DETERMINANTS OF EMPLOYEE TENURE IN THE BANKING SECTOR OF GHANA

BY

AMOS SARFO-AGYEMANG

(10206538)

THIS THESIS IS SUBMITTED TO THE UNIVERSITY OF GHANA, LEGON IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF MPHIL ECONOMICS DEGREE

JULY, 2012

DECLARATION

This is to certify that this thesis is the result of a research undertaken by Mr. Amos Sarfo-Agyemang towards the award of the Master of Philosophy degree in Economics in the Department of Economics, University of Ghana.

STUDENT

Name: AMOS SARFO-AGYEMANG

(10206538)

Signature: .....

Date: …….

SUPERVISORS

Name: DR. KWADWO ADJEI TUTU

Signature: …….

Date: …….

Name: DR. WILLIAM BEKOE

Signature: …….

Date: …….

ABSTRACT

The Ghanaian economy has witnessed an influx of banks in the past two decades. This phenomenon however, brings to the fore issues of employee turnover as the banks compete for efficient workers. A Bank of Ghana research for the period 2001 to 2007 discovered a year-on-year increase in the employee turnover costs incurred in the banking industry. In another research, out of the 14 sampled countries in Sub Saharan Africa, the Bank of Ghana identified Ghana to be the leading nation in terms of costs involved in the hiring and firing of employees. Studies on employee tenure in the banking sector remains scarce in the Ghanaian context and most available ones worldwide are single sided in their analysis; thus they seek to examine employee tenure in relation to either individual or firm characteristics. The objective of the study is to examine how both firm and individual characteristics influence employee tenure in the banking sector of Ghana.

Multinomial logit regressions results from the study which employed primary data of randomly sampled 138 employees across the commercial banks in Ghana revealed that current job tenure is significantly influenced by individual characteristics such as level of education, age and experience. Co-workers' relations, workload and wages were found to be the firm characteristics that significantly explained their current tenure. Job offer received was also proven to be significant. Results from the logistic regression (binary logit) also suggested that gender, wages, incentives and the years spent on the job were important determinants of the intent of tenure.

In line with the findings, it is recommended that banks should ensure satisfactory levels of wages and incentives given to their employees. They should again embark on family-friendly policies for their employees and also be circumspect in their recruitment activities.

DEDICATION

I dedicate this work to my parents, Pastor Stephen Kwame Sarfo-Agyemang and Mrs. Deborah Mary Sarfo-Agyemang.

ACKNOWLEDGEMENT

My utmost appreciation goes to the ALMIGHTY GOD for His protection, guidance and granting me strength and wisdom for the successful completion of this thesis.

I would also express my sincere gratitude to my parents and siblings for their continual love, encouragement and unflinching support throughout my academic pursuit. I would again express my appreciation to my supervisors Dr. Kwadwo Adjei Tutu and Dr. William Bekoe for their insightful comments and enviable supervision throughout the thesis. I am thankful to Mr. Wassiuw Abdul Rahaman (Lecturer, University of Ghana), Mr. Michael Azalekor (Bank of Ghana) and the entire congregation of Nigritian Episcopal Church for their diverse contributions to the success of the thesis.

Further, I am indebted to the lecturers of the Department of Economics, Legon for their training throughout my studies at the University of Ghana. I also appreciate the training offered by the African Economic Research Consortium (AERC) in the Joint Facility for Electives (JFE) programme in Nairobi, Kenya, which has enhanced my aptitude for research.

Finally, I acknowledge the support, prayers and kind gestures of family members, friends especially Christopher Opoku Nyarko and well wishers. God bless you all.

TABLE OF CONTENTS

LIST OF TABLES

CHAPTER ONE

INTRODUCTION

1.1 Background and problem statement

The aftermath of the economic turmoil in Ghana in the early part of the 1980s necessitated the strengthening of the private sector. From the Structural Adjustment Programmes (SAP) in 1984 onwards, the public sector was not supposed to be the main driver of the economy. The onus therefore lied on the private sector to revamp the economy. The private sector being the engine of growth encompasses a wide range of economic activities and among these activities are banking and non-banking financial services, mining, construction, agriculture, forestry and logging, manufacturing, transport, trade and social sectors. Sources of investment for this all important sector remain crucial. The financial sector has over the years become and continues to be the haven of investment source for the private sector.

Prior to the financial sector reform in 1985, the economy of Ghana had to grapple with financial repression where particularly the financial sector was regulated by the government. Deposits and lending rates of banks had ceilings as prescribed by the government and thus led to a relatively uncompetitive financial market. This resulted in low savings mobilization as the banks dissuaded clients from depositing their funds with them due to the cost burden embedded in the savings deposit[1]. Moreover, the higher nominal interest rates crowded out the private sector in issues of investment and stifled it as such.

The reform in 1985 with the promulgation of the Banking Law in 1989 changed the phase of the financial sector. The objectives of the reform were to enhance efficiency in the financial sector,

[1] See Ziorklui (2001)

ensure sanity in bank operations, create an enabling competitive environment and more importantly reduce the interest rate spread (Ziorklui, 2001). The reduction in the interest rate spread was to enhance savings mobilization and reduce borrowing cost for the private sector. This was to be achieved through financial liberalization as underpinned by the McKinnon-Shaw hypothesis (1973). The implementation of the Financial Institutions Structural Adjustment Program (FINSAP) in 1988 and the promulgation of the Banking Law in 1989 saw improvement in the financial sector. The use of technology, managed liberalization of the financial sector, the increase in the supervisory role by the Bank of Ghana and the entry of new banks succeeded in improving the performance of the financial sector. However, a striking observation was the interest rate spread which remained stubbornly high despite the reforms[2]. In the face of reduced transaction cost, the issue of rising inflation levels may have accounted for the gap. Before the reform it was held that high transaction cost was the major cause of the high nominal interest rates.

In the 1990s, the influx of banks (which were motivated by the reforms) triggered poaching. The new banks sourced the services of the experienced workers from the older banks by enticing them (Ziorklui, 2001). Inherently, the production costs of banks increase when the banks pay huge sums of money to demand the services of the experienced workers. Regardless of the huge profits made by the banks, the cost associated with the recruitment and training of employees cannot be over emphasized. As firms in a bid to maximize their profits seek to minimize their costs, employee turnover remains a problem. The repercussions for firms experiencing employee turnover are the costs associated with the processes of selecting, orienting and training

[2] See Ziorklui (2001)

new workers and more importantly the tendency of the departed workers leaking confidential information to rival firms.

The period 2000 and beyond has seen a rather dramatic increase in the influx of banks in the Ghanaian economy. According to the Bank of Ghana, there are twenty five commercial banks in operation as of May 2012 as compared to nine in 1990. Inferring from Ziorklui (2001), the upsurge in the number of banks triggers frequent employee turnover stemming from employee raiding. Ghana stands out clearly especially in terms of the cost of hiring and firing of employees as it is the number one ranked nation among 14 sampled countries in the Sub-Saharan Africa (BoG, 2007). According to the Ghana Statistical Service (2008), the financial sector has the highest hourly wage rate. The incidence of 'wage wars' (as evidenced in employee poaching) in recent times, gives an idea of this sector maintaining its position in terms of hourly wage rates. This however gives an indication of a relatively high labour costs associated with the sector despite its huge annual returns.

A research by Dwomoh and Korankye (2012) showed that labour turnover in Ghanaian banks contributed to customer complaints as the customers were dissatisfied with the services of the relatively inexperienced new recruits. Unsurprisingly, the labour market in the financial sector in recent times has been characterized more with employee poaching rather than 'employee coaching'. This has been the trend because the cost of training human resource in this sector is considered very high and given the ex ante performance of the newly recruit; the banks prefer to go in for an 'experienced good'[3]. The experienced good as used refers to the experienced employee who upon revealing his match quality with his employer gives an idea of his on-the-

[3] Experienced good is a term coined by Jovanovic (1979)

job delivery. It can be inferred that the act of poaching could serve as a tool of attrition[4] which on a whole is inimical to effective competition. Increasing levels of labour turnover in the banking sector has a tendency of stifling the less competitive ones[5] and the retrenchment canker embedded in mergers and acquisition resurfaces[6].

Amediku (2008) revealed that the banking sector loses quite a substantial amount of money when it experiences frequent labour turnover. His operational definition for industry turnover is the ratio of the number of employees that left the banking industry through attrition, dismissal or resignation during a year to the number of employees on the payroll, during the same period. Attrition and dismissal decisions are informed by the characteristics of the employee and also the individual resigning emanates from some characteristics of the firm that the employee is not pleased with. According to Amediku (2008), the real asset per employee in the banking sector in the year 2001 was GH¢180, 171.15 and increased to GH¢641,160.44 in 2007. With labour turnover of 5.73 percent in 2001 and 5.65 percent in 2007, the foregone earnings to the banking sector in terms of the real assets were GH¢68, 465,037 and GH¢391, 107,868.40 respectively. The inter period earnings forgone were on the increase year-on-year.

This loss means a reduction in investors' returns, a reduction in profits earned and undesirably a limitation to the honouring of corporate-social responsibilities. Intra-industry labour turnover costs in this sector can however be inferred from this broad and grotesque picture. The dominance of employee poaching and its associated wage wars in this sector eventually has a toll

[4] Attrition refers to the deliberate attempt by competitors to poach highly efficient workers from other competitors so as to render them 'incapacitated'

[5] Less competitive ones refers to those banks which cannot cope with the wage wars and thus go in for a merger or an outright sale

[6] A takeover by Bank for Africa from Amalgamated Bank saw the retrenchment of about 200 employees (http://www.myjoyonline.com in November 2011)

on educational deepening and the severity of this problem will be the onset of the 'diploma disease' in the banking sector[7].

Literature on employee turnover which is quite related to employee tenure in Ghana is relatively sparse. Just to mention a few, Dwomoh and Korankye (2012) researched on labour turnover and its impact on performance of banks in Ghana. This study sought to identify the negative consequences of labour turnover on the overall performance of banks in Ghana. It failed to address those conditions that possibly place a check on frequent labour turnover in the banking sector of Ghana. Attiah (2008) looked at the impact of turnover on Ghana Post Company Limited, Asiedu and Yaw (2006) also researched on the causes of employee turnover in the Internal Revenue Service of Ghana and Hutchful (1980) also did a study of job satisfaction and employee turnover among graduate civil servants in Ghana. The financial sector being very instrumental in the private sector growth makes its analysis of employee tenure very relevant; as findings from this study will inform bank officials as to the measures to be put in place to possibly reduce the incidence of employee turnover and its associated repercussions.

