my job.	3.41	1.11	.342	0.70
I am satisfied with the level of job security	3.43	1.28	-.494	1.02
I am satisfied with the feeling of worthwhile accomplishment I get from doing my job.	3.44	1.15	-.263	0.55
I am satisfied with the degree of respect and fair treatment i receive from my supervisor	3.52	1.14	-.454	0.94
I am satisfied with the people I talk to and work with on my job	3.68	1.04	-.510	1.05
I am satisfied with the chance to get to know other people while on the job.	3.75	1.09	-.511	1.06

Scale: 0-2.9=Low, 3.0 and above = High

Source: Field survey, 2012

This finding further confirms that of Cordero (2011) that job satisfaction was a determinant of employee retention in the American lodging industry. Meanwhile, the findings on the significant contribution of policies and job satisfaction contradict some of the views of branch managers that some policies of the bank were not helping, especially the intention to

introduce fixed number of employees for all branches and to disengage all secretaries at the branch levels. Branch managers' claimed that good working condition was the best factor keeping employees in the bank.

### **The contribution of employee retention to the realisation of organisational goals in GCB, Kumasi**

The fourth objective of the study was to examine the contribution of employee retention to the attainment of organisational goals in Ghana Commercial Bank, Kumasi. Standard multiple regression was used to determine the contribution of employee retention to attainment of organisational goals. Employee retention was the independent variable and attainment of organisational goals was the dependent variable.

In Table 21, employee retention was entered as independent variable and it had a statistical significant association with the attainment of organisational goals. As Table 21 shows, employee retention ( $\beta = 0.408$ ,  $p$ -value = 0.000) was able to predict organisational goals. It is however, significant to observe that the unique proportional contribution of employee retention to the dependent variable which was attainment of organisational goals was 0.367 with an adjusted  $R^2$  of 0.358.

This means that the employee retention is able to contribute, predict or explain about 37 percent of the variance in the attainment of organisational goals. It therefore means that besides employee retention, other variables not yet in the model have a chance of contributing or predicting about 63 percent to the attainment of organisational goals. This finding is consistent with the conceptual framework of the study and also confirms the finding of Connel

and Philip (2003) that retained employees are more familiar with the company's policies, guidelines and adjust better to enable the organisation to achieve its objectives and goals.

Table 21

**Contribution of employee retention to the attainments of organisational goals**

Factors	Beta	Standard Error	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Sig.
(Constant)	1.065					
Employee retention	.408**	.101	.608	.367	.358	.000

Dependent Variable: Attainment of Organisational Goals      \*\*p<0.01

Source: Field survey, 2012

This further supports Schultz and Schultz's (2006) findings that retained employees are more loyal to management and to them all other things come second. Schultz and Schultz emphasised that retained employees give the organisation powerful advantages and depth of knowledge gives organisation strength in attaining its organisational goals. The empirical result by Powers (2006) that the retention of employees in organisations to a large extent contributes significantly to the attainment of organisational goals is also confirmed by this study.

The branch managers confirmed that employee retention was very important in terms of its contribution to the attainment of the organisational goals of the bank. They however, indicated that the bank was only interested in retaining competent employees who have the capacity to positively



contribute to the bank's ability to serve customers better, 'beat' the competition and help the bank to attain its goals.

The branch managers further indicated that the bank had introduced voluntary retirement packages that enable employees who could not withstand the stress and the competition, especially aging and less educated employees, to take advantage of. Interviewees confirmed that most of the older employees were taking advantage of the package and were themselves prepared to consider the voluntary retirement package to exit because the stress of working in the bank was becoming unbearable for them.

**Human resource factors, organisational factors, organisational benefits and attainment of organisational goals**

The fifth objective of the study was to examine whether human resource factors, organisational factors and organisational benefits will directly or indirectly predict the attainment of organisational goals. This was analysed with hierarchical multiple regression analysis. Both direct and indirect predictability of the independent variables were determined by entering all the three independent variables into a model at the same time introducing the mediating variable into the model. The study hypothesised that:

Ho: Employees' perception on human resource factors, organisational factors and organisational benefits does not significantly affect the attainment of organisational goals indirectly.

H<sub>1</sub>: Employees' perception on human resource factors, organisational factors and organisational benefits significantly affect the attainment of organisational goals indirectly.

To achieve the above objectives the study examined the independent variable of the study for the presence of multicollinearity problem among the variables. According to Fidel and Tabachnick (2001), multicollinearity refers where two or more independent variables are highly correlated with each other such that two or more independent variables measure the same thing but in a different way. When this exists, the estimated regression coefficients can oscillate extensively, making it unstable to interpret the coefficients as an indicator of the predictor variable.

