PRESBYTERIAN UNIVERSITY COLLEGE, GHANA
OKWAHU CAMPUS, ABETIFI
DEPARTMENT OF BUSINESS ADMINISTRATION

TOPIC

EFFECTS OF EMPLOYEE TURNOVER ON PRODUCTIVITY
(A CASE STUDY OF EAST FOREST PRODUCT LIMITED, AKIM - ODA)

A REPORT SUBMITTED IN PARTIAL FULFILLMENT OF THE
AWARD OF
BSc. BUSINESS ADMINISTRATION
(MARKETING OPTION)

BY
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DECLARATION

I do declare that except for references to other people’s work which has been cited, this work submitted as a project report to the Department of Business Administration Okwahu Campus of the Presbyterian University College, Ghana Abetifi for the degree of BSc. Business Administration is the result of my own investigations and have not been presented for any other degree.

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DEDICATION

I dedicate this research work first to the Almighty God for granting me the ability and all that I needed to enable me complete this university and also for keeping my life throughout the past four years.

I would like to dedicate this research work to Higrade Media Consult, Highest Point, Mr. Asante Nyarko, Mr. Maxwell Anerfi , Mr. Kwaku Saka ,Naa shormey, Nana Sintim-Misa , Alex Mickson,Maame Nyarkoa, Bobo Adrew, Ivy Appiah and my family for their endless prayers and support throughout my stay on campus.
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ABSTRACT

The objective of the study is to find out the effects of employee turnover in the timber industry. The study is to find out sources of employee turnover, causes of employee turnover, effects of turnover, cost of turnover (A case study of East Forest Products Limited).

Ghana has relatively a high turnover rate in the timber industry as a whole. This has gone a long way to affect the productivity rate of most of the timber companies as asserted by most of the companies. The issue of employee turnover cannot be completely removed but measures can be instituted to minimize the situation.

Findings from this study when completed will be of a great help to management of firms experiencing higher level of turnover because it will outline factors leading to higher turnover, its effects on organizations’ productivity and come out with measures to control these enormous turnover.

This study recommends that, the organization should involve its employees in decision making. This will get them committed to the organizational goals, and also get to know the state of affairs of the company.
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CHAPTER ONE
INTRODUCTION

1.0 BACKGROUND OF THE STUDY

Employee turnover has become a very serious issue for any organization. Every organization depends on its employees to achieve its goals. The culture of employment has changed drastically and employees are now changing jobs at the least opportunity. In the past employees could stay at one working environment throughout the active working period of their lifecycle. In today’s working environment, employees needs have become so broad that, any better conditions of service at any working place will make any employee leave his work. The cost of turnover to any organization cannot be underestimated. Organizations suffer a lot if employees leave the organization most importantly the high performance employees. The cost of losing a high performing employee is greater than the cost of losing a low performing employee.

Organizations put in a lot to develop employees in terms of training which is a huge investment. Through training and development, employees gain knowledge and experience and the excite of such employees is a huge cost to the organization. The cost at the recruitment and selection level will also become a burden to the organization if the employees leave the organization. Employee turnover affect workforce morale negatively. It is believed that, an organization is a system with various parts which works together as a whole. In the spirit of teamwork, employees gets to perform best after working together for a while, and any employee turnover tends to affect the organization negatively.

When people leave the organization, the organization has to do new recruitment which is all overhead cost to the organization. In the current trends of businesses, employees are
likely to leave the organization if better conditions exist somewhere. Many organizations are hunting seriously for employees and the likelihood for employees to leave their organization is very high. Most organizations have changed from the fishing at the colleges to fishing for employees already existing in the system which would definitely create employee turnover. For organizations to retain its labor force, the organization has to adopt retention strategy to maintain its employees. The organization can do this by adopting some of these strategies; assessing current trends and measure the turnover rate, measure cost of turnover, choosing employees carefully, good supervision, using qualified personnel to screen job applicants, institute labor management controls and plan for some expected turnover and a changing workforce culture. Employers must recognize the changing attitude of employees in line with changing jobs to curtail employee turnover problems.

1.1 STATEMENT OF THE PROBLEM

Ghana has relatively a high turnover rate in the timber industry as a whole. This has gone a long way to affect the productivity rate of most of the timber companies as asserted by most of the companies. The issue of employee turnover cannot be completely removed but measures can be instituted to minimize the situation. As days go by, people move from one firm to another due to several reasons. As to whether turnover has an effect on productivity….it needs to be research with East forest products limited, hence the topic “The effect of employee turnover on productivity”.
1.2  THE OBJECTIVES OF THE STUDY

➢ GENERAL OBJECTIVE

To conduct a study into the effects of employee turnover at East Forest Products limited, Akim Oda.

➢ SPECIFIC OBJECTIVES

• To identify the cause of employee turnover and ascertain the level of employee turnover in the timber industry.

• To assess the extent to which employee turnover affect productivity.

• To evaluate and propose measures to control employee turnover in the timber industry.

• To make recommendations that may be copied to address the problem identified.

1.3  RESEARCH QUESTIONS

Dealing with the issue of turnover, most people raise questions which are of concern and this study seeks to address them as follows:

▪ What are the rates of turnover at East Forest Products Limited?

▪ Why do employees leave East Forest Products Limited?

▪ What are the costs associated with turnover and the effect on productivity levels in East Forest Products Limited?

▪ What measures can be put in place to minimize or control turnover issues and its effect on productivity at East Forest Products Limited?
1.4 SIGNIFICANCE OF THE STUDY

➢ **TO THE INDUSTRY**: Findings from this study when completed will be of great help to management of firms experiencing higher level of turnover because it will outline factors leading to higher turnover, its effects on organizations’ productivity and come out with measures to control these enormous turnover.

➢ **THE GOVERNMENT**: It will also serve as a research material for Government agencies since maintaining human resource is the core of any organization. As well as help managers to map up strategies to making sure employees enjoy working for their organization or industry.

➢ **OTHER RESEARCHERS**: It can also be used as reference when writing any research paper or doing any research work on related topic.

❖ **HYPOTHESIS TO BE TESTED.**

East Forest Products Limited has a low production rate due to the effects of employee turnover in the organization.

1.5 LIMITATIONS OF THE STUDY

This research paper covers the history of the selected timber firms, their activities and types of product they produce to the general public, this include local and export products. This research will narrow down to some selected timber companies in the Akim Oda municipality since there are thousand and one timber firms in the industry.

Secondly, it is very hectic combining this research work with lecture schedules on campus. Due to lack of time, many materials could not be gathered in support of many points discussed. As this research is currently undertaken with academic work as part of the semester’s activity, the limited time frame makes it impossible to extensively deal with every issue associated with this topic. Finally some of the constraints that might be
encountered in the conduct of the investigation include non-availability of data and inability of respondents to recall accurate responses.