The purpose of the study is therefore to investigate the determinants of employee tenure in the banking sector of Ghana.

[7] **Educational deepening** refers to the situation where with the same job content, a relatively higher educational level is required of an individual; **diploma disease** refers to the situation where people with educational qualifications still remain unemployed possibly due to stiffer competition on the job market. Refer to Dore (1976) for more on diploma disease.

1.2 Research Questions

How the individual is satisfied on the job and how the firm is satisfied with the individual's performance has a foretelling consequence on how long the individual stays on the job. According to Mumford and Smith (2003), pecuniary and non-pecuniary benefits of the current job in addition to the personal characteristics of the employee impact on individual worker tenure. From the definition of employee turnover given by Amediku (2008), it was evident that individual and firm characteristics account for such a phenomenon. Therefore to analyze the incidence of employee tenure the following questions are raised;

1) How do individual characteristics[8] influence employee tenure?
2) How do firm characteristics[9] account for employee tenure?

1.2.1 Research Objectives

The main objective of the research is to investigate the determinants of employee tenure in the banking sector of Ghana. Specifically, the study seeks to;

I. Identify the extent to which individual characteristics account for employee tenure.
II. Verify the extent to which firm characteristics explain employee tenure.

[8] Individual characteristics in this study refers to gender, level of education, age and working experience
[9] Firm characteristics in this study embraces wages, management relations, co-worker relations, incentives and job duties.

1.3 Significance of the study

The issue of employee tenure has not taken a grand stage in the field of research in Ghana. Not because it is not a problem but because most researchers have taken it for granted. Literature on labour turnover in Ghana is relatively scarce and this phenomenon gradually gaining grounds in the banking sector with its unhealthy consequences needs to be investigated.

Studies on tenure both locally and internationally, in most instances have a one-sided analysis; either it is explained by the individual or firm characteristics. Just to mention a few, studies by Hunt and Saul (1975), Bishop (1990), Lane and Parkin (1998), Booth et al. (1999), Attiah (2008) all focused on individual characteristics as determinants of employee tenure. Marshall and Zarkin (1987), Bommer et al. (2003), Bilikoff (2003), Swody and Powell (2007), Ampadu and Agyei (2011) also concentrated on firm characteristics in giving insight into employee tenure. Jha (2010) was of the view that it is more advisable and informing to adopt a holistic approach towards handling the issue of employee turnover in any organization and that no single factor, be it individual or occupational characteristics can account for turnover intentions. Studies by Balkin and Griffeth (1993), Clark-Rayner and Harcourt (2000), Kirschenbaum and Weisberg (2002) and Khan et al. (2010) sought to explain employee tenure from both the firm and individual characteristics but the comprehensive attempt seen so far was the research done by Mumford and Smith (2004) in analyzing job tenure in Britain. In their work, they merged workplace fixed effects and individual characteristics in explaining employee tenure.

This study is in line with that of Mumford and Smith (2004) but quite distinct in terms of the methodology adopted and the import it wants to drive home. In Mumford and Smith (2004), the Ordinary Least Squares technique was used in explaining tenure. This method is however limited

when the dependent variable (tenure) is categorical. In this study, the researcher seeks to use logistic regression to identify the probable tenure of an employee given the firm and individual characteristics. This concept however deals with the categorization of tenure which the Ordinary Least Squares is inappropriate in that respect. The study therefore seeks to inform managers on what should be considered if they want their employees to stay on the job for a definite time period.

1.4 Methodology and data source

Primary data will be collected for the purpose of analysis. Accra which is the capital of Ghana and the hub of the nation's banks will be the area of study. Questionnaires will be administered to some randomly sampled employees from the twenty five commercial banks in Ghana. The number of respondents per bank will be based on the staff strength of the respective commercial banks. To avoid selectivity bias no benchmark is placed on the minimum number of years an individual should have spent on the job in order to be included in the sample. The problem with this approach will however be the information provided by the newly recruits; as it would not be that informing in relation to factors determining tenure. To avert this problem an ex ante analysis will also be made to possibly find out the respondents' intent of tenure.

Logistic regressions will be used in analyzing the realized and tenure intents of the employee. Specifically, the multinomial regression model will be used in analyzing the realized tenure of the respondents with the tenure intents of the employees being analyzed using the binary (logit) model. The logistic regression is chosen because it accommodates the categorization of the

dependent variable. Furthermore it embraces the Independence of Irrelevant Alternatives assumption which is also satisfied in this study.

1.5 Organization of thesis

The first chapter of the thesis introduces the background and problem statement of the study. Chapter two provides an overview of the banking sector in Ghana. The third chapter reviews some theoretical and empirical literature on employee tenure with chapter four discussing the theoretical framework and methodology of the study. Chapter five covers the presentation and discussion of results and the sixth chapter gives the summary of the study and outlines some policy recommendations.

CHAPTER TWO

THE OVERVIEW OF THE BANKING SECTOR OF GHANA

2.0 Introduction

The previous chapter threw light on the background and problem statement of the study and further outlined the objectives the study wants to achieve. This chapter seeks to give an overview of the banking sector dating from the pre-independence to post independence era in Ghanaian history. A brief description of the economic performance of Ghana will also be highlighted. The chapter will be concluded by giving an overview of employment and labour turnover cost in the banking sector of Ghana.

2.1 The Economy of Ghana

The Ghanaian economy has gone through its cycles. It has seen its ups and downs. Prior to independence and years thereafter, the economy of Ghana was very robust and did pretty well until in the 1970s through the 1980s where it had to grapple with economic mishaps stemming from macroeconomic instability ranging from high inflationary pressures through the devaluation of the local currency. Policy interventions like the Structural Adjustment Programmes were implemented to arrest the outlined problems. Though these policies had their own shortcomings, the decade preceding the year 2000 saw a recovery of the economy after experiencing the hangover effects of its economic turmoil in the early 1980s. The economy gradually took shape after the year 2000 and the discovery of oil in 2010 brought the economy to light. The Gross Domestic Product for the last five years showed a steady growth with the highest growth rate of

13.6% recorded in 2011[10]. The uncharacteristic growth rate in 2011 was attributed to the infrastructural investment in the oil industry. Inflation levels were in double digits in the last five years (reference year is 2012) with 2007 and 2010 recording 10.7 percent and 10.8 percent respectively. From table 2a below, the years 2008 and 2009 recorded an average of 17.9 percent. There was an unprecedented single digit annual inflation rate of 8.73 percent in the year 2011.

The policy rate of the Bank of Ghana (BoG) in 2009 was 18 percent, fell to 13.5 percent in 2010 through 2011 and has since June 2012 risen to 15 percent. Regardless of the decline in the policy rates coupled with relatively lower inflation rates, the lending rates of banks are relatively high with yearly averages of 27.9 percent and 28.2 percent for 2009 and 2010 respectively. This however has implications on private investments.

Table 2a: Selected macroeconomic variables (%) [2001 – 2010]

Year	Real GDP	Average Annual Inflation Rate	Average Annual Policy Rate	Average Annual Interest Rate
2001	4.2	33.6	27.0	42.7
2002	4.5	14.9	25.3	30.3
2003	5.2	26.7	21.5	30.3
2004	5.8	12.7	18.5	26.6
2005	5.8	15.8	15.5	-
2006	6.2	11.0	12.5	-
2007	6.3	10.7	13.5	-
2008	7.2	16.5	17.0	22.8
2009	4.1	19.3	18.0	27.9
2010	7.1	10.8	13.5	28.3

Source: BoG (2011)

Table 2a above gives a brief outlook of the economy in terms of some identified macroeconomic variables. It could be seen that the economy is gradually improving as per the 10 year period outlined, Real GDP has grown by 2.9 percentage points. The major contributor of this growth

[10] Gross Domestic Product: 2007 - 6.5%, 2008 - 8.4%,2009 - 4.0%,2010 - 7.7%,2011 - 13.6%

lies with the service sector and the possible role of the financial sub sector could be important. The average annual inflation, policy and interest rates have also seen a decline. This is welfare enhancing as cost of living is reduced and private investments are encouraged. Having such a relatively healthy economic environment guards against idle funds which in effect amplifies the relative effectiveness of the financial sector.

2.2 The history of the banking sector of Ghana[11]

Banking in Ghana dates back to the nineteenth century when the educated African merchants with their European counterparts saw the need for external financial support to aid their trading activities. A branch of Bank of British West Africa (BBWA)[12] had a taste of the Ghanaian soil in1896 and further widened its operations in Sekondi (1902) and Kumasi (1906).

Within two decades after its establishment in Ghana, it had expanded its branches to twelve nationwide. Another British bank "The Colonial Bank", which had operated in the West Indies since 1836 broke the monopoly of BBWA after its establishment in Accra in 1917. In 1925, all financial agreements leading to the merger of The Colonial Bank, The Anglo Egyptian Bank and The National Bank of South Africa were concluded by Barclays to form a new bank by name Barclays DCO (Dominion Colonial Overseas). It should however be noted that the British Colonial Administration had introduced the Post Office Savings Bank where savings and cash withdrawal services were offered.

[11]Source: Anin (2000)
[12]BBWA is currently the Standard Chartered Bank

In the latter parts of the 1940s, there was a general increase in the banking activities as there was an increase in the demand for raw materials by the British industries. This awakening was attributed to the after shocks of the world war. Cocoa was one of the commodities that took the centre stage and BBWA and Barclays DCO were the financial intermediaries for the Cocoa Marketing Board and the British industries. The first ever loan advanced to local government bodies and other government sponsored organizations was by BBWA in 1946.