Table 22

**Colinearity test one**

Independent variables	JS	HR	OF	C	BF	ER
Job Satisfaction Factors (JS)	1.00	.502	.619	.430	.037	.486
Human Resource Factors (HR)	.502	1.00	.602	.329	.239	.276
Organisational Factors (OF)	.619	.602	1.00	.237	.179	.353
Commitment ( C )	.430	.329	.237	1.00	.300	.173
Benefit Factors (BF)	.037	.239	.179	.300	1.00	.142
Employee Retention (ER)	.486	.276	.353	.173	.142	1.00

Source: Field survey, 2012

Cooper and Schindler (2006) suggested that when the correlation between the independent variables produces values .7 and above, then there is

collinearity problem. Additionally, a tolerance value less than 0.1 and VIF (Variance Inflated Factor) values greater than 10 indicate serious collinearity problem. Table 22 shows the correlation between the independent variables of the study. It is evident that all the values obtained were less than the .7 threshold indicating that there was no collinearity problem among these variables.

Table 23

**Collinearity test two**

Independent variables	Collinearity Statistics	
	Tolerance	VIF
Job Satisfaction	.424	2.357
Human Resource Factors	.579	1.728
Organisational Factors	.486	2.057
Employee Commitment	.708	1.413
Benefit Factors	.818	1.222
Employee retention	.740	1.351

Source: Field survey, 2012

The tolerance and VIF values can be seen in Table 23. It is obvious that the tolerance values for all the independent variables were more than 0.1 and that of the VIF values were also less than 10. These indicate that the data was free from collinearity problem. The study then went further to examine the contribution of these independent variables to the attainment of organisational goals. First, the attainment of organisational goals was used as the dependent variable. The hierarchical multiple regression analysis involved

testing of four models. In the first model the three main factors such as human resource factors, organisational factors and organisational benefits were entered as independent variables and two had a statistically significant effect on the attainment of organisational goals, except organisational benefits. This can be seen in Table 24.

As Table 24 shows, the main statistically significant factors that predicted the attainment of organisational goals in order of importance were organisational factors ( $\beta = 0.443$ , p-value = 0.001) and human resource factors ( $\beta = 0.215$ , p-value = 0.045). Organisational benefits were not statistically significant predictors of the attainment of organisational goals. The proportional contribution of the three independent variables to explaining the dependent variable was 54.8 percent with an adjusted  $R^2$  of approximately 0.53 or 53 percent.

This means that human resource factors, organisational factors and organisational benefits were able to contribute, predict or explain about 55 percent of the variance in the attainment of organisational goals. It therefore means that besides these variables identified, other variables not yet in the model have a chance of contributing or predicting about 45 percent to the attainment of organisational goals in Ghana Commercial Bank, Kumasi. This finding is a build up on Cheng's (2004) finding. Cheng only found relationship between these variables and employee retention but this study has confirmed that and also proved that they contribute to attainment of organisational goals.

Table 24

**Multiple regression analysis on the influence of certain selected factors on the attainment of organisational goals - model one**

Factors	Model 1			
	Beta	Std. Error	t	Sig.
Human resource factors	.215	.117	2.034	.045
Organisational factors	.443	.092	4.246	.001
Organisational benefits	-.049	.068	-.565	.574
Constant		1.494		
R		.790		
R square		.548		
Adjusted R square		.527		

Dependent Variable: Attainment of Organisational Goals \*\*p<0.01 \*p<0.05  
Source: Field survey, 2012

In the second model as presented in Table 25, job satisfaction was entered into the equation to serve as a mediating variable. The position of this study as depicted in the conceptual framework and stated in the hypothesis is that the independent variables do not predict the attainment of organisational goals directly, and that they do so indirectly through job satisfaction, commitment and employee retention. When the variable 'job satisfaction' entered the equation, the beta coefficients of all the independent variables shrank. The percentages of shrinkage of the statistically significant factors were organisational factors (55%) and human resource factors (54%).

Table 25

**Multiple regression analysis on the influence of certain selected factors on the attainment of organisational goals - model two**

Model 2				
Factors	Beta	Std. Error	t	Sig.
Human resource factors	.123	.111	1.220	.225
Organisational factors	.237	.097	2.168	.033
Organisational benefits	-.005	.064	-.060	.952
Job satisfaction	.410	.119	4.044	.001
Constant		.753		
R		.867		
R square		.644		
Adjusted R square		.621		

Dependent Variable: Attainment of Organisational Goals \*\*p<0.01 \*p<0.05

Source: Field survey, 2012

Job satisfaction ( $\beta = 0.410$ , p-value = 0.001) was statistically significant when it was entered into the second model, it changed the beta coefficients of all the statistically significant factors. Human resource factors as a variable lost its statistical significance when job satisfaction was entered into the second model.

This means that the explanatory power of the human resource factor was shared with the mediating variable. That is, human resource factors affect the attainment of organisational goals only when employees are satisfied. What all

the resultant shrinkages and non significance mean is that, the independent variables predicted the attainment of organisational goals more when employees are satisfied. In other words, the three independent variables in themselves do not explain the attainment of organisational goals very well but rather do so when job satisfaction is present.