**ORGANISATION OF CHAPTERS**

- This study consists of **five** (5) chapters and their contents are as follows:
  - **CHAPTER ONE**
    - This deals with general introduction which include:
      - Background of study
      - Statement of the problem
      - Significance of study
      - Objective of the study
      - Research questions
      - Hypothesis to be tested.
      - Limitation of study.
      - Organization of the study
  - **CHAPTER TWO.**
    - Literature review.
  - **CHAPTER THREE**
    - Methodology of study
  - **CHAPTER FOUR**
    - Data presentation and analysis.
  - **CHAPTER FIVE.** Summary of findings, recommendations and conclusion of study.
CHAPTER TWO
LITERATURE REVIEW

2.0 INTRODUCTION

In writing this chapter, a consultation of a number of related books published and unpublished was undertaken. The areas covered at this chapter include:

1. Causes of employee turnover
2. Cost of turnover
3. Effects of employee turnover
4. Strategies to minimize employee turnover

2.1 CAUSES OF EMPLOYEE TURNOVER

There are a number of factors that contribute to employee turnover. We will explore some of these factors in detail below.

1. **The economy** - In exit interviews one of the most common reasons given for leaving is the availability of higher paying jobs. Some minimum wage workers report leaving one job for another that pays only 50 cents an hour more. Obviously, in a better economy the availability of alternative jobs plays a role in turnover, but this tends to be overstated in exit interviews.

2. **The performance of the organization** - An organization perceived to be in economic difficulty will also raise the spectre of impending layoffs. Workers believe that it is rational to seek other employment.

3. **The organizational culture** - Much has been written about organizational culture. It is sufficient to note here that the reward system, the strength of leadership, the ability of the organizations to elicit a sense of commitment on the part of workers,
and its development of a sense of shared goals, among other factors, will influence such indices of job satisfaction as turnover intentions and turnover rate.

4. The characteristics of the job - Some jobs are intrinsically more attractive than others. A job's attractiveness will be affected by many characteristics, including its repetitiveness, challenge, danger, perceived importance, and capacity to elicit a sense of accomplishment. A job's status is also important, as are many other factors.

5. Unrealistic expectations - Another factor is the unrealistic expectations and general lack of knowledge that many job applicants have about the job at the time that they receive an offer. When these unrealistic expectations are not realized, the worker becomes disillusioned and decides to quit.

6. Demographics - Empirical studies have demonstrated that turnover is associated in particular situations with demographic and biographical characteristics of workers. But to use lifestyle factors (e.g. smoking) or past employment history (e.g. many job changes) as an explicit basis for screening applicants, it is important for legality and fairness to job applicants to verify such data empirically.

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

2.2. THE PROSPECT OF GETTING HIGHER PAY ELSEWHERE

This practice can be regularly observed at all levels of the economic ladder, from executives and generously paid professionals in high-stress positions to entry-level workers in relatively undemanding jobs. However, there is considerable evidence that money is often not the root cause of turnover, even when it is a factor in an employee's decision to quit. Rather, some experts believe that high turnover persists in certain jobs and companies because they have an atmosphere in which employees look for reasons to leave, and money is a convenient and sometimes compelling justification. In one survey, for example, more than half of the respondents didn't even list pay in the top three reasons they believed people quit their jobs. Indeed, there is a whole school of thought that claims pay is not a direct determinant of job satisfaction (Simon et al, 2007). Most environmental contributors to turnover can be directly traced to management practices. Turnover tends to be higher in environments where employees feel they are taken advantage of, where they feel undervalued or ignored, and where they feel helpless or unimportant. Clearly, if managers are impersonal, arbitrary, and demanding, there is greater risk of alienation and turnover. Management policies can also affect the environment in basic ways such as whether employee benefits and incentives appear generous or stingy, or whether the company is responsive to employees' needs and wants. Management's handling of major corporate events such as mergers or layoffs is also an important influence on the work environment afterwards (Labov, 1997).
Some turnover is demographically specific, particularly for women who are balancing significant work and family duties at the same time. Such women (or men) may choose to leave a company instead of sacrificing their other interests and responsibilities in order to make the job work out. Some women elect to quit their jobs at childbirth, rather than simply taking a maternity leave. Women's perceptions of their career paths might also be tinted by their awareness of the glass ceiling, which may lower their level of commitment to any particular firm, since they believe they're not in contention for top-level jobs. These factors translate into higher turnover rates for women in many companies (Abassi et al, 2000).

Retirement of experienced employees can cause high rates of turnover and extreme loss in productivity, particularly in industries where there is little competition. For example, the National Aeronautics and Space Administration has expressed concern about its future launch capability as thousands of 1970s-era "space race" engineers simply age out of the workforce. Work stress experienced at particular types of jobs can also create turnover. Childcare workers watching over constantly crying children, waiters dealing with demanding dinnertime customers, police officers in high-crime areas, and truck drivers facing long hours and heavy traffic are all in job categories experiencing high levels of turnover.

Even seasonal changes such as the beginning of a school year can cause high turnover when part-time, school-age employees return to their classrooms. In this case, however, turnover is less likely to be unexpected by management. For instance, summer tourist-area restaurants likely staff up with college-age waiters knowing that they will leave by August.
2.3 COSTS OF TURNOVER

Analysis of the costs associated with turnover yield surprisingly high estimates. The high cost of losing key employees has long been recognized. However, it is important for organizations to understand that general turnover rates in the workforce can also have a serious impact on an organization's profitability, and even survival. There are a number of costs incurred as a result of employee turnover. These costs are derived from a number of different sources, a few of which are listed below (Labov, 1997).

1. Recruitment of replacements, including administrative expenses, advertising, screening and interviewing, and services associated with selection, such as security checks, processing of references, and, possibly, psychological testing.

2. Administrative hiring costs.

3. Lost productivity associated with the interim period before a replacement can be placed on the job.

4. Lost productivity due to the time required for a new worker to get up to speed on the job.

5. Lost productivity associated with the time that coworkers must spend away from their work to help a new worker.

6. Costs of training, including supervisory and coworker time spent in formal training, as well as the time that the worker in training must spend off the job.

7. Costs associated with the period prior to voluntary termination when workers tend to be less productive.

8. In some cases costs associated with the communication of proprietary trade secrets, procedures, and skills to competitive organizations.
9. Public relations costs associated with having a large number of voluntary or involuntary terminations in the community spreading gossip about the organization.

10. Increased unemployment insurance costs.

Using an example from the health care industry, Cascio (2000) calculated that the cost of replacing 288 employees per year (in a hospital with 200 beds employing 1200 persons with a turnover rate of 2% per month) was $2,888,295.52 when all sources of costs were analyzed. Moreover, a recent Business Week (1998) study estimated that the replacement costs alone are over $10,000 for about half of all jobs and approximately $30,000 for all jobs. These estimates highlight the considerable costs that can be associated with turnover.

2.4 EFFECTS OF EMPLOYEE TURNOVER

High turnover can be a serious obstacle to productivity, quality, and profitability at firms of all sizes. For the smallest of companies, a high turnover rate can mean that simply having enough staff to fulfill daily functions is a challenge, even beyond the issue of how well the work is done when staff is available. Turnover is no less a problem for major companies, which often spend millions of dollars a year on turnover-related costs (Griffeth, 2000). For service-oriented professions, such as management consulting or account management, high employee turnover can also lead to customer dissatisfaction and turnover, as clients feel little attachment to a revolving contact. Customers are also likely to experience dips in the quality of service each time their representative changes. The cost of turnover varies with the difficulty of the job to be performed. For example, in a food-processing company, showing someone how to put jars of jam into a cardboard box may take five minutes, so the cost of training someone to handle this job would not
be high. If, however, the tyrannical manager of the food processing line at the company kept driving away food cookers and quality-control workers, the cost of constantly training employees in this critical area could be high (Labov, 1997).