Following the clamoring for an indigenous bank by Ghanaians (as the financial intermediaries found relations with the indigenes as unfruitful), the colonial government after heeding to recommendations made by Sir Cecil Trevor (a senior official of the Imperial Bank of India), the Bank of Gold Coast ordinance was passed in 1952. The first branch of the Bank of Gold Coast was opened in Accra in 1953. It was authorized to undertake the conventional functions of commercial banking. It was also entrusted with the responsibility of acting as the government's agent in all financial undertakings. The Nkrumah cabinet in 1956 proposed the establishment of a full fledged central bank.

In March 1957, the Bank of Ghana ordinance was passed and came into force as soon as possible. The Bank of Gold Coast was renamed as the Ghana Commercial Bank (GCB). These directives disaggregated the initial dual functions of the then Bank of Gold Coast. The healthy competition posed by the GCB made the two expatriate banks expand their operations. Barclays DCO more than tripled its branches from twelve and then BBWA which was later named the Bank of West Africa (BWA) expanded its network from fifteen to forty-four. Ghana Commercial Bank also expanded its branches to over one hundred as at 1996.

For task specificity and fund mobilization to finance medium term development projects, in the 1960s and 1970s, more development banks emerged;

- National Investment Bank (1963): It had the statutory authority to assist in the establishment, expansion and modernization of companies and other commercial enterprises.
- Agricultural Credit and Co-operative Bank (1965): It was charged with the responsibility of providing credit to farmers and also to assist them in financing the renting of materials and equipment. It was also permitted to undertake commercial banking activities. Its name was however changed to the Agricultural Development Bank in 1967.
- The savings section of the former Colonial Post Office was incorporated as the Post Office Savings Bank which had its activities restricted to savings.
- The Bank for Housing and Construction (1972): It was established to carry out the business of financing and implementing housing and civil engineering schemes of all kinds. It was authorized to undertake commercial banking activities as well.
- The National Savings and Credit Bank (1972): It replaced the Post Office Savings Bank. It was also mandated to commence commercial banking activities. To avert its operational difficulties, it merged with the Social Security Bank in 1993. The merger saw the shut-down of nine of its branches and further rendering two hundred of its employees redundant.
- Merchant Bank (1972): It was to offer corporate banking services. The operations of the bank included safeguarding the deposits of corporate funds, providing venture capital, lending to corporate businesses, dealing in stocks and shares, financing imports and

exports and also offering financial consultancy and advisory services. The bank however championed the formation of Home Finance Company Ltd, a mortgage company.

- Social Security Bank: The Social Security and National Insurance Trust (SSNIT), was the sole shareholder of the bank which was incorporated under the provisions of the Banking Act and Companies Act in 1975. It offered retail banking services and the conventional current/savings account facilities.
- Bank for Credit and Commerce International (Ghana) Ltd (BCCI): It was formerly known as the Premier Bank in 1978. It was a joint venture between BCCI (Luxemburg) and BoG to provide merchant bank services. It was however liquidated and was renamed Bank of Credit and Commerce.
- Rural Banks: The failure of the Agricultural Development Bank (ADB) to make meaningful impact in the granting of rural credit led to the establishment of rural banks in the mid seventies. The first of its kind was at Agona Nyakrom in 1976.

2.2.1 The Ghanaian financial sector before the Economic Recovery Programme

Despite the strides made by the financial sector after the nation attained independence, the economy in general had to grapple with mishaps stemming from higher government deficits, perennial depreciation of the cedi, high inflation rates and incessant political upheavals. The BoG also contributed immensely to the economic downturn as various governments manipulated their operations to suit their political interests. The financial institutions as of that time with the exception of the two expatriate banks (Standard Chartered Bank and Barclays Bank) were owned

by the government[13]. This political patronage in the banking system embraced an uncompetitive environment for financial operations which culminated into market inefficiencies.

The commercial banks had ceilings on their lending and deposit rates. The inflation rates as of that era were also on the ascendancy[14]. With the negative real interest rate, there was excess liquidity outside the banking system. This further fuelled inflation and weakened the monetary control powers of the BoG. The lower lending rates as proposed by the government dampened the lending spirits of the commercial banks. This led the banks having more funds with them and thus discouraged private savings with them as the deposit rates were relatively higher. There also happened to be the crowding out of the private sector as the commercial banks diversified their portfolio into short term government treasury bills which was less risky as compared to private business loans. A World Bank study in 1988 concluded that the banking sector of Ghana was characterized with inefficiency and high operating costs, huge non-performing loan portfolio, inadequate provisions for loan losses, insolvency of the banking system, capital inadequacy and inflated profits.

2.2.2The state of the Ghanaian financial sector during the Economic Recovery Programme

The aggregated effects of the overly regulated commercial banks, perennial devaluation of the cedi, market inefficiencies and heavy losses by the banking sector resulted in financial crisis by 1987. The government burdened itself with the absorption of the losses made by state-owned financial institutions since there was no private banking insurance. In response to this financial crisis, the government of Ghana in collaboration with the World Bank and the International

[13] Refer to table 2b
[14] Ghana experienced a three digit inflation rate in 1981,1983 and 1987

Monetary Fund embarked on the Financial Institutions' Sector Adjustment Program (FINSAP) which began in 1988.

The programme was intended to combat the challenges in the financial sector. This, in connection with the enactment of the Banking Law (1989), were to restructure the financially distressed banks, improve savings mobilization and enhance the efficiency of credit allocation, enhance the soundness of the banking system through an improved regulatory and supervisory framework, develop the money and capital markets and finally establish a non-performing assets recovery trust. Another important reform was the introduction of the Non-Bank Financial Institution (NBFI) law of 1993 which made the BoG an overseer of all activities pertaining to the non-bank institutions. Until 1990, no private banks were licensed.

Interestingly, four years after the reform saw staff costs as a percentage of operating costs across the banking industry increasing from about 30% to about 50%. This was primarily due to the huge cost associated with the recruitment and training of bank staff and the higher wage bill across the industry. According to Ziorklui (2001), there was evidence of employee poaching. That might perhaps encouraged interbank wage wars, thereby leading to the higher wage bill.

2.2.3 The aftermath of the Economic Recovery Programme

Despite the developments championed by the reform some of which included the establishment of new banks and other non-bank financial institutions, the introduction of information technology in the financial service delivery and the relative independence of the BoG, it came along with its own challenges. Because the reform was not accompanied by a substantial

increase in the deposit rates by banks to ameliorate the negative impact of inflationary pressures on savings, the savings rate had declined[15].

According to Ziorklui (2001), the aggregate savings with the banking sector as a percentage of the nation's total output took a nosedive. One of the scars left on the Ghanaian economy was the downsizing of the banks. This restricted the expansion of the banking activities and thus paved way for the onset of micro-financing and rural credits to satisfy the financial needs of the teeming informal sector.

2.3 The Ghanaian banking sector in recent times

The economy of Ghana with an estimated population of twenty five million has a current bank size of twenty five with 40 percent of the banks being locally owned[16]. Given the number of banks, 41 percent were incorporated in the decade of the 1990s with 30 percent in the year 2004 and beyond. This gives a sign of increasing capital injection in the economy which in effect heightens its financial prospects. The financial sub sector contributes immensely to the growing service sector and has the highest potential of job offer with an average 27 percent of job openings per enterprise (ISSER, 2010). According to Amediku (2008), employment in the banking industry has been on the ascendancy. In 2001, the employee size in the banking industry was 6,632 and had increased to 10,789 in 2007 representing 4.2 percent growth in employment between the time periods. The absorption of more labour force in the banking sector could possibly be as a result of the influx of banks in the country and also the expansion of banks'

[15] See Ziorklui (2001)

[16] With a population size of about 155 million, the Nigerian economy has 22 banks. This could possibly be as a result of a relatively higher minimum capital requirement. It is therefore not surprising that 2004 and beyond has seen Nigerian banks thronging the Ghanaian financial market

branches. The employee turnover rate in the industry has also increased by about 38 percent within the same period with reasons stemming from attrition, dismissal and resignation. Ghana Commercial Bank which is the first indigenously owned bank in Ghana tops the ladder in terms of employment size (2,315 as at 2010), branches (161, as at May 2012) and the share of total industry assets (12.6 percent in 2010)[17].

The BoG's autonomy has also been intensified and is currently engaged in inflation targeting to place a robust check on the macroeconomic stability of the country. It has also come up with the incorporation of the Credit Reference Bureaux (CRB). The activities of the CRBs are to gather and maintain data for the formation of credit histories, process credit related data and to deliver credit reports based partly or fully on information not in the public domain. These activities are to support the credit risk management function of the industry. The BoG has also pegged the minimum capital requirements by the banks at GH¢60 million and all banks are to comply with this directive on or before December 2012 lest their license will be revoked. This is to ensure a strong capital base for the economy. However this directive has a disastrous effect on the economy if locally owned banks fail to meet the target. As of June 2012, 50 percent of the locally owned banks had met this target.

The divisional roles of banks have died down a little due to the issuance of the universal license to banks that permits them to permeate all banking operations. The Cheque Codeline Clearing system is also introduced to enable banks and other financial institutions to speed up the process and settlement of cheque transactions. Current developments in the banking industry revolve around the strengthening of risk management practice, increasing support for trade financing and the rationalizing and aligning of staff cost to revenue. The financial sector pays its employees the

[17] Refer to table 2b

highest wage (GSS, 2008). In a document which spanned the period 2001 through 2007, the wage bill had a year-on-year increase and that coincided with the influx of foreign banks during that period.

There is an upsurge in non-banking financial institutions that basically serves the unbanked and principally the informal sector of the economy. This stirs up competition in the banking sector in the quest to have a higher customer base. Interestingly, the commercial banks have rolled up their sleeves and most have incorporated Small and Medium Enterprises (SME) banking in their operations. According to the Ghana Banking Survey (2011), over 80% of the population constitutes the unbanked sector and that is an untapped area to raise cheaper funds through deposit mobilization.

The banking sector has made strides in transforming the economy into a cashless one with the use of the Automated Teller Machines (ATM), internet banking, visa cards etc. Relative competition in the banks has unearthed services for the clients of some banks from the payment of utility bills and purchase of mobile top ups with ATM cards to mobile banking, etc. The economy of Ghana however still remains cash based.