However, it is important to observe that the proportional contribution of the three independent variables and job satisfaction as a mediating variable to the dependent variable was 0.644 with an adjusted  $R^2$  of 0.621 .This means that human resource factors, organisational factors, organisational benefits and job satisfaction were able to contribute, predict or explain about 64 percent of the variance in the attainment of organisational goals. It also means that besides these variables identified, there still are other variables not yet in the model that have a chance of contributing or predicting about 36 percent to the attainment of organisational goals.

What the increase with regard to the proportional contribution of the three independent variables and job satisfaction to the dependent variable mean is that when human resource factors, organisational factors and organisational benefits are present, their predictability of the attainment of organisational goals becomes more potent when employees are satisfied. This confirms the findings of Bruce (2003) that the theory of organisational equilibrium supports the view that job satisfaction plays a mediating role. It has also justified job satisfaction as a mediating variable in the conceptual framework.

In the third model presented in Table 26, the variable employee commitment was entered into the equation, and the result was that the beta

coefficients of organisational factors and job satisfaction were still statistical significant but had some level of shrinkages. That is, the beta coefficients for all the statistically significant independent variables shrank again. The percentages of shrinkage per the variables were organisational factors (91.7%) and job satisfaction (90.2%).

Table 26

**Multiple regression analysis on the influence of certain selected factors on the attainment of organisational goals - model three**

Factors	Model 3			
	Beta	Std. Error	t	Sig.
Human resource factors	.110	.112	1.083	.282
Organisational factors	.254	.098	2.298	.024
Organisational benefits	-.031	.067	-.368	.714
Job satisfaction	.367	.129	3.339	.001
Employee commitment	.093	.099	1.017	.312
Constant		.644		
R		.872		
R square		.651		
Adjusted R square		.631		

Dependent Variable: Attainment of Organisational Goals \*\*p<0.01 \*p<0.05

Source: Field survey, 2012

Employee commitment variable was not statistically significant when it was entered into the third model even though it did change the beta coefficients of the variables. The proportional contribution of the entered



variables when employee commitment was added increased slightly from 0.644 to 0.651 with an increased adjusted  $R^2$  of 0.631. This agrees with Price and Mueller's (1981) finding that commitment plays a mediating role.

This means that human resource factors, organisational factors, organisational benefits, job satisfaction and employee commitment were jointly able to contribute, predict or explain about 65 percent of the variance in the attainment of organisational goals in Ghana Commercial Bank. This still means that besides these variables identified, other variables not yet in the model also have a chance of contributing or predicting about 35 percent of the attainment of organisational goals.

In the fourth model as presented in Table 27, the variable employee retention was entered into the equation and the coefficients of human resource factors ( $\beta = 0.109$ , p-value = 0.044 ) and employee commitment ( $\beta = 0.062$ , p-value = 0.039) which were not statistically significant in the third model became statistically significant. This means that the explanatory power of the human resource factors and employee commitment were shared with employee retention.

That is, human resource factors and employee commitment predict the attainment of organisational goals more when employee retention is present. The beta coefficient of the employee retention ( $\beta = -0.338$ , p-value = 0.000) variable was statistically significant when it was entered into the fourth model. It changed the beta coefficients of the variables. The proportional contribution of the entered variables when employee retention was added increased significantly from 0.651 to 0.836 with an increased adjusted  $R^2$  of 0.805. This means that human resource factors, organisational factors and organisational

benefits mediated by job satisfaction, employee commitment and employee retention were able to contribute, predict or explain about 84 percent of the variance in the attainment of organisational goals.

Table 27

**Multiple regression analysis on the influence of certain selected factors on the attainment of organisational goals - model four**

Factors	Model 4			
	Beta	Std. Error	t	Sig.
Human resource factors	.109	.103	2.135	.044
Organisational factors	.270	.091	2.632	.010
Organisational benefits	.018	.063	.225	.822
Job satisfaction	.534	.129	4.871	.001
Employee commitment	.062	.092	2.223	.039
Employee retention	-.338	.094	-4.069	.000
Constant		.370		
R		.972		
R square		.836		
Adjusted R square		.805		

Dependent Variable: Attainment of Organisational Goals \*\*p<0.01 \*p<0.05

Source: Field survey, 2012

In comparing all R<sup>2</sup> in the four models, it can be seen that when job satisfaction was added to the independent variables in model two (Table 25), the R<sup>2</sup> figure increased from approximately 55 percent to approximately 64 percent indicating nine percent contribution to R<sup>2</sup>. The R<sup>2</sup> again, increased to approximately 65 percent when employee commitment was added to the

independent variables in Table 26, indicating one percent contribution to the  $R^2$ . Employee retention came in to increase the  $R^2$  to approximately 84 percent (Table 27) representing 20 percent contribution to the  $R^2$ . This means that employee retention contributed more (20%) to the  $R^2$  than job satisfaction and employee commitment.