Employee turnover is expensive from the view of the organization. Voluntary quits which represents an exodus of human capital investment from organizations and the subsequent replacement process entails manifold costs to the organizations (Fair, 1992). These replacement costs include for example, search of the external labour market for a possible substitute, selection between competing substitutes, induction of the chosen substitute, and formal and informal training of the substitute until he or she attains performance levels equivalent to the individual who quit (John, 2000). Addition to these replacement costs, output would be affected to some extend or output would be maintained at the cost of overtime payment.

The reason so much attention has been paid to the issue of turnover is because turnover has some significant effects on organisations (DeMicco & Giridharan, 1987; Dyke & Strick, 1990; Cantrell & Saranakhsh, 1991; Denvir & McMahon, 1992). Many researchers argue that high turnover rates might have negative effects on the profitability of organizations if not managed properly (Hogan, 1992; Wasmuth & Davis, 1993 and Barrows, 1990). Hogan (1992) observed that nearly twenty years ago the direct and indirect cost of a single line employee quitting was between $1400 and $4000. Turnover has many hidden or invisible costs and these invisible costs is the result of incoming employees, co-workers closely associated with incoming employees, co-workers closely associated with departing employees and position being filled while vacant (Philips, 1990). And all these affect the profitability of the organization. On the other hand turnover affects customer service and satisfaction (Kemal et al., 2002).
Catherine (2002) argue that turnover include other costs, such as lost productivity, lost sales, and management’s time, and estimates the turnover costs of an hourly employee to be $3,000 to $10,000 each. This clearly demonstrates that turnover affects the profitability of the organization and if it’s not managed properly it would have a negative effect on the profit. Research estimates indicate that hiring and training a replacement worker for a lost employee costs approximately 50 percent of the worker’s annual salary—but the costs do not stop there (Johnson et al., 2000). Each time an employee leaves the firm, we presume that productivity drops due to the learning curve involved in understanding the job and the organization. Furthermore, the loss of intellectual capital adds to this cost, since not only do organizations lose the human capital and relational capital of the departing employee, but also competitors are potentially gaining these assets (Meaghan et al., 2002). Therefore, if employee turnover is not managed properly it would affect the organization adversely in terms of personnel costs and in the long run it would affect its liquidity position.

However, voluntary turnover incurs significant cost, both in terms of direct costs (replacement, recruitment and selection, temporary staff, management time), and also (and perhaps more significantly) in terms of indirect costs (morale, pressure on remaining staff, costs of learning, product/service quality, organizational memory) and the loss of social capital (Dess et al., 2001). The U.S. Department of Labor estimates that it costs about 33 percent of a new recruit’s salary to replace a lost employee. In other words, it could cost $11,000 in direct training expenses and lost productivity to replace an experienced employee making $33,000. Private industry estimates for highly skilled jobs peg turnover losses at a much higher level, up to 150 percent of the position’s annual salary (Dess et al., 2001).
Some research studies have found that turnover from transient workers has lasting effects on loyal employees who stay with a company. One study tested productivity among workers who were exposed to a management-planted person who quit in the middle of a task, citing dissatisfaction with the job and the company. A second group of employees worked with another planted person who had to leave the task because of illness. The group exposed to the employee who quit had lower productivity levels than the group exposed to the ill employee. The employees apparently took the complainer's statements to heart while the ill employee had nothing bad to say about the company (Labov, 1997).

High turnover can sometimes be useful, though. Employers who are poor interviewers may not discover that new employees are actually poor employees until after the workers have been on the payroll for several weeks. Rather than go to the trouble and documentation of firing these underperforming workers, some companies rely on turnover to weed out the bad employees. When the learning curve is small and the consequences of always having inexperienced workers are minimal, high turnover may not be seen as a significant problem.

2.5 STRATEGIES TO MINIMIZE EMPLOYEE TURNOVER

Strategies on how to minimize employee turnover, confronted with problems of employee turnover, management has several policy option, changing (or improving existing) policies towards recruitment, selection, induction, training, job design and wage payment. Policy choice, however, must be appropriate to the precise diagnosis of the problem. Employee turnover attributable to poor selection procedures, for example, is unlikely to improve were the policy modification to focus exclusively on the induction process. Equally, employee turnover attributable to wage rates which produce earnings that are not competitive with other firms in the local labour market is unlikely to decrease were the
policy adjustment merely to enhance the organization’s provision of on-the-job training opportunities. Given that there is an increase in direct and indirect costs of labour turnover, management is frequently exhorted to identify the reasons why people leave organization’s so that appropriate action is taken by the management (Dess et al., 2001).

Extensive research has shown that the following categories of human capital management factors provide a core set of measures that senior management can use to increase the effectiveness of their investment in people and improve overall corporate performance of business. Employee engagement, the organization’s capacity to engage, retain, and optimize the value of its employees hinges on how well jobs are designed, how employees’ time is used, and the commitment and support that is shown to employees by the management would motivate employees to stay in organizations. Knowledge accessibility, the extent of the organization’s “collaborativeness” and its capacity for making knowledge and ideas widely available to employees, would make employees to stay in the organization. Sharing of information should be made at all levels of management. This accessibility of information would lead to strong performance from the employees and creating strong corporate culture (Dess et al., 2001; Meagham et al., 2002; Labov, 1997; Kemal et al., 2002).

Therefore, information accessibility would make employees feel that they are appreciated for their effort and chances of leaving the organization are minimal. Workforce optimization, the organization’s success in optimizing the performance of the employees by establishing essential processes for getting work done, providing good working conditions, establishing accountability and making good hiring choices would retain employees in their organization. The importance of gaining better understanding of the factors related to recruitment, motivation and retention of employees is further
underscored by rising personnel costs and high rates of employee turnover (Badawy, 1988; Basta& Johnson, 1989; Garden, 1989; Parden, 1981; Sherman, 1986). With increased competitiveness on globalization, managers in many organizations are experiencing greater pressure from top management to improve recruitment, selection, training, and retention of good employees that in the long run would encourage employees to stay in organizations.

Job involvement describes an individual’s ego involvement with work and indicates the extent to which an individual identifies psychologically with his/her job (Kanungo, 1982). Involvement in terms of internalizing values about the goodness or the importance of work make employees not to quit their jobs and these involvements are related to task characteristics. Workers who have a greater variety of tasks tend to stay in the job. Task characteristics have been found to be potential determinants of turnover among employees (Couger, 1988; Couger& Kawasaki, 1980; Garden, 1989; Goldstein & Rockart, 1984). These include the five core job characteristics identified by Hackman & Oldham (1975 & 1980): skill variety, which refers to the opportunity to utilize a variety of valued skills and talents on the job; task identity, or the extent to which a job requires completion of a whole and identifiable piece of work - that is, doing a job from beginning to end, with visible results; task significance, which reflects the extent to which the job has a substantial impact on the lives or work of other people, whether within or outside the organization; job autonomy, or the extent to which the job provides freedom, independence, and discretion in scheduling work and determining procedures that the job provides; and job feedback, which refers to the extent to which the job provides information about the effectiveness of one’s performance (Tor et al., 1997).
Involvement would influence job satisfaction and increase organizational commitment of the employees. Employees who are more involved in their jobs are more satisfied with their jobs and more committed to their organization (Blau & Boal, 1989; Brooke & Price, 1989; Brooke et al., 1988; Kanungo, 1982). Job involvement has also been found to be negatively related to turnover intentions (Blat & Boal, 1989). Job satisfaction, career satisfaction, and organizational commitment reflect a positive attitude towards the organization, thus having a direct influence on employee turnover intentions. Job satisfaction, job involvement and organizational commitment are considered to be related but distinguishable attitudes (Brooke & Price, 1989). Satisfaction represents an effective response to specific aspects of the job or career and denotes the pleasurable or positive emotional state resulting from an appraisal of one’s job or career (Locke, 1976; Porter et al., 1974; Williams and Hazer, 1986).