Regardless of the number of banks in Ghana, the competitive environment is not up to scratch as the banking sector still remains oligopolistic in nature[18]. Less than a quarter of the total banks hold more than 50% of the share of the industry's total deposits. The current 25 banks which initially were 27 as at May 2011, was a result of mergers between Ecobank and The Trust Bank and Access Bank and Intercontinental Bank. There was also a takeover of Amalgamated Bank by

[18] The four dominant banks thus Ghana Commercial Bank, Standard Chartered Bank, Barclays Bank and Ecobank still dictate the pace in the banking industry.

the Bank of Africa. On a whole Ghana has a vibrant financial sector which has higher prospects for growth.

Table 2b below shows the various banks with their years of incorporation, employee size, share of industry's total assets, number of branches, majority of ownership and rankings.

Table 2b: The list of banks in Ghana as of May 2011

Name of bank	SITA	Rank	Branches	Employees	Ownership
Standard Chartered Bank Ltd (1896)	10%	2	35	986**	Foreign
Barclays Bank Ltd (1917)	9.80%	3	92	1557**	Foreign
Ghana Commercial Bank Ltd (1953)	12.60%	1	161	2315**	Local
National Investment Bank (1963)	N/A	N/A	27	864*	Local
Agricultural Development Bank (1965)	6.00%	5	65	N/A	Local
Merchant Bank (1971)	4.80%	7	22	444**	Local
SG-SSB Bank Ltd (1975)	4.10%	8	38	671*	Foreign
CAL Bank (1990)	3.00%	13	15	300**	Local
Ecobank Ltd (1990)	9.00%	4	52	890**	Foreign
HFC Bank Ltd (1990)	2.20%	20	26	584***	Local
Prudential Bank Ltd (1993)	2.40%	17	32	667*	Local
First Atlantic Merchant Bank Ltd (1994)	1.10%	23	6	N/A	Local
UT Bank Ltd (1995)	3.10%	12	26	560**	Local
International Commercial Bank Ltd (1996)	1.30%	21	12	N/A	Foreign

Name of bank	SITA	Rank	Branches	Employees	Ownership
The Trust Bank Ltd (1996)	2.80%	14	14	329*	Local
Bank of Africa (AmalBank Ltd, 1997)	2.50%	16	20	N/A	Foreign
UniBank Ltd (1997)	2.30%	19	13	N/A	Local
Stanbic Bank Ltd (1999)	5.30%	6	23	N/A	Foreign
Guaranty Trust Bank Ltd (2004)	2.50%	15	21	490***	Foreign
United Bank for Africa Ltd (2005)	2.40%	18	26	N/A	Foreign
Zenith Bank Ltd (2005)	3.90%	9	24	466*	Foreign
Fidelity Bank Ltd (2006)	3.90%	10	40	728***	Local
Intercontinental Bank Ltd (2006)	3.20%	11	27	N/A	Foreign
Bank of Baroda Ltd (2007)	0.40%	25	1	9*	Foreign
Access Bank Ltd (2008)	1.20%	22	3	N/A	Foreign
BSIC (Sahel Sahara Bank) Ltd (2008)	0.40%	24	11	202***	Foreign
Energy Bank Ltd (2011)	N/A	N/A	N/A	55***	

Source: Constructed by author from PWC(Ghana Banking Survey,2011)

It should however be noted that information on share of industry's total assets (SITA) are as at 2010, that on branches and ownership are as at April 2012. In the column representing employee size, 2009=*, 2010=** and 2011=***, N/A indicates non availability of information. Information on Bank of Africa is that of AmalBank since nothing could be gathered for Bank of Africa at the time of compilation. Year of incorporation for the various banks are in brackets.

2.4 Employment and labour turnover in the banking sector

The banking sector is no exception when it comes to the issue of employee turnover. Amediku (2008) in his operational definition referred to actions like dismissal, resignation and attrition as

accounting for labour turnover in the banking sector of Ghana. Due to data constraint, the employment and labour turnover in the banking sector for the period 2001 to 2007 is discussed.

The total employee size of the banking industry in 2001 was 6,632 with labour turnover of 380 (refer to table 2c). In 2002, there was a 3.66 percent increase in the employee size. However for the period 2001 to 2007, the year 2002 recorded the least increase in employee size. The highest increase in total employment was recorded in 2006 with a 13.6 percent increase over the total employment in 2005. With a total employee size of 10,789 in 2007, the banking industry has experienced a 63 percent increase in employee size from 2001. Coincidentally, labour turnover as at 2007 had increased by 61 percent with reference to labour turnover incidence in 2001. The year 2007 recorded a 42 percent increase in labour turnover over what was recorded in 2006 and that happened to be the highest in the period 2001 to 2007, with 2003 recording an 18 percent decrease.

Labour turnover as a percentage of total employment for the period 2001 to 2007 peaked in 2002 with 7.08 percent and fell consistently until 2006 and beyond when it began a reversed trend. In terms of labour turnover loss, the banking sector recorded a 471 percent increase in loss from 2001 to 2007. This loss is measured in terms of the real asset per employee forgone when there is a labour turnover. Labour turnover loss has consequences on investor returns, profits and also the honouring of corporate social responsibilities.

Table 2c: Labour turnover in the Ghanaian Banking Industry (2001-2007)

YEAR	TOTAL NUMBER OF EMPLOYEES	LABOUR TURNOVER	REAL ASSET PER EMPLOYEE (GH¢)	TURNOVER LOSS (GH¢)	LABOUR TURNOVER (%)
2001	6632	380	180,171.15	68,465,037	5.73
2002	6875	487	235,715.19	114,793,297.50	7.08
2003	7631	398	261,705.74	104,158,884.50	5.22
2004	8026	385	348,660.75	134,234,388.80	4.80
2005	8398	375	382,965.69	143,612,133.80	4.47
2006	9537	431	490,114.99	211,239,560.70	4.52
2007	10789	610	641,160.44	391,107,868.40	5.65

Source: Amediku (2008)

2.5 Conclusion

The Ghanaian banking sector has come of age following its steady growth since 1896. Lessons learnt from the distressed financial sector in the 1980s have led to financial reforms and other interventions to ensure the effectiveness of the sector. The supervisory and regulatory roles coupled with the autonomy of the central bank have in some way kept the Ghanaian economy in shape in terms of monetary discipline.

The influx of banks in the economy shows the level of confidence investors have in the financial sector. Though the Ghanaian banking industry is oligopolistic in nature, the relative high numbers of banks have implicitly improved the service delivery of these banks to the betterment of their clients. Moreover the influx of these banks strengthens the capital base of the economy which in most instances serves as an index for venture capitalists.

Labour management has also become key in the financial sub sector as the sector is of late grappled with frequent employee turnover possibly stemming from employee poaching. Amediku (2008) revealed that the employee turnover costs in the banking industry are on the rise. The financial sector of Ghana has seen improvements over the years but there still remain more room for its full potential to be realized.

CHAPTER THREE

LITERATURE REVIEW

3.0 Introduction

In the previous chapter, an overview of the banking sector of Ghana was brought to bear. In this chapter, theoretical and empirical studies are reviewed to give insight into the theoretical backings of employee tenure and supported by empirical studies to explain the incidence of tenure. The chapter is divided into three sections: the first section outlines the theories that seek to explain employee tenure, the second section gives empirical evidence of studies done on employee tenure and the third summarizes the chapter.

3.1 Theoretical literature

The issue of labour turnover is inevitable in the labour market. Theories have emerged to further explain this labour market phenomenon. Among such theories include the firm specific capital model. The core idea of models developed around the firm specific capital theory is, "the probability that one party or the other terminates an employment relationship depends on the value of that party's share of the specific capital inherent in the match" (Farber 1999).

Proponents of the firm specific capital theory are of the view that for an individual to stay on a job, he or she must have acquired some specific skills on the job making him or her more productive on the current job than in other jobs. The theory assumes that every job has a peculiar skill that needs to be accumulated if the individual wants to have a continual relationship with the employer. Because of these firm specific skills, the individual is rendered less productive

should he leave to a different firm. Analogously, any replacement worker will be less productive as compared to the one who has accumulated the specific skills. This encourages a long term employment relationship. Contrary to this is the accumulation of general skills which makes every worker more prone to quits than to stay.

Farber's (1999) version of the specific capital model which is quite comprehensive in outlining quits and lay-off conditions will be reviewed for the purpose of the study. Employment is a two party affair: the employer and the employee. Labour turnover outcomes are therefore dependent on what either party thinks of their relationship. Farber therefore developed quit and lay off conditions for both parties and went further to establish the efficient separation condition. According to him, an employee will quit when a wage offer from a competitor outweighs the wage received on the job. Wage was expressed as

$$W = W\alpha + \varphi Y$$

where $W\alpha$ = alternative wage ; φ = worker's share of the value of the specific capital (which is measured by the cost of searching for that employment); Y= total value of the specific capital inherent in the match.

Wage offered by a competitor was also given as

$$Wo = W\alpha + \omega$$

where ω connotes any random variable (mention can be made of demand increase etc). The quit condition therefore will be satisfied when $Wo > W$ (in other expression where $\omega > \varphi Y$).

This means that when a worker's share of the value of specific capital is low, the probability of a turnover remains high. The share will be high when the individual values the cost of searching for that employment and thus accumulates more firm specific skills. The accumulation of the firm specific skills enhances his marginal productivity levels and per the classical theory (which is a foundation of the firm specific capital theory), wages paid are in line with the marginal productivity of the employee.

The condition for a layoff also arises when it happens that wages paid to the employee outweighs the marginal productivity of the worker. The marginal productivity was expressed as

$$\rho = W\alpha + Y$$

There is therefore a layoff if and only if $\varphi Y > Y$, thus where $\varphi > 1$. This situation means there would be a layoff if the firm has to give a worker more than the specific value of the match.

To incorporate randomness in the model to make room for demand or productivity shocks, the marginal productivity of the individual was revised to $\rho = W\alpha + Y + \emptyset$, where $\emptyset$ represents the randomness. Because firms are profit maximizers, there will be a layoff when $\rho - W < 0$ that is, $\emptyset < -(1-\varphi)Y$. In other words, an employee will be laid off when the shock (be it demand or productivity) is sufficiently negative to offset the value of the firm's share of the specific capital. To conclude, the separation condition deemed efficient is when the worker's opportunity wage (worker's marginal value product in the next best alternative job) outweighs the worker's marginal value product within the firm.