However, Job satisfaction contributed more ( $\beta = 0.534$ ) followed by employee retention ( $\beta = 0.338$ ), to attainment of organisational goals than the rest of the variables of the study. This agrees with the conceptual framework that employees can only be retained when they are satisfied. Thus, it is inconsistent with the finding of Jackson and Mathis' (2006) that the most important resource for attainment of organisation goals is the retention of the competent employees.

What all the resultant shrinkages, increments and non significance mean is that the independent variables do not directly influence the attainment of organisational goals. They do so only when job satisfaction, employee commitment and employee retention are present. The model indicates clearly the importance of human resource factors, organisational factors, job satisfaction, commitment and employee retention with regard to the attainment of organisational goals. However, human resource factors and organisational factors' ability to lead to the attainment of organisational goals were more potent when there were job satisfaction and employee retention. In other words, without job satisfaction and employee retention it would be difficult for any organisation to realise its goals corroborating the finding of Bruce (2003) that a key strategy for attainment of organisational goals is job satisfaction.

In view of the above finding the study rejected the null hypothesis and confirmed the alternative one which states that employees' perception on human resource factors, organisational factors and organisational benefits will predict the attainment of organisational goals indirectly in GCB, Kumasi.

### **Conclusion**

The chapter discussed how statistical tools were used to analyse the data collected. These were descriptive statistics such as cross tabulations, frequencies and percentages. The rest were inferential statistics such as person correlation matrices, standard multiple regression, step-wise regression and hierarchical regression.

## **CHAPTER FIVE**

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

#### **Introduction**

The focus in this chapter is to look at the summary and conclusions. These are done based on the specific objectives of the study. The implications of the study such as recommendation for policy formulation based on job satisfaction and employee retention for attainment of organisational goals are considered in the chapter. Suggestion for future research is also presented in the chapter.

#### **Summary**

This study is conducted to bridge the research gap of lack of empirical evidence on the importance of employee retention to attainment of organisational goals in Ghana Commercial Bank, Kumasi. The study was guided by five specific objectives. These were; examining the employees' views of the organisational goals of Ghana Commercial Bank, Kumasi; determining the level of employee retention; and to examine how organisational benefits, job satisfaction, commitment, human resource factors and organisational factors contribute to employee retention. The rest were to examine the contribution of employee retention to the realisation of organisational goals; and to examine whether human resource factors,

organisational factors and organisational benefits directly or indirectly predict the attainment of organisational goals.

Correlational study design was used for the study. Data used for the study was from primary source. Instruments for data collection were self administered questionnaires and interview guide. Out of the total population of 120 employees and branch managers for the study, 98 employees and nine branch managers participated in the study. The analytical tools used for this study were descriptive statistics such as frequencies, percentages and means. The rest were Pearson's correlation matrix, multiple standard regression, hierarchical multiple regression and stepwise multiple regression.

The key findings for examination of employees' views of the organisational goals of GCB were that:

1. GCB has organisational goals and the goals have been reduced to meeting financial targets at the branch level.
2. Employees' levels of understanding was found to be high as 75 percent of employees rated it to be high and very high, while awareness of the organisational goals of GCB was also found to be very high as 74.4 percent of the employees respectively attested to that.
3. The organisational goals of GCB were found to be measurable and each branch has quantifiable targets to achieve. This was attested to by 71.4 percent of employees of the bank who rated it to be fairly high, high to very high.
4. Majority of the respondents (67.4 %) alluded that GCB goals were attainable and 78.6 percent also attested that the financial targets for branches were reasonable or realistic

5. The alignment of organisational goals to employees' personal goals was found to be low. This was alluded to by 37.8 percent and 28.6 percent of the employees who indicated that there were high and fairly high levels of conflicts respectively, between personal goals and that of the bank, whereas 33.6 percent of them indicated high agreement between organisational goals and their personal goals.
6. Majority (83.7 %) of the employees alluded that targets for the branches were time bound whilst 16.3 percent of them had low level of perception that targets were time bound.

With regards to levels of employee retention in GCB, Kumasi, the main findings were:

1. Employee retention was high in GCB, Kumasi as 66.7 percent of the respondents attested to that. However, 53.1 percent of the 98 employees had the intention to quit and 46.9 percent of them also had the intention to stay.
2. More than half (53.1%) of the 98 employees mentioned lack of advancement opportunities or career progression mostly followed with unfair treatment as reasons for their intention to quit. The 46.9 percent also gave reasons for the desire to stay as: there were limited job opportunities in Ghana and outside the banking sector, they were satisfied with their job, they wanted more experience at GCB and because they were getting to their retirement age.
3. The employees of GCB, Kumasi, were predominantly females with a population of 60.2 percent and most of them (65.4%) had the intention to quit the bank as compared to male employees (34.6%).

4. Most of the employees under the age of 35 years (73.1%), and more employees in the position of 'personal banker' (42.3%) had the intention to quit.
5. Employees of GCB, Kumasi were predominantly bachelors and maters' degree holders. However, most of the second degree holders (23.0%) had the intention of quitting.
6. There were more junior level employees (48.1%) who had the intention to quit than those of them who wanted to stay (41.3%). Additionally, employees who worked over 15 years and above (54.3%) were more inclined to stay with the bank than those whose length of service was less than 15 years.