Organizational commitment is an effective response to the whole organization and the degree of attachment or loyalty employees feel towards the organization. Job involvement represents the extent to which employees are absorbed in or preoccupied with their jobs and the extent to which an individual identifies with his/her job (Brooke et al., 1988). The degree of commitment and loyalty can be achieved if management enrich the jobs, empower and compensate employees properly. Empowerment of employees could help to enhance the continuity of employees in organizations. An empowered employee situation is where managers supervise more people than in a traditional hierarchy and delegate more decisions to their subordinates (Malone, 1997). Managers act like coaches and help employees solve problems. Employees, he concludes, have increased responsibility. Superiors empowering subordinates by delegating responsibilities to them leads to subordinates who are more satisfied with their leaders and consider them to be fair and in
turn to perform up to the superior’s expectations (Kellerand &Dansereau, 1995). All these get employees committed to the organization and chances of quitting are minimal.

- **Job previews** - Give prospective employees a 'realistic job preview' at the recruitment stage. Take care not to raise expectations only to dash them later. Advances in technology present employers with increasing opportunities to familiarize potential candidates with the organization before they accept a position.

- **Make line managers accountable** - For staff turnover in their teams. Reward managers with a good record for keeping people by including the subject in appraisals. Train line managers in people management and development skills before appointing or promoting them. Offer re-training opportunities to existing managers who have a high level of turnover in their team.

- **Career development and progression** - Maximize opportunities for individual employees to develop their skills and move on in their careers. Where promotions are not feasible, look for sideways moves that vary experience and make the work more interesting.

- **Consult employees** - Ensure wherever possible that employees have a 'voice' through consultative bodies, regular appraisals, attitude surveys and grievance systems. This will provide dissatisfied employees with a number of mechanisms to sort out problems before resigning. Where there is no opportunity to voice dissatisfaction, resigning is the only option.

- **Be flexible** - Wherever possible accommodate individual preferences on working hours and times. Where people are forced to work hours that do not suit their domestic responsibilities they will invariably be looking for another job which can offer such hours.
- Avoid the development of a culture of 'Presenteeism' - Where people feel obliged to work longer hours than are necessary simply to impress management. Evaluation of individual commitment should be based on results achieved and not on hours put in.

- Job security - Provide as much job security as possible. Employees who are made to feel that their jobs are precarious may put a great deal of effort in to impress, but they are also likely to be looking for more secure employment at the same time. Security and stability are greatly valued by most employees.

- Treat people fairly - Never discriminate against employees. A perception of unfairness, whatever the reality when seen from a management point of view, is a major cause of voluntary resignations. While the overall level of pay is unlikely to play a major role unless it is way below the market rate, perceived unfairness in the distribution of rewards is very likely to lead to resignations.

- Defend your organization - against penetration by headhunters and others seeking to poach your staff. Keep internal e-mail addresses confidential, refuse to do business with agents who have poached your staff, and enter into pacts with other employers not to poach one another's staff.

Therefore, if the above strategies are taken into account the business would be able to survive in a dynamic environment by treating their employees as one of their assets which need a lot of attention. Employees are the backbone of any business success and therefore, they need to be motivated and maintained in organization at all cost to aid the organization to be globally competitive in terms of providing quality products and services to the society. And in the long-run, the returns on investments on the employees would be achieved. Hence, if these are put in place they would minimize employee turnover.
2.5.1 Sources of employee turnover

Sources of employee turnover; job related factors. Most researchers (such as Bluedorn, 1982; Kallith & Beck, 2001; Kramer et al, 1995; Peters et al., 1981; Saks, 1996) have attempted to answer the question of what determines people's intention to quit by investigating possible antecedents of employees’ intentions to quit.

To date, there has been little consistency in findings, which is partly due to the diversity of employees included by the researchers and the lack of consistency in their findings. Therefore, there are several reasons why people quit from one organization to another or why people leave organizations. The experience of job related stress (job stress), the range factors that lead to job related stress (stressors), lack of commitment in the organization; and job dissatisfaction make employees quit (Firth et al, 2004). This clearly indicates that these are individual decisions which make one quit. There are other factors like personal agency which refers to concepts such as a sense of powerlessness, locus of control and personal control. Locus of control refers to the extent to which people believe that the external factors such as chance and powerful others are in control of the events which influence their lives (Firth et al, 2004). Manu et al. (2004) argue that employees quit from organization due economic reasons. Using economic model they showed that people quit from organization due to economic reasons and these can be used to predict the labor turnover in the market. Good local labor market conditions improve organizational stability (Schervish, 1983).

Large organizations can provide employees with better chances for advancement and higher wages and hence ensure organizational attachment (Idson & Feaster, 1990). Trevor (2001) argues that local unemployment rates interact with job satisfaction to predict turnover in the market. Role stressors also lead to employees’ turnover. Role ambiguity
refers to the difference between what people expect of us on the job and what we feel we should do. This causes uncertainty about what our role should be. It can be a result of misunderstanding what is expected, how to meet the expectations, or the employee thinking the job should be different (Kahn et al. & Muchinsky, 1990). Insufficient information on how to perform the job adequately, unclear expectations of peers and supervisors, ambiguity of performance evaluation methods, extensive job pressures, and lack of consensus on job functions or duties may cause employees to feel less involved and less satisfied with their jobs and careers, less committed to their organizations, and eventually display a propensity to leave the organization (Tor et al., 1997). If roles of employees are not clearly spelt out by management/supervisors, this would accelerate the degree of employees quitting their jobs due to lack of role clarity.

There are some factors that are, in part, beyond the control of management, such as the death or incapacity of a member of staff. Other factors have been classed as involuntary turnover in the past such as the need to provide care for children or aged relatives. Today such factors should not be seen as involuntary turnover as both government regulation and company policies create the chance for such staff to come back to work, or to continue to work on a more flexible basis Simon et al. (2007). An organizational factor such as organizational instability has been shown to have a high degree of high turnover. Indications are that employees are more likely to stay when there is a predictable work environment and vice versa (Zuber, 2001). In organizations where there was a high level of inefficiency there was also a high level of staff turnover (Alexander et al., 1994). Therefore, in situations where organizations are not stable, employees tend to quit and look for stable organizations because with stable organizations they would be able to predict their career advancement. The imposition of a quantitative approach to managing
the employees lead to disenchantment of staff and hence, employee turnover. Therefore management should not use quantitative approach in managing its employees.