Burdett (1978) in a bid to expand the options available to an individual in the labour market introduced the concept of quits among employees with reference to their reservation wages. In

the traditional literature, the options available to an individual in the labour market were limited to 'searching for jobs but not working' and 'working but not searching'. Burdett included the third option of 'working but searching' to highlight the incidence of quits among employees. The assumptions he outlined were;

- Workers do not accumulate firm specific capital
- Workers know all about a job before starting employment
- Workers quit only because a better wage offer is found. This he called "wage quits".

For the third assumption, he introduced the concept of a worker having two reservation wages, "the minimum acceptance reservation wage" and "the maximum acceptance reservation wage". The minimum acceptance reservation wage is the least wage offer below which the worker will prefer to be unemployed and the maximum acceptance reservation wage is the highest wage the worker expects in his entire life cycle and wages below this trigger quit intentions among workers upon having a wage offer beyond the current wage. That is, any wage level between the two reservation wages would serve as grounds for quits as the employee will be searching for the job which offers a wage that complements his expected lifetime earnings. This model further predicts that there is a negative correlation between the (working) age of an employee and quits. This is due to the negative relationship between quits and job tenure and the positive correlation between age and job tenure. In other words, the average wage received by workers of a given age increases as the age group increases.

Jovanovic (1979) in his work, "the theory of job match" sought to explain employee tenure as being propagated by the productivity of the individual that encompasses the quality of match

between the employer and the employee and the accumulation of firm specific capital. In his theory, the following assumptions were made;

- All search is engineered by the employee
- The intensity of alternative employment is assumed variable and subject to choice
- The rate of arrival of new wage offers is dependent on the intensity of search
- The wage of an employee is equivalent to the individual's marginal product
- The worker is risk neutral and bears all training and search costs
- The employee initiates separation on the job
- The accumulated on-the-job training is firm specific
- Productivity of a match varies and is not observable ex-ante

With these assumptions, unlike Farber's firm specific theory which highlighted on the efficient conditions of quits or layoffs, the job match gives an idea of a possibility of a quit. In this model, an individual who is employed will still continue with job hunt given that he has intentions of quitting. Per the model, this is influenced by the quality of match and the accumulation of firm specific capital which is acquired through on-the-job training. The theory predicts that there is an inverse relationship between job search and productivity. This means that those who are more productive are better matched and thus have more specific human capital. This in effect reduces their probability of "job shopping" and they are thus less probable to quit. The theory goes further to predict that those who are better matched are even less probable to accept job offers even if they perhaps go on a job hunt.

McCall (1988) developed a theoretical model of job matching that incorporates the possibility that matching information has an occupation specific component. Thus, within an occupation,

matching information obtained at one job may be useful for predicting the match at others. The implication from the optimal strategy of job search is that those at their first job in an occupation should be more likely to quit than those who are at their second (or subsequent) job in the occupation. Switches in occupation are in themselves evident that there is occupational matching. Reasons accounting for such switches may be that one occupation serves as a natural ground for the other. It is thus possible that occupation switching could be entirely a stepping stone phenomenon. The stepping stone hypothesis however reiterates that individuals who have a continual stay in a given occupation are more likely to move on to the next one.

3.2 Empirical literature review

This section discusses some empirical literature that embodies the study. In this section studies on the individual characteristics that influence tenure are segregated from those that give insight into the characteristics of the firm.

3.2.1 Individual characteristics

This section embraces the review of empirical literature on the individual characteristics considered for the study. Gender, age, experience and level of education are the characteristics of the employee that will be discussed in relation to job tenure.

Gender as a variable refers to either the employee is a male or female. Intuitively, because women are normally associated with household production activities, it is widely assumed that they spend lesser amount of years on their jobs as compared to their male counterparts. However the daring and aggressive nature of men also makes them more prone to quits than to stay.

According to Hunt and Saul (1975), overall job satisfaction was more strongly associated with age than with tenure for males, whereas the opposite held for females. Adopting Herzberg's (1957) modified expectation theory, having realistic expectations move hand-in-hand with greater job satisfaction. In this theory, people who rely on past experience tend to be informed of what they should expect on their current job. With such people job satisfaction is a function of age. Furthermore, some rely on the experience they have had on the current job to inform their realistic expectations. In this scenario, job satisfaction becomes a function of tenure. Using multiple linear regression models, the study concluded for a sample of 3,917 in Australia that for females, job satisfaction is a function of tenure; suggesting that females as compared to males have lower turnover rates.

Wagner et al. (1987) sought to find the relationship between organizational tenure and job involvement. In their work, job involvement was explained as the importance of work and work success to ones life and self image. Multivariate logistic regression results of 216 employees drawn from middle level managers in the American manufacturing industry and representatives from a savings and loans organization proved that males had higher job involvement than females and thus had relatively higher organizational tenure.

Bishop (1990) used multivariate analysis on 3,412 employers from the United States based National Center for Research in Vocational Education Employer Survey in identifying job performance of their respective employees. Focusing on new hires, his quit equation confirmed that women had significantly lower quit rates. In other words, they stayed relatively for longer years on the job as compared to men.

A study by Balkin and Griffeth (1993) of 205 employees of a hospital in the United States showed that females often indirectly undervalue their work output. This possibly stems from the societal attitude of undervaluing their output as such due to the wage discrimination to their disfavor. Therefore receiving similar perceived amounts of employee benefits suggests an appreciation in their job satisfaction levels and thus propels them to stay longer on the job as compared to their male counterparts. In their work, an appreciation in job satisfaction was tied to a relatively longer tenure. This is confirmed by the works of Lewis and Terrell (2001) who concluded that undervalued workers (due to discrimination) earn higher returns to tenure on the job (due to the acquisition of firm specific skills) than they earn from general experience.

Lane and Parkin (1998) verified the authenticity of Jovanovic's job match model with a sample of 2,123 employees from Ernst and Young. Using survival analysis, it came out that males were less mobile in terms of occupational mobility.

Booth et al. (1999) sought to distinguish among reasons of job termination as lay-offs (dismissal and redundancies), quits (changes to better and different jobs) and other reasons (as termination of contract, bad health, retirement, pregnancy, family care, national service and full time education). A sample of about 5,500 households from the British Household Panel Survey indicated that men left their jobs involuntarily the more as compared to women. Also quitting jobs were more pronounced with men with leaving jobs for other reasons being more common among women. Thus in general women were more secured on their jobs as compared to men and that informs the years of service of the two parties. This is further confirmed by Copeland (2003) who concluded in a research conducted in the United States that workers who felt more secured in their present jobs were probably less motivated to switch employers.

Clark-Rayner and Harcourt (2000) in studying employee turnover behaviour in a New Zealand bank saw gender to be insignificant in their analysis. For a sample of 4,865 permanent staff of the bank, logistic regression revealed that there was no significant difference in the turnover intents of the employees whether a male or a female. Kirschenbaum and Weisberg (2002) in a study in Israel also added to the body of literature that gender was insignificant in influencing quit intentions.

The research conducted by Groysberg and Nanda (2002) on investment banks in the United States was to identify the turnover intents of workers who were of increasing importance to their firms and top performers who were publicly noticed. Undertaking industry analysis with the use of the probit model suggested that women had a higher proclivity to quitting than men.

Mumford and Smith (2003) in their cross country comparison of employee tenure in Britain and Australia revealed that females had a shorter tenure and even allowing for females with babies and infants further worsened the shorter tenure incidence. However, allowing for workplace fixed effects; the negative relationship was nullified suggesting that tenure among women is well informed given the characteristics of the work place. Mumford and Smith (2004) in explaining tenure in Britain further concluded that females had shorter tenure.

A study in Pakistan was conducted by Khan et al. (2010) on commercial banks on the relationship between rewards and employee motivation. Using Pearson Product Moment Correlation Coefficient, rewards were positively correlated to employee motivation. Verifying the effects of biographical variables on rewards, females happened to be the least motivated and thus explains their higher rates of turnover.

With reference to studies linking age as a variable of tenure, Cotton and Tuttles (1986) in the findings from their meta-analysis of over one hundred and twenty data sets showed that tenure increased with age. Wagner et al. (1987) in their multivariate logistic regression identified that in the United States, older employees tend to attach much importance to their work and its success as well. This was because they tied their success at work to their life and self image. The curvilinear relationship between tenure and success at work implied that older employees had higher organizational tenure than the younger ones. The study by Kirschenbaum and Weisberg (2002) in Israel further confirmed that relative importance of success at work had a negative significant impact on the intent to move to a similar job with different firm. These assertions possibly reiterate the views of McEvoy and Cascio (1987) in explaining why good performers were significantly less likely to leave an organization. According to them, performing remarkably on the job provides employees with intrinsic satisfaction and a sense of achievement which make them less likely to quit.

The study by Lane and Parkin (1998) in an accounting firm in the United States also found out that the older an individual, the less mobile he is in terms of "job shopping" as compared to the younger workers. This confirmed the findings of Mincer and Jovanovic (1981) which revealed that the probability of a quit and a lay off declined with age and job seniority in the United States. In Pakistan employees in the age bracket 31 through 35, according to Khan et al. (2010), were the least motivated with those aged 45 and above being the highest motivated. This means that in Pakistan, turnover rates for younger bankers are also relatively higher.

According to Booth et al. (1999), evidence from Britain showed that older people were more likely to be laid off for reasons being bad health, lower productivity and retirement. The younger

workers were however more prone to quits than their older counterparts; giving evidence of younger workers having relatively lower job tenure.

A research in New Zealand, analyzing employee turnover revealed that age was not a significant variable in explaining quit rates among employees. Logistic regression showed no difference in voluntary resignation with reference to the ages of the employees who quit (Clark-Rayner and Harcourt, 2000).

The multivariate logistic result from a study in Israel by Kirschenbaum and Weisberg (2002) showed that age was significant and inversely related to quits. It further reiterated that younger workers were less prone to staying than to leaving.

Mumford and Smith (2003) in their cross country comparison between Britain and Australia identified that age had a positive relationship with tenure. Mumford and Smith (2004) further asserted that age was positively associated with tenure although its impact declines due to its quadratic properties. This affirms that the younger the employee, the more probable he is inclined to quitting.