The examination of how organisational benefits, job satisfaction, commitment, human resource factors and organisational factors contribute to employee retention resulted in the following key findings.

1. Policies of GCB, Kumasi, had a very strong positive and significant relationship with employee retention.
2. Only job satisfaction, training and development, communication and justice and fairness out of the eight variables in the conceptual framework had very significant positive but moderate relationship with employee retention
3. Organisational benefits, training and development, and policy were however, perceived more strongly or positive among the eight variables of the study.
4. Policies of GCB and job satisfaction of employees emerged as the most significant factors to employee retention respectively.



5. The four areas of the policies of the bank that contributed to employee retention significantly were; the bank has defined vision to meet its goals, organisational structure which facilitated employees' job, periodical review of progress towards goals or target and helpful procedure of doing things in the bank.
6. Employees were more satisfied with the chance to know other people while on the job and the working relationship in the bank.

The key findings for the contribution of employee retention to the realisation of organisational goals in GCB, Kumasi, are that:

1. Employee retention contributed 36.7 percent directly to attainment of organisational goals in GCB, Kumasi.
2. Employee retention had strong positive and significant contribution to attainment of organisational goals in GCB, Kumasi.
3. Ghana Commercial Bank, Kumasi, valued the importance of retention of competent employees and had instituted a voluntary retirement package for the older employees with less academic qualification to benefit from.

The examination of whether human resource factors, organisational factors and organisational benefits directly or indirectly predict the attainment of organisational goals in GCB, Kumasi yielded the following main findings:

1. Organisational factors predicted and contributed more to attainment of organisational goals in GCB, Kumasi than human resource factors and organisational benefits. The overall contribution or prediction of human resource factors, organisational factors and organisational

benefits to attainment of organisational goals in GCB, Kumasi, was approximately 55 percent.

2. Human resource factors, organisational factors and organisational benefits better predict the attainment of organisational goals when mediated by job satisfaction, commitment and employee retention with overall contribution of approximately 84 percent.
3. Job satisfaction emerged as the most contributing mediating variable to attainment of organisational goals. The second highest mediating variable in term of contribution to attainment of organisational goals was employee retention.

## **Conclusions**

The first objective of the study dealt with the examination of the employees' views of the organisational goals of GCB, Kumasi and it can be concluded that the employees are aware and understand the goals. They also find the goals to be effective. The employees were satisfied that the goals of the bank were measurable, attainable, realistic and time bound. However, employees indicated that there were high levels of conflict between their personal goals and that of the bank.

Employee retention was high in Ghana Commercial Bank, Kumasi. Despite the high retention, more than half of the employees had the intention to quit the bank. These employees were mostly females, employees under the age of 35 years of age, employees in personal banking position, employees at the junior level of the bank and employees who had worked with the bank for

less than 15 years. Employees not in the categories mentioned were those who had more intention to stay with GCB, Kumasi.

Policies contributed strongly to employee retention, while job satisfaction, training and development, communication and justice and fairness also contributed to employee retention, but at a moderate rate. However, organisational benefits, commitment, leadership, recruitment and selection and rewards also weakly contributed to employee retention. Policies of the bank and job satisfaction made the most contribution to employee retention as compared to the rest of the variables of the study. This means that GCB had nice and appealing policies which contribute to employee retention.

The four variables out of the eight variables in the conceptual framework that had significant positive relationship with employee retention were policies, communication, justice and fairness, and training and development. Organisational benefits, training and development and policy were however perceived more positively.

Employee retention contributed immensely to attainment of organisational goals in GCB, Kumasi. For this reason, Ghana Commercial Bank, Kumasi, had instituted a voluntary retirement package for older employees with less academic qualification and expertise, to ensure that competent employees are onboard to help the bank to achieve its objectives.

Only human resource factors and organisational factors were found to have contributed to attainment of organisational goals. However, their contribution was stronger when they were mediated by job satisfaction, commitment and employee retention. Among all independent and mediating variables of the study, job satisfaction and employee retention were the highest

contributors to attainment of organisational goals meaning that employees can only be retain when there is job satisfaction. The alternative hypothesis of the study was therefore supported by the findings of the study.

### **Recommendation for policy formulation**

The above conclusions indicate a need for certain action to take place so that employee retention would continue to be high and play its important roles to attainment of organisational goals of the Ghana Commercial Bank. It is suggested that employees should approach management of GCB, Kumasi to:

1. Involve them in the designing and the formulation of the organisational goals of the Bank. This will ensure proper alignment between employees' personal goals and the organisational goals of the bank. It will further ensure that employees are more motivated to give their best efforts to attain the goals of the bank.
2. Add other retention packages to the existing ones of the Bank which should take into consideration gender, age, and levels of employees and length of service or turnover. This will make the retention efforts of the Bank appealing to all the spectrum of workers and also defer or minimise the intention to quit by most of the employees who were females, youthful, at junior level and worked for less than 15 years.
3. Review the existing benefits available and introduce more voluntary ones like gain sharing and employee recognition schemes. This will make the bank more attractive to work with.