Adopting a cost oriented approach to employment costs increases employee turnover (Simon et al., 2007). All these approaches should be avoided if managers want to minimize employee turnover and increase organizational competitiveness in this environment of globalization. Employees have a strong need to be informed. Organization with a strong communication system enjoy lower turnover of staff (Labov, 1997). Employees feel comfortable to stay longer, in positions where they are involved in some level of the decision-making process. That is, employees should fully understand about issues that affect their working atmosphere (Magner et al., 1996). But in the absence of openness in sharing information and employee empowerment, the chances of continuity of employees are minimal. Costly et al. (1987) points out that a high labor turnover may mean poor personnel policies, poor recruitment policies, poor supervisory practices, poor grievance procedures, or lack of motivation. All these factors contribute to high employee turnover in the sense that there is no proper management practices and policies on personnel matters hence employees are not recruited scientifically, promotions of employees are not based on spelt out policies, no grievance procedures in place and thus employees decides to quit.

Griffeth et al. (2000) noted that pay and pay-related variables have a modest effect on turnover. The analysis also included studies that examined the relationship between pay, a person’s performance and turnover. They concluded that when high performers are insufficiently rewarded, they quit. If jobs provide adequate financial incentives the more likely employees remain with organization and vice versa. There are also other factors which make employees quit organizations and these are poor hiring practices, managerial
style, lack of recognition, lack of competitive compensation system in the organization and toxic workplace environment Abassietal. (2000).

Employee turnover would mean that one-quarter of a company's workforce at the beginning of the year has left by the end of the year. Turnover should not to be confused with layoffs, which involve the termination of employees at the employer's discretion in response to business conditions such as reduced sales or a merger with another company. The severity of turnover varies widely by type of business and the economic health of the region where companies are located. Innovative high-tech companies and the most successful manufacturers frequently experience low turnover rates while fast-food restaurant managers expect turnover to be as high as 50 to 75 percent. As another example, coal mining companies in sparsely populated regions experience lower rates of turnover because there are few other job opportunities.

Employee turnover occurs when employees voluntarily leave their jobs and must be replaced. Turnover is expressed as an annual percentage of the total workforce. For example, 25 percent employee turnover would mean that one-quarter of a company's workforce at the beginning of the year has left by the end of the year. Turnover should not to be confused with layoffs, which involve the termination of employees at the employer's discretion in response to business conditions such as reduced sales or a merger with another company.

The severity of turnover varies widely by type of business and the economic health of the region where companies are located.
2.5.2 Definitions of Employee Turnovers

Definition of Employee turnover is a much studied phenomenon (Shaw et al, 1998). But there is no standard reason why people leave organization. Employee turnover is the rotation of workers around the labor market; between firms, jobs and occupations; and between the states of employment and unemployment (Abassi et al, 2000). The term “turnover” is defined by Price (1977) as: the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period. Frequently, managers refer to turnover as the entire process associated with filling a vacancy. Each time a position is vacated, either voluntarily or involuntarily, a new employee must be hired and trained. This replacement cycle is known as turnover (Woods, 1995).

This term is also often utilized in efforts to measure relationships of employees in an organization as they leave, regardless of reason. “Unfolding model” of voluntary turnover represents a divergence from traditional thinking by focusing more on the decisional aspect of employee turnover, in other words, showing instances of voluntary turnover as decisions to quit (Hom & Griffeth, 1995). Indeed, the model is based on a theory of decision making image theory (Beach, 1990). The image theory describes the process of how individuals process information during decision making. The underlying premise of the model is that people leave organizations after they have analyzed the reasons for quitting. Beach (1990) argues that individuals seldom have the cognitive resources to systematically evaluate all incoming information, so individuals instead of simply and quickly compare incoming information to more heuristic-type decision making alternatives.
2.6 OVERVIEW OF EMPLOYEE TURNOVER RESEARCH

The impact of turnover has received considerable attention by senior management, human resources professionals, and industrial psychologists. It has proven to be one of the most costly and seemingly intractable human resource challenges confronting organizations. This paper provides a summary of information, abstracted from published research, on the costs of turnover, factors contributing to its magnitude in organizations, and proposed remedies.

Organizations invest a lot on their employees in terms of induction and training, developing, maintaining and retaining them in their organization. Therefore, managers at all costs must minimize employee turnover. Although, there is no standard framework for understanding the employee turnover process as whole, a wide range of factors have been found useful in interpreting employee turnover (Kevin et al, 2004). Therefore, there is need to develop a fuller understanding of the employee turnover, more especially, the sources- what determines employee turnover, effects and strategies that managers can put in place to minimize turnover. With globalization which is heightening competition, organizations must continue to develop tangible products and provide services which are based on strategies created by employees. These employees are extremely crucial to the organization since their value to the organization is essentially priceless and not easily replicated (Meaghan et al, 2002). Therefore, managers must recognize that employees as major contributors to the efficient achievement of the organization’s success (Abbasi et al, 2000). Managers should control employee turnover for the benefit of the organization’s success. The literature on employee turnover is divided into three groupings: sources of employee turnover, effects of turnover and the strategies to minimize turnover.
CHAPTER THREE
RESEARCH METHODOLOGY AND STUDY AREA

3.0 INTRODUCTION
This research is a descriptive type which consists of case study, documentary and survey. However, only case study was used for this research on the effect of employee turnover at East Forest Products Limited. The reasons being that case study can enable researchers to gain a deeper individualized understanding of a process. Case studies are subjective and do not lend themselves to generalization, but the aim is not to expose a general truth but to facilitate understanding of the process through studying a subject with the context of its existence.

3.1 STUDY DESIGN.
Study design was across sectional descriptive study, outlying the research procedures used to produce a relevant data for the research work. It describe the target population, the sample size and the sampling procedures, instruments used to collect data, the method of collecting data as well as data analysis vividly described.

3.2 DATA COLLECTION TECHNIQUE
Questionnaire is a set of questions drawn up for answering by a number of people independently, usually to provide statistical information. With the questionnaires drawn, the researcher’s objective is to identify the causes of employee turnover. The researcher used the primary and secondary method of data collection to obtain his information.
3.2.1 Primary Data:
This consists of the questionnaires which will be given out to respondents, interviews conducted by the researcher himself to be able to obtain vivid information from the respondents. The primary sources of data was collected through interviews granted and questionnaires administered to workers in the timber industry.

3.2.2 Secondary Data:
Secondary data as a source was also employed. The data includes textbooks, journals, magazines, dictionary, newspapers and the internet. Library research played an important role in gathering of the information.

3.3 POPULATION
This refers to the number of people who are chosen to be part of the study. Or the full set of cases from which the sample is taken. The population of this study consisted of the entire staff and management of East Forest Product Limited (E.P.L.). This timber firm for the past five years has been going through some challenges of which employee turnover is one of the key factors contributing to the hard times of the organization. This and other problems make it suitable to be used.

3.4 SAMPLE SIZE:
The sample size of the study was 30, which was drawn from the sample population. A pre-evaluation of the staff strength and the management (study case), informs the size of this sample. A selection of 20 staff and 10 management members respectively was therefore considered representative of the study population.