According to Borjas (2005), nearly 4 percent of employees in their early twenties switch jobs in any given month in the United States. He further alluded to the fact that older workers were less likely to move because they have a smaller pay off period which they can recoup the associated job search costs.

The study by Commey (2008) in Ghana revealed that employees who fell in the age bracket of twenty through forty were the willing group to leave their present organization in search of higher pay and better conditions of service. According to the author, those above forty were

primarily concerned with retiring on a good pension scheme unlike the younger employees who were always in agitation for higher pay.

In identifying the role of experience in determining employee tenure, Ruhm (1987) confirmed that turnover declined with tenure. From the Michigan Panel Study of Income Dynamics in the United States, logit regressions showed that during worsening economic conditions, those at the middle tenure (three to nine years) experienced permanent job separations while the longer tenure employees (above nine years) experienced temporary job separations. It could be inferred that permanent downsizing is negatively related with tenure. Thus firms would want to retain their most experienced workers which invariably make experience have a positive relationship with tenure.

Upon using the ordinary least squares with the Altonji Shakotho and Topel estimators, findings of Bratsberg and Terrell (1998) using the United States based National Longitudinal Survey of Youth showed that wage growth for the black race was dependent on their accumulation of specific human capital skills. In other words, the more experienced one was, the more likely he experienced wage growth. It could however be inferred that in a bid to acquire experience specifically on the job, then the incentive for a wage growth is championed by the individual staying a little bit longer on the job. Contrary to this, the white race experienced wage growth dependent on the accumulation of more general skills. This reckons that with this race having experience from diversified grounds served as the pivot for wage growth on the current job. This however means that for some crop of people having general experience stemming from frequent turnover paves way for higher wage growth. Therefore, accumulated experience which is arguably in tandem with competence serves as a signal for the quality of match and exposes employees to poaching by other competitors.

Groysberg and Nanda's study (2002) of "Does Stardom Affect Job Mobility" in the United States concluded that stardom did not necessarily play a role in the low turnover rates among super performers. However it was evident demographic factors like experience had a negative correlation with turnover rates. The reason accounting for this was the accumulation of firm specific capital as on-the-job experience and job tenure are positively correlated.

In Pakistani commercial banks as recounted by Khan et al. (2010) employee motivation was highly positively correlated with on-the-job experience. Employees who had stayed between the first to their fifth year of service were least motivated as compared to those who had stayed beyond their fifth year. This recounted that experience on the job and with the organization accounted for receiving higher rewards; which in a way reduces employee turnover.

In explaining employee tenure with reference to level of education firms would generally want to retain the highly educated people to tap from their knowledge and expertise. It is of no surprise that in job advertisements, emphasis is placed on the minimum level of education deemed fit for the vacancy. On the flip side, competitors who are unable to observe the performance of the individual ex-ante, normally use level of education as the marketing signal to poach these individuals. Lane and Parkin (1998) were of the view that higher educational levels do not attract contract termination as the firm expects to benefit from the skills and intellectual acumen of such individuals. Therefore all necessary measures are put in place to make such individuals stationary at their current post. This was a research conducted in an accounting firm in the United States with a sample of 2,123 employees.

A study by Trevor (2001) from the United States' National Longitudinal Survey of Youth concluded that the effects of job satisfaction and unemployment rate on voluntary turnover were

moderated by levels of education, cognitive ability and occupation specific training. According to him, ease of movement was propagated by the general availability of jobs and also the individual attributes particularly level of education (which commensurate ones cognitive abilities). The level of education was positively related to the individual's ease of quitting. This assertion supports the views of Bretz et al (1994) who characterized human capital variables such as education as reflecting marketability and capacity to leave an employer. In New Zealand according to Clark-Rayner and Harcourt (2000), level of education is used as a signaling tool and those who attain higher levels of education are more prone to resigning than to staying.

Apposite to the earlier discovery made by Clark-Rayner and Harcourt (2000), the multivariate logistic results of Kirschenbaum and Weisberg (2002) in Israel indicated that level of education had a positive relationship with intentions to quit. Workers with relatively lower levels of education were found to be less competitive in the external labour market and would rather stay so as to depend on the internal career ladder for progression at the work place.

Mumford and Smith (2004) in analyzing job tenure in Britain indicated that individual characteristics like level of education had an impact on tenure. They concluded that educational attainment has a broadly negative effect on tenure and its impact is strikingly observed at the highest levels. Another study in Britain by Booth et al (1999) also showed that men and women with higher educational levels were significantly more likely to quit than to be laid off as compared to workers with no or less educational qualifications. Attiah (2008), in analyzing the impact of employee turnover of Ghana Post Company Limited identified that skilled personnel like graduates and professionals had higher turnover rates because they had better opportunities elsewhere.

A review of job tenure in commercial banks in Pakistan, by Khan et al. (2010) concluded that lower tenure was associated with employees with lower levels of education. In his study employees with low levels of education were at the bottom of the ladder in terms of rewards received and that was enough for a quit intention. This was contrary to those of higher educational levels who benefitted a lot from rewards received and that served as a bait to keep them on the job.

3.2.2 Firm characteristics

This section reviews studies that identify firm characteristics as relevant ingredients for employee tenure. For the purpose of the study the firm characteristics considered are co-workers' relations, incentives, management relations, job duties (workload) and wages.

It is generally known that having good working relations with colleagues enhance a serene environment for job performance and possibly increasing ones job tenure. A study by Kirschenbaum and Weisberg (2002) in Israel showed that the actions of co-workers served as building blocks for the actions of an employee; especially where the bond among them was great. They discovered that employees' perceived impression of their co-workers' intention to quit had a positive significant influence on an individual's intention to quit as well. Thus, the probability of a worker's intent to move given that his co-workers were willing to quit was high especially in instances where they had cordial relations.

Bommer et al. (2003) in their hierarchical regression on information gathered from 566 employees in an American manufacturing organization supported the fact that 'the organizational citizenship behaviour of the work group begets the organizational citizenship behaviour of the individual'; implying that the behaviour of co-workers is strongly associated with the display of

an individual's citizenship behaviour in a firm. Giving that co-workers are cooperative enough, an individual receives a boost in his job satisfaction and that informs his tenure intentions. The exit of other influential co-workers clicks the quit intent button of other employees who got acquainted with them. They proposed that the working environment of an organization is imbued with the characteristics of the individual workers and thus firms should be circumspect in their recruitment activities.

In explaining labour management in agriculture in the United States, Bilikoff (2003) identified employee turnover in the agricultural sector. One of the reasons he accounted for was the fact that the agricultural sector especially in the diaries was fraught with unhealthy co-workers relations.

In accounting for incentives as a propeller for increasing the length of ones job tenure, Marshall and Zarkin (1987), were of the view that in the United States, the probability of job separation is a decreasing function of job tenure. One of the reasons which accounted for that was given as the growth of non pecuniary employee benefits on the current job which makes it more attractive for the individual to increase his length of tenure. The logistic results of the study undertaken by Clark-Rayner and Harcourt (2000) in New Zealand proved that bonus received by employees consistently saw a 73% decline in the probability of employee turnover.

The cross country comparison by Mumford and Smith (2003) on Britain and Australia also saw an increase in the length of tenure, given a boost in the level of incentives received by employees. Parental leave had a significant and a positive association with job tenure in both countries. Employee subsidized kid care for the parent workers also had a positive relation with tenure.

Bilikoff (2003) in a two year comparison study conducted in the diaries sub sector in the United States revealed that in both 1953 and 1983, low levels of compensation and benefits were the leading causes of employee turnover. The works of Khan et al. (2010) in Pakistan revealed that payment, promotion, recognition and benefits were positively correlated with employee motivation. This subscribes to the fact that an increase in any of the variables outlined eventually leads to a rise in work motivation and performance of employees and subsequently reduces employee turnover. Ampadu and Agyei (2011) looked at the impact of job satisfaction on staff attitude in the public health institutions of Ghana. They were of the view that offering excellent non-pecuniary benefits to employees had a primarily impact on job satisfaction which further translates to positive attitude towards work.

With reference to management relations in relation to employee tenure, Bilikoff (2003) asserted that non cordial relations between management and employee increased the incidence of employee turnover in the agricultural sector of the American economy. Disgruntled employees as a result of some identified management problems exited the firms.

Mumford and Smith (2004) however discovered that frequent employer-provided training for its employees appeared to reduce the length of tenure in Britain. Employers having training schemes for their employees signify how cordial they are related to their employees regardless of the fact that such training programs are explicitly for the betterment of the firm. However, workers after enjoying such treats recognize an upgrade in their skills and thus make them competitive. This in effect makes them prone to quits than to stay.

The study by Swody and Powell (2007) in the United States sought to find those factors that influence employees to participate in their organization's family-friendly programs. Using a

multi level approach by adopting the hierarchy linear model, employees participation in such programs were encouraged by organizations adopting programs that address employees' family needs, encourage managers to be supportive and also make employees feel comfortable engaging themselves in such programs. These were discovered to be beneficial to the employee and thus increased his productivity levels at work. Organizations also benefitted from increased employee tenure when such programs were put in place.

Controversy surrounds the impact of job duties (or workload as used interchangeably in this study) on employee tenure. Job duties refer to the demands of the work activities at post. In labour theories, work is considered a disutility, ceteris paribus. In compliance to this assertion, it is therefore expected that employees would lay down their tools when their work demands are very tedious. However, there is boredom when ones work demands are monotonous. Therefore for some people having more challenging jobs are satisfying and make them rather active.

Muchinsky and Morrow (1980) in their study concluded that monotony of work showed a consistent negative relationship with job tenure. Wunder et al. (1982) in their research found that stressful work demands had a direct and negative effect on managers' job satisfaction. This resulted into reduced organizational commitment that led to intents of quit and finally actual quitting from the organization. Firth et al. (2004) also confirmed that intentions to quit were highly influenced by the feel of job stress. However, the research by Mumford and Smith (2004) discovered that more stressful jobs are rather associated with longer tenure.