4. Pay attention to job satisfaction by providing clear career paths or advancement opportunities, education and development opportunities and interesting work. This will induce commitment and employee retention and help to ensure that the Bank's provisions meet employees' requirement.
5. Pay more attention to retaining the employees of the Bank by focusing on policies, job satisfaction, training and development, communication and justice and fairness. This is the only way the Bank can better attain its goals, remain competitive and ultimately serve its customers better.

Branch managers should:

1. Introduce cross training through job rotation to make employees' job more interesting especially for employees in the position of personal banking.
2. Explain the goals of the Bank and targets of the branches to employees as well as solicit employees' opinion on what their personal goals are. This can minimise the level of conflict between personal goals and that of the bank.
3. Focus more attention on employee retention by increasing job satisfaction of employees.

### **Suggestion for future research**

This study has shown that employee retention is very important to attainment of organisational goals with all the variables making contributions of approximately 84 percent. However, there are other factors constituting about 16 percent that can contribute to attainment of organisational goals

which the study did not consider. Therefore other studies can further investigate into importance of employee retention with consideration of the other factors to attainment of organisational goals to help management decision making on employees.

The study found that there was relationship between demographic factors and employees' intention to quit. Future research can be carried out to determine the effect of demographic factors on retention and attainment of organisational goals, in order to predict the retention and goals attainment tendencies of the various grouping in the organisation.

The study covered only nine branches of GCB in Kumasi and the same study can be carried out to cover all the banks in Ghana or all the branches of the GCB, in Ghana. There can also be comparative studies between public sector and private sector organisations in Ghana. This will help to understand the levels of employee retention and attainment of organisational goals in these sectors.

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## **APPENDICES**

### **A: QUESTIONNAIRE FOR EMPLOYEES**

UNIVERSITY OF CAPE COAST

SCHOOL OF BUSINESS

DEPARTMENT OF MANAGEMENT STUDIES

QUESTIONNAIRE ON THE IMPORTANCE OF EMPLOYEE RETENTION

TO ATTAINMENT OF ORGANISATIOAL GOALS IN GHANA

COMMERCIAL BANK, KUMASI.

Dear Sir/ Madam,

The purpose of the questionnaire is to solicit information for research work being undertaken to determine the importance of employee retention to the attainment of organisational goals in GCB, Kumasi. It is anticipated that the result will provide management of GCB with insight on decisions to retain employees. It will take approximately 15 minutes to complete. Instructions are listed for each section of the questionnaire.

Please, carefully read and honestly answer each and every question. Be assured that all responses will be treated with the utmost confidentiality. The study results will be reported only in aggregate for research purposes. You will never be individually identified hence do not write down your name or the branch name. Your participation and responses are important for this study and greatly appreciated.

Thank you.

*Please tick the appropriate box or write in the appropriate place to provide answers to the following questions.*

SECTION A: BIO DATA

1. How old are you?

.....

2. Gender: a. Male [ ] b. Female [ ]

3. How long have you been with GCB?

.....

4. What is your position in the bank?

a. Cashier [ ] b. Treasury officer [ ]

c. Personal banker [ ] d. Manager [ ]

e. Others (specify) .....

5. How will you classify your position?

a. Junior level [ ] b. Middle level [ ]

c. Senior level [ ] d. Others (specify).....

6. What is your highest level of educational?

a. Masters Degree [ ]

b. Bachelors Degree [ ]

c. Diploma [ ]

d. Secondary level [ ]

e. Others (specify).....

SECTION B: ORGANISATIONAL GOALS

*Please, indicate your level of agreement with the statements below on the scale of 1 to 5, with 1 representing low agreement (LA) while 5 represents strong agreement (SA).*

	STATEMENTS	1	2	3	4	5
7	I know the organisational goals of GCB					
8	I understand the organisational goals of GCB					
9	The organisational goals of GCB are attainable					
10	My work and function contribute to the attainment of the goals of GCB					
11	My contribution to the attainment of the goals can be measured					
12	The attainment of the organisational goals of GCB helps to achieve my personal goals					
13	My personal goals are not aligned with the goals of GCB					
14	Employees inputs are sought for setting the organisational goals of GCB					
15	My contribution to the setting of the organisational goals of GCB motivates me to give up my best to achieve it.					
16	My contribution to the setting of the organisational goals of GCB is what keeps me with the bank.					
17	Organisational goals of GCB are not measureable					
18	Organisational goals of GCB are time bound					
19	Organisational goals of GCB are realistic					
20	I have the tools to meet my target					
21	I receive the necessary support from colleagues to meet my target.					