3.5 SAMPLING TECHNIQUE AND METHOD OF DATA COLLECTION
This work was designed to gather information on the effect of employee turnover on productivity at East Forest Product Limited. A well structured type of questionnaires was
administered to respondents of the selected firm to gather primary data. To acquire specific answers to some specific questions, closed questions were asked in the questionnaires. While secondary data was also gathered from published materials, annual reports, business journals, the company’s profile and the internet.

The researcher used a non-probability sampling technique. Non-probability is when sample is not chosen at random. This technique is appropriate for this research because it provides a range of alternative methods based on the researcher’s objectives. Non-probability sample techniques answer the researcher’s research questions and meet the objectives of the study. The researcher, however, believes that the sample used will be a true reflection of the characteristics of the population thereby maintaining absolute accuracy.

Since validity is concerned with whether findings are really about what they appear to be about, the instruments were structured in a simple form to make it easy to understand. Extreme care was taken in the design of the questionnaire to ensure that it meet the objectives of the study. Questionnaire that were administered were discussed with managers and four supervisors from different departments within the organization. Also, small group of people were interviewed further to clarify the context of some of the questionnaire results. This was done to reach the meaning of the data reliability.
### RESEARCH OBJECTIVES

<table>
<thead>
<tr>
<th>General Information</th>
<th>QUESTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Causes of employee turnover.</td>
<td>Q. 10 – 17</td>
</tr>
<tr>
<td>Objective 2: To assess the extent to which employees turnover affect productivity.</td>
<td>Q. 18 - 25</td>
</tr>
<tr>
<td>Objective 3: To suggest measures to control employee turnover in the timber industry</td>
<td>Q. 26 - 35</td>
</tr>
</tbody>
</table>

### 3.6 DATA ANALYSIS AND PRESENTATION

The data gathered through the questionnaires were analyzed using simple frequency tables, percentage distribution, and tables with the help of the Statistical Package for Social Science (SPSS) and Microsoft excel. This assisted the researcher to interpret and discussed the data to draw conclusion and recommendations.

- **Quantitative analysis technique** assists in the interpretation of data as they are graphically presented.

- **A qualitative analysis technique** of data analysis refers to all non-numeric data that have not been quantified and can be a product of all the research strategies. It usually ranges from a short list of responses to open-ended questions in line with the questionnaire to more complex response such as an in-depth interview. These are well analyzed or explained in other to give the appropriate or accurate meanings of the data gathered.
STUDY AREA

3.7 EAST FOREST PRODUCTS LIMITED (EPL)

East forest Product Ltd is a wood processing company and exporters of lumber and moldings (Value added wood Enterprise). The company was established in 1981. The company is cited in the forest area of Akim Oda in the Eastern Region of Ghana where various species of timber are in abundance. The area has access to good roads, access to uninterrupted supply of fuel and lubricants direct from the refinery and adequate supply of electricity by Electricity Company of Ghana limited (ECG) and their 300 KVA generating plant (stand-by). The company’s main source of raw material is forest product (logs) which is obtained from her 2 concessions of 40 years leased since 1992. The company main buyers are Suninen Wood- OY from Finland, Transglobal GMB from Germany and E-Faessler trading Agency also from Swaziland.

Their source of water supply is from their own dug and constructed well in their yard by the Ghana Water Company Limited. The company which is a private limited liability is a fully owned Ghanaian enterprise controlled by the Ghanaian shareholders. These shareholders are specialized in the variety of expertise in the timber/ wood industry.

The company has been legally registered with all Ghanaian government regulatory agencies concerned. However, qualified artisans and laborers are employed through the labor office. Administrative officers are recruited by advertising in the newspapers. The project undoubtedly helps in putting life particularly in the country’s foreign economic programme since it is mainly export oriented. However, it also helps better the lot of its workers by way of offering employment opportunities to especially the inhabitants and the people in the surrounding communities. The company, moreover, has also embarked
on the construction of a new ply-mill shed for the production of plywood – rotary and sliced veneer in the very near future.

3.8 MISSION STATEMENT

To be the established leader in the timber industry, satisfying the expectations of customers and employees, providing a full range of cost efficient and high quality services.

For the achievement of this mission, East Forest Product Ltd is committed to:

- Applying best practices in internal policies, procedures, processes and service delivery.
- Focusing on core businesses/competences.
- Ensuring that staff are well motivated and have a conducive working environment.
- Recruiting and retaining the best human resource to carry out the Firms mandate.
- Constant improvement in shareholder value.
CHAPTER FOUR
DATA ANALYSIS AND DISCUSSION

4.1 INTRODUCTION
This chapter deals with the analysis of data collected from East Forest Products Limited from the Eastern Region. The findings by the survey are on the effects of employee turnover on productivity. The study involved thirty (30) respondents who were given thirty questionnaires to be completed. The thirty respondents comprised of administrators, managers and employees. However, out of the thirty questionnaires all were retrieved successfully.

The questionnaire was in two parts; the first part concerns with the respondent’s personal information. The second part explains the employee turnover and its effects on productivity. The second part is mainly categorized under the following sections;

- To identify the cause of employee turnover and ascertain the level of employee turnover in the timber industry.

- To assess the extent to which employee turnover affect organization’s productivity.

- To suggest measures to control employee turnover in the timber industry.

4.2 GENERAL INFORMATION ABOUT RESPONDENTS
This section deals with the demographical details of the respondents of the study from the East forest Products Limited.
From the information gathered in Chart 1, among the respondents, there were eight of them being aged below 20 years. There were five respondents aged between 21 to 30 years and also, there were twelve respondents, which form the majority, aged between 31 to 40 years. Again, five of the respondents aged between 41 to 50 years.
Chart 2: GENDER DISTRIBUTION OF RESPONDENTS.

More so, majority (25) of the respondents representing 83.33% were males and the remaining five respondents representing 16.67% were also females. This is as the result of the fact that the timber industry engages people with physique and the males are dominantly regarded as those with that specification. However, the females were the administrative and other office workers.

EDUCATIONAL BACKGROUND OF RESPONDENTS

Recording the educational levels of the respondents, Table 1 below asserts that 14 of the respondents representing 46.7% which was the majority were Senior Secondary School Certificate holders; nine respondents representing 30.0% were Diploma or HND holders; six respondents representing 20.0% were Degree holders and the remaining one of the
respondents representing 3.3% were holding Professional certificates. Specifically, most of them have their education as technical students.