In accounting for wage-tenure effect, Hashimoto (1981) asserted to the fact that an increase in tenure which is congruent with the accumulation of firm specific capital were orchestrated by higher wages. Balkin and Griffeth (1993) indicated that pay levels were positively correlated to

on-the-job satisfaction and that had a positive effect on the intent of longer tenure in the United States. Kuhn and Sweetman (1999) using data from Canada and United States discovered that post displacement wages were negatively correlated to pre-displacement tenure especially for senior workers in the unionised sector. It could therefore be inferred that union workers especially the senior members stay longer on their current jobs because of the possibility of a declining alternative wage upon displacement. This means that the relative higher wage at the current post serve as a drive to have a continual relationship with the current employer. Clark-Rayner and Harcourt (2000) in their study in New Zealand concluded that higher paid employees were less likely to resign than the lower paid workers. Commey (2008) emphasized that in Ghana, the wage gap between accountants, managers and administrative personnel on one side and secretaries and office clerks on the other led to the first party being more satisfied on their job. This however had a telling effect on the tenure of the parties above.

In analyzing firm characteristics in relation to job tenure, the concept of job satisfaction embodies all the needed factors that make an employee at peace at his post to deliver his best. Locke (1976) defined job satisfaction as a positive emotional state resulting from the appraisal of ones job. March and Simon (1958) characterized job satisfaction as a multi-faceted function of several diverse factors such as monetary rewards, type of supervision and participation in job assignment decisions. Churchill et al. (1974) in their work ' measuring the job satisfaction of industrial salesmen' identified the determinants of job satisfaction as the job content, relations with fellow workers, supervision, company policy and support, pay, promotion and advancements and customer relations. As reported by Jha (2010), Spector's (1997) variables considered to affect job satisfaction are pay, promotion opportunities, immediate supervision,

fringe benefits, contingent rewards, rules and procedures, relations with co-workers, type of work done and communication within the organization.

March and Simon (1958) further described the perceived desirability of movement from one's job as being primarily determined by job satisfaction. They concluded that job satisfaction was negatively related to voluntary turnover. According to Churchill et al. (1974), in the United States' industrial sector, workers who quit are those who are dissatisfied and had at least one of the determinants outlined earlier to their disfavor. Bretz et al. (1994) applauded that dissatisfactory levels matter more for voluntary turnover especially when employees are better able to secure alternative employment by signaling the labour market that they are worth hiring. Visser et al. (1997) added their voice to the job satisfaction literature by coming out that job satisfaction may impact on employees' absenteeism, complaints and grievances, frequent labour unrest and termination of employment. Firth et al. (2004) also contributed to the assertion that the intentions to quit were highly influenced by job dissatisfaction. A study in the Netherlands by Van Breukelen et al. (2004) admitted that job satisfaction was negatively correlated with voluntary turnover. Asiedu-Danquah and Yaw (2006) in throwing light on the nature and causes of employee turnover in the Internal Revenue Services of Ghana (now metamorphosed into the Ghana Revenue Authority) found out that high degrees of dissatisfaction among employees were the prime causes of the incidence of turnover.

3.3 Conclusion

This chapter sought to review theoretical and empirical studies advanced to explain employee tenure. The varying theories advanced in explaining employee tenure hovered around the firm specific skills theory and the job match theory.

With the firm specific skills theory, employees who tend to stay longer on a job is due to the fact that they have acquired skills peculiar to the job they find themselves in and thus will probably be redundant if they should exit that particular firm. This theory however overlooks the possibility of occupational switching or intra-industry labour mobility, which is much more pronounced in labour market outcomes.

The job match theory on the other hand analyses tenure from the perspective of either the employer or the employee being satisfied with the working relationship existing between them. According to this theory, the productivity of an individual is not observable ex-ante. The quality of match is only revealed after an employment relationship is established. There is employment termination when either party realizes that the match existing between them is not worth while.

Giving that employment involves two parties (the employer and the employee), analyzing tenure should embrace the parties as such. An attempt was however made to review studies that acknowledged the characteristics of either the individual or the firm in explaining tenure. Gender, age, experience and level of education were the characteristics identified for the individual in explaining tenure. For the firm, co-workers' relations, management relations, incentives, wages and job duties were identified in providing an explanation for employee tenure. For the individual characteristics the various studies reviewed showed a mixed result. With regards to the firm characteristics all but incentives and wages had a unidirectional outcome, that is, they affected job tenure positively.

CHAPTER FOUR

THEORETICAL FRAMEWORK AND METHODOLOGY

4.0 Introduction

The previous chapter reviewed the theoretical and empirical literature with regards to the study. This chapter seeks to highlight the theoretical framework of the study and further discusses the methodology to be adopted in undertaking the econometric analyses. The choice of variables for the study is justified with their expected effect on tenure outlined.

4.1 Theoretical framework

Employee tenure refers to the length of time a worker spends with his employer on the job. Labour turnover on the other hand reflects on the termination of relationship between the worker and the employer. Models on turnover in most instances are used to explain tenure and this paper is no exception. The two broad theories that explain turnover are the firm specific human capital and job match.

Proponents of the firm specific human capital model are of the view that workers acquire human capital on the job in a bid to have a continual relationship with his current employer. The core idea of this model is that the probability that an individual terminates an employment relationship depends on the value of the individual's share of the specific capital inherent in the relationship. Job match models also reflect on the employment relationship where the distinct feature is that the productivity of a particular employee-employer match varies and is not

observable ex ante. The quality of the match is perceived as an experience good in that it is revealed over time as tenure accumulates.

In this paper the researcher adopts the model developed by Jovanovic (1979), which combined specific capital and search models to construct and interpret a model of permanent job separations. It fuses specific human capital with job match to explain labour turnover. This model is consistent with the negative relationship between the probability of a separation and job tenure. The prediction of this model is that over the whole life cycle both tenure and experience will negatively affect the worker's separation probability. The growth of firm-specific capital is caused by the tenure effect while the growth in experience is also associated with a shortening of the worker's remaining lifetime.

4.1.1 Jovanovic's job match model

The assumptions of the model are enumerated below;

- All search in the model is assumed to be done by the employee
- The intensity with which the worker searches for alternative employment is assumed variable and subject to choice
- The employee's intensity of search determines the rate of arrival of new wage offers
- Wages are assumed to be equal to his net marginal product
- All training and search costs are borne by the worker himself who is considered risk neutral
- Separations are initiated by the worker

- The accumulated on-the-job training is assumed to be completely firm specific

The model begins with the distribution of wages from which the wage offers are drawn independently which is characterized by the cumulative distribution function (F(*w*)). In the model, the decision for turnover is dependent on the quality of job match which in one way or the other is informed by the probability of job offers received.

Let;

$\lambda(t)\Delta t + O(\Delta t) \ldots\ldots\ldots\ldots\ldots\ldots (1)$, that is, probability that an offer will arrive during the time interval $(t, t + \Delta t)$

Since F(*w*) is known, the worker's optimal policy is characterized by a reservation wage $\theta(t)$.

(According to Burdett (1978), an individual has two extreme reservation wages, *X* and *Y*: where *X* is the minimum acceptance wage and *Y*, the maximum acceptance wage. Given that on-the-job wage is *X*, then the job terminates as soon as a wage offer is received that exceeds $\theta(t)$ thus in Burdett's case *X*). Fusing Burdett's reservation wages in Jovanovic's model will thus yield

$\theta(t) < w_o \leq Y$, which represents the quit condition, where w_o= wage offered

Let $Q_w = 1- F(w)$…… (2)

$h(t) = \lambda(t)Q\{\theta(t)\} \ldots\ldots\ldots\ldots\ldots\ldots (3)$

then, $h(t)\Delta t + O(\Delta t) \ldots\ldots\ldots\ldots\ldots (4)$ ie, probability that an acceptable offer arrives on $(t,t + \Delta t)$

Assuming that a fraction of the worker's time {s (t)} is devoted to on-the-job search and that another fraction Ø(t) is devoted to on-the-job training; then, $0 \leq s(t) + Ø(t) \leq 1$

Let $x(t)$ be the worker's productivity on a particular job and can be decomposed as

$x(t) = \mu + \gamma(t)$ ……. (5)

This is the measure of productivity with μ referring to the quality of the employer-worker match possessing a distribution F(μ) across matches and γ(t) is the accumulated human capital stock acquired through on-the-job training.

Making an assumption of the productivity of the worker on the current job over time as

$\frac{dx(t)}{dt} = g[\emptyset(t)x(t)] - \delta x(t)$ …… (6) $x(0)= \mu$, $g(0)=0$, $g'>0$ and $g''<0$

This equation is of the view that at the time (t=0) where a worker begins to work on a particular job, his productivity equals μ. Thereafter, growth in this productivity can be enhanced by devoting time to on-the-job training. If no time is devoted to investment, then productivity depreciates at the rate δ.

The amount of work produced by the employee is thus proportional to the fraction of time, (1- Ø-s), that he decides to spend working. The worker's wage at time t will therefore be given as

$[1- \emptyset(t)- s(t)]\, x(t)= w(t)$

From (5) and (6), a job change occurs only if $\Omega > \mu + \gamma(t)$, where Ω is the quality of the match with prospective new employer.

There is therefore the need to find the value to the worker, $V[x(t),t]$, of having a level of productivity equal to $x(t)$ at time t (where $0 \leq t \leq T$, T= worker's lifetime)

Deriving the functional equation which V satisfies;

Let R(t) = probability that the current job episode will terminate before time (t) {current time is denoted as t_o}

The hazard rate, h (t), of this distribution = $\frac{R'(t)}{[1-R(t)]}$

Implying that, $R(t) = 1 - \exp\left[-\int_{to}^{t} h(y)\partial y\right]$…….. (8)

It is further assumed that the arrival rate of offers $(\lambda(t))$ is an increasing function of the fraction of time spent searching:

s(t):$\lambda = \lambda[s(t)]$ and $\lambda(0)=0$, $\lambda^1>0$, $\lambda^{11}<0$

then h(t) = $\lambda[s(t)]Q[x(t)]$; the probability density that a job will be changed at time t is thus represented as $R^1(t)$.