SECTION C: LEVEL OF EMPLOYEE RETENTION IN GCB, KUMASI

Please *write or tick* where appropriate for the following questions.

22. I am aware of retention programmes in GCB.

- 1. Yes [ ]
- 2. No [ ]

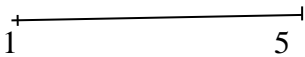
23. If 'yes' to the above question, what are they?

.....  
 .....

24. Which of these factors is or are encouraging you to stay with GCB

- a. Job satisfaction [ ]
- b. Training and development [ ]
- c. Advancement opportunity [ ]
- d. Commitment [ ]
- e. Fair treatment or justice [ ]
- f. Various benefits available [ ]

25. Please, rate the following factors in order of importance to you from 1 to 5, with 1 representing less important while 5 represents very important.



- a. Job satisfaction [ ] [ ] [ ] [ ] [ ]
- b. Training and development [ ] [ ] [ ] [ ] [ ]
- c. Advancement opportunity [ ] [ ] [ ] [ ] [ ]
- d. Commitment [ ] [ ] [ ] [ ] [ ]
- e. Fair treatment or justice [ ] [ ] [ ] [ ] [ ]
- f. Various benefits available [ ] [ ] [ ] [ ] [ ]



SECTION D: JOB SATISFACTION, HUMAN RESOURCE, ORGANISATIONAL AND BENEFITS FACTORS INFLUENCING RETENTION.

*Please, indicate your level of agreement with the statements below on the scale of 1 to 5, with 1 representing low agreement (LA) while 5 represents strong agreement (SA).*

**JOB SATISFACTION FACTORS**

	<i>STATEMENTS</i>	1	2	3	4	5
32	I am satisfied with the amount of job security I have.					
33	I am satisfied with the amount of pay and fringe benefits, I receive.					
34	I am satisfied with the amount of personal growth/development I get in doing my job.					
35	I am satisfied with the people I talk to and work With, on my job.					
36	I am satisfied with the degree of respect and fair Treatment, I receive from my supervisor.					
37	I am satisfied with the feeling of worthwhile accomplishment I get from doing my job.					
38	I am satisfied with the chance to get to know other people while on the job.					
39	I am satisfied with the amount of support and guidance I receive from my supervisor.					
40	I am satisfied with the amount of independent thought and action I can exercise in my job.					
41	I am satisfied with the chance to help other people while I am at work.					
42	I am satisfied with the amount of challenge in my job.					

**HUMAN RESOURCE FACTORS**

	STATEMENTS	1	2	3	4	5
	Reward					
43	There is equity between my salary and what my colleagues with the same experience and qualification received within GCB.					
44	I am paid the same salary as others receive in other banks with the same experience and qualification in the industry					
45	I received monetary reward other than my salary for achieving my targets.					
46	I am not paid transport and travelling and other allowances that I deserve					
47	I do not have rewarding working condition and environment.					
48	I am aware of the processes used to determine annual salary increment					
49	There is opportunity to earn performance bonus/commission or over time allowance.					
	Training and Development					
50	Employees are properly oriented and trained upon joining GCB					
51	GCB provides regular opportunities for personal and career development.					
52	Innovation and creativity is encouraged in GCB					
53	GCB has career development activities to help employees identify/ improve abilities, goals, strength and weakness					
54	I have the opportunities to improve my competence through training					
55	I do not receive the needed training and development to do my job.					
	Recruitment And Selection					
56	The recruitment process of the bank brings competent employees to join the bank					
57	The recruitment process contributes to retention in the bank					
58	I know the recruitment process of the bank					



59	I do not like the recruitment process of the bank					
60	The recruitment process contributes to the achievement of targets					

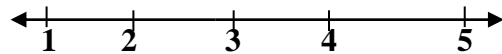
**ORGANISATIONAL FACTORS**

	<i>STATEMENTS</i>	1	2	3	4	5
	Justice and Fairness					
61	My Bank has fairly rewarded me when I consider my effort, education and experience					
62	My Bank has fairly rewarded me when I consider the stresses and strains of my job					
63	Job decisions are made by my supervisor in an unbiased manner					
64	My Bank makes sure that all employee concerns are heard before job decisions are made					
65	My Bank clarifies decisions and provides additional information when requested by employees.					
66	All job decisions are applied consistently across all affected employees					
67	Employees are allowed to challenge or appeal job decisions made by supervisor.					
68	When decisions are made about my job, my supervisor treats me with respect, dignity and in truthful manner.					
69	When decisions are made about my job, my supervisor shows concern for my rights as an employee.					
70	Concerning decisions about my job, my supervisor discusses the implications of the decisions with me.					
	Leadership					
71	The leadership practices in GCB helps me to become a high performing employee.					
72	The leadership practices in GCB enhance my satisfaction with my job					
73	The leadership styles in GCB are consistent with my personal values.					
74	The organisational leadership practices make a					

	positive contribution to the over- all effectiveness of the bank.					
	Policies					
75	GCB policies and procedures are helpful					
76	Progress towards meeting planned objectives is periodically reviewed					
77	The organisational structure facilitate the way we do things in GCB					
78	The bank has a defined vision/mission to meet its goals					
	Communication					
79	The bank keeps employees informed on matters important to them					
80	Sufficient effort is made to determine the thoughts and responses of employees					
81	Communication across all levels in this bank tend to be good					
82	The bank’s structure encourages horizontal and vertical communication					
83	There is trust between employees and their supervisors/team leaders					