Table 1: SURVEY RESPONSE ON EDUCATIONAL LEVEL

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid SHS</td>
<td>14</td>
<td>46.7</td>
<td>46.7</td>
<td>46.7</td>
</tr>
<tr>
<td>Diploma/HND</td>
<td>9</td>
<td>30.0</td>
<td>30.0</td>
<td>76.7</td>
</tr>
<tr>
<td>Degree</td>
<td>6</td>
<td>20.0</td>
<td>20.0</td>
<td>96.7</td>
</tr>
<tr>
<td>Professional</td>
<td>1</td>
<td>3.3</td>
<td>3.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 1 Is plotted to obtain the bar chart in figure 1

Fig. 1
POSITION OF RESPONDENT

Table 2: SURVEY RESPONSE ON POSITION OF THE RESPONDENTS

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Percent</td>
<td>Percent</td>
</tr>
<tr>
<td>Valid Administrator</td>
<td>1</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
</tr>
<tr>
<td>Manager</td>
<td>5</td>
<td>16.7</td>
<td>16.7</td>
<td>20.0</td>
</tr>
<tr>
<td>Others</td>
<td>24</td>
<td>80.0</td>
<td>80.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 2 Is plotted to obtain the pie chart in figure 2

Fig. 2
From the above table 2, only one respondent representing 3.3% was working in the company as part of the administrative workers and five respondents were working at the management level. Moreover, the remaining respondents (24 respondents representing 80.0%) as the majority, were mainly the employees working at the field. Among these respondents were sawmill operators, mechanics. Service personnel, messengers, bush managers, log officer and other supervisors.
LENGTH OF SERVICE

Table 3: SURVEY RESPONSE ON LENGTH OF SERVICE

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 5 yrs</td>
<td>8</td>
<td>26.7</td>
<td>26.7</td>
<td>26.7</td>
</tr>
<tr>
<td>5-10 yrs</td>
<td>10</td>
<td>33.3</td>
<td>33.3</td>
<td>60.0</td>
</tr>
<tr>
<td>11-20 yrs</td>
<td>12</td>
<td>40.0</td>
<td>40.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 3 is plotted to obtain the bar chart in figure 3.

Fig. 3
From the above table ......., there were 26.7% of respondents who have been in the timber industry below five years. Moreover, 33.3% of the respondents have been in the service between five to ten years whilst the majority, 40.0% of the respondents have been in the service between eleven to twenty years. This indicates that most of the respondents have fair idea about the subject of the study and could contribution significantly to the importance of the study.

4.3 EMPLOYEE TURNOVER AND ITS EFFECTS ON PRODUCTIVITY

This section deals with the presentation and discussion of the research objectives. The first objective is about the cause of employee’s turnover and also ascertains the level of employee turnover in the timber industry.
Earlier Employment

Table 4: SURVEY RESPONSE ON EARLY EMPLOYMENT

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Yes</td>
<td>12</td>
<td>40.0</td>
<td>40.0</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>18</td>
<td>60.0</td>
<td>60.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 4. Is plotted to obtain the pie chart in figure 4

![Pie Chart]

**Fig. 4**

From the above table, twelve of the respondents representing 40.0% avowed that they have earlier employment before being employed or engaged by their present company. However, the remaining eighteen respondents, which form the majority, representing
60.0% also affirmed that they have not had any earlier employment before been employed or engaged by their present company.

**Expectations**

**Table 5: SURVEY RESPONSE ON EXPECTATIONS**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Yes</td>
<td>7</td>
<td>23.3</td>
<td>23.3</td>
<td>23.3</td>
</tr>
<tr>
<td>No</td>
<td>23</td>
<td>76.7</td>
<td>76.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 5 Is plotted to obtain the bar chart in figure 5

![Bar Chart](image)

**Fig.5**
From the above Table, seven respondents representing 23.3% indicated that their expectations that they have before coming to work for their present company have been met. Moreover, the majority, which is 23 representing 76.7%, also indicated that their expectations that they have before coming to work for their present company have been not met. This clearly implies that though majority of them have worked with the company for a long time, they are yet to experience and achieve their expectations for working with this coming.

LEVEL OF JOB SATISFACTION

Table 6: SURVEY RESPONSE ON JOB SATISFACTION

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Somehow Satisfied</td>
<td>12</td>
<td>40.0</td>
<td>40.0</td>
<td>40.0</td>
</tr>
<tr>
<td>Not Satisfied</td>
<td>18</td>
<td>60.0</td>
<td>60.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 6 is plotted to obtain the pie chart in figure 6
Table the above table, it indicates that twelve respondents representing 40.0% indicated that they are somehow satisfied with their job at their current company. Moreover, the majority, which is eighteen representing 60.0%, also indicated that they are not satisfied with their job at their company. This confirms the fact from Table 5 that majority of the respondents are yet to experience and achieve their expectations for working with this coming.

4.4 DATA PRESENTATION AND ANALYSIS

The research was concern with the effect of employees turnover on productivity: a case study of E.P.L. In achieving this aim, the researcher analyzed the questions according to the three main objectives in Chapter One.

DISCUSSION OF RESEARCH FINDINGS

RESEARCH OBJECTIVE ONE

The first objective of the research was to identify the causes of employee turnover. The findings revealed the following factors as the causes of employee turnover; poor selection and assignment of jobs, the performance of the organization, the organizational culture,
the characteristics of the job, opportunity for advancements, the prospect of getting higher pay elsewhere and work stress experience. On the issues of poor selection and assignment of jobs, the generally view by the employees was that, they agree that is a factor of employee turnover, as 13 of the respondent representing 43.3% said they strongly agree, 10 of the respondent representing 33.3% said they agree and 7 of the respondent representing 23.3% also said they somehow agree. Again majority of the employees averred that performance of the organization contributes greatly to employee turnover. Moreover, a greater percentage of the employees agreed that organizational culture contributes to employee turnover. Characteristics of the job was identified as a cause of employee turnover with five employees representing 16.7% said they strongly agree, seven of them which represent 23.3% said they agree and again eight employee which represent 26.7% said they somehow agree. Also, majority of the employees agreed that the other factors all contribute to employees’ turnover in an organization.

RESEARCH OBJECTIVE TWO

The objective two was to assess the extent to which employees’ turnover affect productivity. Thirteen respondents which represent 43.3% said employee turnover cost affect productivity to a large extent whereas seventeen of them said to an average extent. On recruitment and replacement cost majority said it affects employee turnover to a large extent. Moreover, interview and selection cost, lower productivity, possible production breakdown, reduction in job satisfaction of existing employees and increased operating expense were all supported by employees as factors affecting productivity.

RESEARCH OBJECTIVE THREE

The last objective of the research was to evaluate and propose measures to control employee turnover. Table 9 revealed factors to reduce employees’ turnover. The factors
were choosing employee carefully, assuring employees’ of job security, use trained personnel to screen applicants, support new staff, providing career development and progression, offering an attractive employee benefit package, creating pleasant working environment, consulting employees in decision making, employees empowerment and measuring turnover. In all these factors employees’ to agreed that they were very good measures to control employee turnover in the timber industry. As 12 employees who represent 40% said to a large extent providing career development and progression is a measure to control employee turnover. Again on the issue of employees job security, seventeen employees out of the thirty respondents which represent 56.7% said job security is a measure to control employee turnover.
CHAPTER FIVE
FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 INTRODUCTION

This chapter deals with the summary of findings, conclusions and recommendations.

5.1 SUMMARY OF THE FINDINGS

This research is concerned with the effect of employee turnover on productivity in the timber industries in Ghana.

The main objectives of this research work are to identify the causes of employee turnover, to ascertain the level of employee turnover in the timber sector, to find the cost of turnover on an organization’s productivity and suggest measures to control employee turnover.

By definition employee turnover is the rate at which employees leave one job for the other. This problem is an everyday issue which is really costing most organization in Ghana a lot of money and resources. Several research works have been conducted on this issue that has generated several theories by turnover experts. But the problem still goes on even to the highest level. Turnover is not a new issue in Ghana. For this reason the researcher, through the help of management and workers from different department of East Forest Product Limited (E.P.L) have come out with some causes, cost, effect of turnover and suggested measures to control turnover. The chapter three of the research discusses the research procedures and methods that were deployed for this study. It
includes the following sections: type of research, population, sample and sampling techniques, data collection, and procedures of data collection and methods of data analysis. Questionnaires were also administered. This demanded that respondents (management and employees) answer questions as to why they want to leave their jobs and if they leave the effect it will have on the productivity level of the organization.

One of the findings of the study discovered that every employee looks out for inner satisfaction and job security as they work in the organization. It also brought forth the fact that most employees of the company complained about being relegated to the background when it comes to decision making; something that affect their lives as employees and the inability of management to effectively communicate to them on important issues affecting their stay in the organization really made them unhappy about their jobs.

Again, it was realized that working conditions were not the best that employees looked out for in order to perform credibly well. If working conditions can be improved and the right of employees respected by management a conducive atmosphere for working will be created to boost productivity. In a nutshell, the future of every organization as well as East Forest Product Limited (E.P.L) depends on its workforce and their contribution towards the attainment of their goals. Therefore employees must be handled with extreme care and attention.

5.2 CONCLUSION

One of the challenges facing developing nations like Ghana is a high rate of employee turnover. In virtually every year most organizations lose significant number of employees due to lots of reasons most of which exist between management and their employees. These cause most employees to leave their jobs. Some of the causes of employee turnover among others are the economy, performance of the organization,
organizational culture and characteristics of the job. The study focused on the adverse effect of employee turnover on organizational productivity. This statement was elaborated on when findings from the study showed that, most employees were always ready to leave their current jobs if they found better ones.

Based on the findings, it is concluded that employee turnover has a negative impact on organizational productivity. Turnover in most organizations is very high and that has resulted in low productivity in many organizations since finding replacement is always not easy. Again, it takes time for new employees to adapt to the organization’s activities. The impact of turnover on productivity can never be overlooked at any point in time because the human asset is the most valuable asset of any organization.

5.3 RECOMMENDATIONS

➢ The researcher recommends that employees should be given compensation which commensurate with job, and be provided with good working environment since most of the employees said they were not satisfied with the job.

➢ Again, the researcher recommends that, the organization should involve its employees in decision-making. This will get them very much committed to the organizational goals, and also get to know the state of affairs of the company.

➢ The researcher again recommends that the organization should give the employees permanent employment to assure them of secured employment.

➢ The organization should provide grievance channels to give employees the platform to put up their grievances.

➢ The company also should provide employees opportunity for advancement. This will provide the opportunity for employees who have stayed with the company for
long to upgrade their skills to match the new technologies and news ways of doing things.

REFERENCES


Parden, R. J. The manager’s role and high mobility of technical specialists in the Santa Clara Valley. IEE Transactions on engineering management, 28(1): 2-8.


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QUESTIONNAIRE
PRESBYTERIAN UNIVERSITY COLLEGE
ABETIFI-KWAHU

DEPARTMENT OF BUSINESS ADMINISTRATION

QUESTIONNAIRE TO FIND OUT “THE EFFECT OF EMPLOYEE TURNOVER ON PRODUCTIVITY.”

Dear Respondent,

I am a final year student of Presbyterian University College, reading bachelor’s degree in business administration (Marketing option). I am writing a senior research project on the topic “The effect of employee turnover on productivity”. This project will help to fulfill the requirement for a degree in Business Administration (Marketing). This is a purely academic exercise and any information given on the questionnaire will be treated equally and strictly as confidential.

SECTION A

General Information of respondents

Please fill the space provided, tick (✓) where applicable and specify where necessary.

2. Educational Level ..........................................☐

3. Level of job satisfaction  very satisfy ☐ somehow satisfy ☐ not satisfy ☐
4. Number of organizations worked for before joining your present organization

…………………………

5. Position: administrator     manager     other please
describe………………………………

6. Length of service: below 5years     5 – 10years     11 – 20years     21years and above

7. Were you working before coming here   yes     no

8. Are your expectations for coming to work here met?   Yes     No

SECTION B

This section seeks to identify the causes of employee turnover. Please tick the appropriate answer.

Strongly agree (SA), Agree (A), Somehow agree (SA), Undecided (UD), Not agree (NA)

To what extent do you agree or disagree that the under listed factors influence employee turnover?

SA, A, SA, UD, NA

<table>
<thead>
<tr>
<th>CAUSES OF EMPLOYEE TURNOVER</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
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<tbody>
<tr>
<td>10. Poor selection and assignment of job</td>
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<td>11. The performance of the organization</td>
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<td>12. The organizational culture</td>
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</table>
13. The characteristics of the job
14. Lack of opportunity for advancements
15. Lack of well organized training program
16. The prospect of getting higher pay elsewhere
17. Work stress experienced

SECTION C

This section seeks to assess extent to which employee turnover affect organization’s productivity. Please tick the appropriate answer.

A.5.GE (Great extent) B. 4.LE (large extent) C.3.AE (average extent) D. 2.SE (small extent) E.1.NE (no extent)

To what extent does employee turnover affect organization’s productivity?

GE, LE, AE, SE, NE

<table>
<thead>
<tr>
<th>EXTANT TO WHICH TURNOVER AFFECT PRODUCTIVITY</th>
<th>5</th>
<th>4</th>
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<tbody>
<tr>
<td>18. Employee turnover cost</td>
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<td>29. Recruiting replacement cost</td>
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<td>20. Hiring of replacement cost</td>
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<td>21. Interview and selection cost</td>
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<td>22. Lower productivity of newly hired employees</td>
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<td>23. Possible production breakdown</td>
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<td>24. Reduce job satisfaction of existing employees</td>
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<td>25. Increased operating expense</td>
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SECTION D

This section seeks to analyze measures to reduce employee turnover

A.5.GE (Great extent) B. 4.LE (large extent) C.3.AE (average extent) D. 2.SE (small extent) E.1.NE (no extent)

To what extent do you think the following measures when implemented would reduce employee turnover? GE, LE, AE, SE, NE

<table>
<thead>
<tr>
<th>What measures when implemented do you think would reduce employee turnover</th>
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<th>4</th>
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<tr>
<td>26. Choosing employees carefully</td>
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<td>27. Assure employees of job security</td>
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<td>28. use trained personnel to screen applicants</td>
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<td>29. Support new staff</td>
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<td>30. Provide career development and progression</td>
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<td>31. Offering an attractive employee benefit package</td>
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<td>32. Creating pleasant working environment</td>
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<td>33. Consult employees in decision making</td>
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<td>34. Employees empowerment</td>
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<td>35. Measure turnover</td>
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ORGANOGRAM OF EAST FOREST PRODUCT LIMITED

IMPORTANCE OF ORGANIZATIONAL CHART TO THE EAST FOREST PRODUCT LIMITED

The Organizational structure provides the basis for the assignment of duties and responsibilities to individuals and provides channels of communication among employees within the East Forest limited. Organizational chart helps to establish a network of roles for people to know what they are expected to do. It also helps the members in an
organization to know their areas of operation and to whom they are to report for instruction and orders.