**BENEFIT FACTORS**

*Please, rate the following benefits on a scale of 1 to 5, with 1 representing least important while 5 represents very important.*



84a. Time off benefits (including sick, vacation, personal, paid, holidays)    [ ] [ ] [ ] [ ] [ ]

b. Family oriented benefits (adoption benefit, child care assistance and

elder care assistance) [ ] [ ] [ ] [ ] [ ]

c. Financial benefits (savings plan, thrift plans and stock purchase plans, relocation assistance) [ ] [ ] [ ] [ ] [ ]

d. Health care benefits (health insurance, Vision, dental, prescription) [ ] [ ] [ ] [ ] [ ]

e. Retirement benefits (social security for old-age, disability, and survivors; pension plans) [ ] [ ] [ ] [ ] [ ]

85. Give reason for your choice in question 98.

.....

86. Which benefits of GCB keep you with the bank?

.....

87. For lack of which benefit will make you leave GCB very soon?

.....

88. How will you want GCB to improve upon its benefits for employees?

.....

SECTION E: EMPLOYEE COMMITMENT

*Please, indicate your level of agreement with the statements below on the scale of 1 to 5, with 1 representing low agreement (LA) while 5 represents strong agreement (SA).*

	STATEMENTS	1	2	3	4	5
89	I would be very happy to spend the rest of my career with GCB					
90	I enjoy discussing my bank with outsiders.					
91	I really feel as if this organisation's problems are my problems.					
92	I think that I could easily become as attached to another banks as I am to GCB					
93	I do not feel a strong sense of belonging and attachment to GCB					
94	I am not afraid of what might happen if I quit my job without having another one.					
95	It wouldn't be too costly for me to leave GCB now					
96	One of the few serious consequences of leaving GCB would be the scarcity of available alternatives.					
97	If I get another offer for a better job elsewhere I would not feel it was right to leave GCB.					
98	I believe remaining loyal to one bank is more rewarding.					
99	I often make sacrifices for the greater good of my bank.					
100	I would accept almost any type of job assignment in order to remain with GCB.					
101	I am proud to wear clothing and use other items with GCB logo on them.					

**THANK YOU**

## **APPENDIX B: INTERVIEW GUIDE FOR BRANCH MANAGERS**

Questions on the following broad areas were asked.

1. Organisational goals of GCB
2. Retention issues in GCB
3. Organisational factors and retention in GCB
4. Human resource factors and retention in GCB
5. Job satisfaction factors and retention in GCB
6. Benefits factors and employee retention in GCB
7. Employee commitment and employee retention in GCB.

THANK YOU

**APPENDIX C: INTRODUCTORY LETTER TO AREA MANAGER**

UNIVERSITY OF CAPE COAST

SCHOOL OF BUSINESS

DEPARTMENT OF MANAGEMENT OF STUDIES

The Area Manager,  
Ghana Commercial Bank,  
Ashanti Region,  
Ghana.

Dear Sir/ Madam

**INTRODUCTORY LETTER – MR MOSES SEGBENYA**

The bearer of this letter, MR. MOSES SEGBENYA, is an MBA (Human Resource Management) student of the School of Business. He is writing his thesis on the topic '**Importance of Employee Retention to Attainment of Organisational Goals in Ghana Commercial Bank in the Kumasi Metropolis**'.

We would therefore be grateful if you could give him the permission to obtain information on the staff strength of each of the nine branches of GCB within the Kumasi Metropolis and also to administer questionnaire in the nine branches.

We appreciate your co-operation

Yours faithfully,

*Signed*

Rosemond Boohene (Mrs.) PhD

**HEAD**

**APPENDIX D: INTRDUCTORY LETTER TO BRANCH MANAGERS**

FROM	TO
GHANA COMMERCIAL BANK LTD	ALL BRANCHES
AREA MANAGER’S OFFICE	GCB,
KUMASI ZONE	KUMASI ZONE

17 JANUARY 2012

**INTRODUCTORY LETTER**

**MR MOSES SEGBENYA**

This is to introduce to you the above mentioned student of the management Studies department of the School of Business studies, university of Cape Coast who is writing his thesis on the topic ‘**Importance of Employee Retention to Attainment of Organisational Goals in Ghana Commercial Bank in the Kumasi Metropolis**’.

Please, extend to him the appropriate courtesies and information required to enable him write his thesis.

*Signed*

**George Ackorful**

**AREA MANAGER**

*Signed*

**Francis Nana Mensah**

**SENIOR MANAGER**