At a discount rate, r:

V[x(t),t]=

$$Max \int_t^T e^{-r(\tau-t)}([1-R(\tau)]\boldsymbol{w}(\tau)+R(\tau)\int_{x(\tau)}^{\infty} V(y,\tau)\{\frac{f(y)}{Q[x(\tau)]}\}\partial y)\partial\tau \ldots\ldots\ldots\ldots (9)$$

Given that $R^1 = \lambda Q(1-R)$

V[x(t),t]=

$$Max \int_t^T \exp\{-\int_t^T [h(\sigma)+r]\delta\sigma\}\{w(\tau)+\lambda[s(\tau)]\int_{x(\tau)}^{\infty} V(y,\tau)f(y)\partial y\}\partial\tau \ldots\ldots (10)$$

let $z(t) = -\int_0^t [h(\sigma)+r]\partial\sigma$; therefore

V[x(t),t]=

$$Max\, e^{-z(t)} \int_t^T e^{z(\tau)} \{w(\tau) + \lambda[s(\tau)]x(\tau) \int_{x(\tau)}^{\infty} V(y,\tau)f(y)\partial y\}\partial\tau \quad \text{……………….(11)}$$

Adopting the deterministic maximum principle, the two state variable are x(t) and z(t), satisfying

$$\dot{x}=g(\emptyset x) - \partial x \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots.(12)$$

$$\dot{z} =-h - r = -[r + \lambda(s)Q(x)].\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots(13)$$

Let b(τ)= $e^{z(\tau)-z(t)}\{w(\tau) + \lambda[s(\tau)] \int_{x(\tau)}^{\infty} V(y,\tau)f(y)\partial y\}$ and $\varphi_1(\tau)$ and $\varphi_2(\tau)$ be the multipliers attached to the constraints (12) and (13) respectively

The Hamiltonian, H(t):

$$b(t) =\varphi_1(\tau)[\, g(\emptyset x) - \partial x] - \varphi_2(\tau)[r + \lambda(s)Q(x)] \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots..(14)$$

The necessary condition for optimum

$$H_{\emptyset} = -e^{z(\tau)-z(t)}\, x(\tau) + \varphi_1(\tau)g'[\emptyset(\tau)x(\tau)x(\tau)] = 0$$

$$= -e^{z(\tau)-z(t)} + \varphi_1(\tau)g'[\emptyset(\tau)x(\tau)] \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots(15)$$

$$H_s=e^{z(\tau)-z(t)}\{-x(\tau) + \lambda'[s(\tau)] \int_{x(\tau)}^{\infty} V(y,\tau)f(y)\partial y\} - \varphi_2(\tau)\lambda'[s(\tau)]Q[x(\tau)] = 0 \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots.(16)$$

$H_x=\varphi_1(\tau)=-e^{z(\tau)-z(t)}\{[1-s(\tau)-\emptyset(\tau)]-\lambda[s(\tau)]V[x(\tau),\tau]f[x(\tau)]\}-$

$\varphi_1(\tau)\{g'[\emptyset(\tau)x(\tau)]\emptyset(\tau)-\delta\}-\varphi_2(\tau)\lambda[s(\tau)]f[x(\tau)]$ ……(17)

$-H_z=\varphi_2(\tau)=-b(\tau)$ ……(18)

The transversality conditions are;

$\varphi_1(T)=\varphi_2(T)=0$ ……(19)

Upon integrating for τ to T equations 18 and 19 imply that

$\varphi_2(\tau)=\int_\tau^T b(\sigma)\partial\sigma=e^{z(\tau)-z(t)}V[x(\tau),\tau]$ ……(20)

Substituting from (20) to (17), (17) is simplified to

$\varphi_1(T)=-e^{z(\tau)-z(t)}(1-s-\emptyset)-\varphi_1[g'(\emptyset_x)\emptyset-\delta]$

$=-e^{z(\tau)-z(t)}(1-s)+\delta\varphi_1$ ……(21)

Equations (19) and (21) therefore imply

$\varphi_1(\tau)=e^{\delta\tau}\int_\tau^T \exp[z(\sigma)-z(t)-\delta\sigma]\,[1-s(\sigma)]\delta\sigma$ ……(22)

Substituting from (20) into (16) and re-arranging yields

$x(\tau)=\lambda'[s(\tau)]\int_{x(\tau)}^{\infty}\{V(y,\tau)-V[x(\tau),\tau]\}f(y)\partial y$ ……(23)

From the equation above, the right hand side connotes expected marginal returns and the left hand side, marginal cost of search

Differentiating (23) totally with respect to $x(\tau)$ while holding τ constant

$$\frac{ds(\tau)}{dx(\tau)} = \frac{\lambda'[s(\tau)]}{x(\tau)\lambda''_{[s(\tau)]}}\{1 + \lambda'[s(\tau)]V_x[x(\tau),\tau]Q[x(\tau)]\} = D < 0 \quad \ldots\ldots\ldots\ldots \quad (24)$$

$[\lambda'' < 0, \lambda' > 0]$

Equation (24) implies that the amount of time devoted to search for alternative employment [s(t)] decreases with productivity { x(t)} [holding t constant]. This attests to the fact that those that are better matched and those that have more specific human capital spend less time searching implying that they are less probable to quit. Thus workers search more intensely the poorer their match and the less on-the-job training accumulated.

Further, the density of job satisfaction over the tenure interval $(t, t + \Delta t)$ is

$$\lambda[s(t,\mu)]Q[x(t,\mu)] = h(t,\mu) \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (25)$$

t= job tenure;

x(t, μ) and s(t, μ) are the optimal trajectories of human capital and search activity on a job characterized by quality of match μ, respectively;

where $x(0, \mu) = \mu$; $x_\mu(t, \mu) > 0$ for all t ; $s_\mu(t, \mu) < 0$ for all t and since $\lambda' > 0$ while $Q' < 0$;

$$h_\mu(t,\mu) = Q\lambda' s_\mu - \lambda f x_\mu < 0 \text{ for all t} \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \quad (26)$$

Equation 26 implies that separation probabilities regarded as a function of job tenure are thus uniformly lower for those who are well matched for reasons being, workers that are well

matched spend less time searching for alternative work and when they do receive alternative offers, they are less likely to accept them.

This study espouses equation 26 and is further expanded to include possible variables that embrace job tenure. In this study also an employee who is well matched is dependent on firm and individual characteristics. The right hand side of equation 26 of the form $\lambda f x_{\mu}$ represents the productivity level of the individual. From literature the productivity level of an employee is internally (individual characteristics) and/or externally (firm characteristics) motivated. Gender, age, experience, level of education, wages, incentives, management relations, co-worker relations and job duties are some of these characteristics that influence productivity levels. $Q\lambda' s_{\mu}$ on the other hand captures the search activity of the individual and per the model it increases when the job match between the worker and the firm is of less quality. This model acknowledges on-the-job search; therefore the variable "offer received" is added to the firm and individual characteristics outlined above to give a comprehensive picture of job tenure. Per the assumptions of this job match model, the individual triggers job separation and not the firm thus this model qualifies to be a "quit" model. For this reason, the study is biased towards the employees.

4.2 Model specification for ex post analysis

For the purpose of the study a transformed version of equation 26 (as explained above) will thus be of the form

$TEN_{if} = f(F, I, O)$:

Where, TEN_{if} = tenure of individual 'i' at workplace f and

F = characteristics of the firm

I = characteristics of the individual

O = offer received

The tenure model will therefore be

$$TEN_{if} = X_{if} A_j + e_{if,}$$

where, X_{if} = vector of explanatory variables

A_j = parameters of the model

e_{if} = the stochastic error term (which takes care of all unobserved heterogeneity)

Substituting the firm and individual characteristics in the model above will yield;

$TEN_{if} = a_o + a_1gen + a_2educ + a_3age + a_4agesq + a_5exp + a_6cowrl + a_7inctv + a_8mgrl + a_9wload + a_{10}wages + a_{11}offerrcvd + e_{if}$ …….. (27)

Where;

gen = gender of the employee

educ = level of education of employee

age = age of employee

agesq = squared age of employee

exp = experience level of employee

cowrl = co-worker relations as perceived by the employee

inctv = incentives received by employee

mgrl = management relations as perceived by employee

wload = workload as perceived by employee

wages = wages received by employee

offerrcvd = job offer received

e_{if} = stochastic error term

TEN = the number of years an employee has spent on his job

The dependent variable (TEN) is categorized into three. Category 0 spans the period zero to two and half years with category 1 covering the period between two and half and four years. The last category (category 2) caters for more than four years. These categorizations were done based on the data collected. Per the data, the average tenure was 3.99 years (almost 4 years). Therefore breaking the tenure into the categories above ensures a fair distribution of years spent on the job across the respondents and thus makes analysis show the true reflection of the situation on the ground.

Table 4a: The breakdown of the dependent variable (Tenure)

CATEGORIZATION OF TENURE	YEAR SPAN OF WORK
Category 0	0 – 2.5
Category 1	2.6 - 4
Category 2	Above 4

Source: By author

4.2.1 Definitions and a priori signs of variables

This section defines the variables chosen for the study and further identifies their possible effects on an individual's job tenure. Primarily the choice of these variables is informed by job tenure literature[19]. The variables to be discussed include gender, level of education, age, age squared, experience, co-workers relations, incentives, management relations, job duties, wages and offer received.

Gender used as a variable here refers to either the respondent is a male or female. There is still a controversy in the use of sex as a variable instead of gender. Gender is preferred because the distinguishing feature of someone being a male or female transcends physical attributes to include the roles performed by them as such. This is a dummy with the number, 1 representing male respondents and 2 representing females. In the literature, gender as a determinant of tenure

[19] Refer to the empirical literature aspect of chapter three

has a mixed outcome. Males as compared to females are naturally daring and aggressive. They are keen to new experience and are thus more mobile unlike females who are naturally reserved. The import of this is relatively longer tenure associated with females.

Hunt et al. (1975) and Bishop (1987) confirmed that females were less prone to quits. Some empirical researches like that of Lane and Parkin (1998) however showed that males are less mobile unlike females. A research in Pakistan by Khan et al. (2010) also showed that females are less motivated as compared to males and are thus prone to quits. Furthermore, females in a bid to undertake their household responsibilities of catering for their children tend not to stay on their jobs for long as compared to their male counterparts. This assertion was made by Mumford and Smith (2004) in a study conducted in Britain. Gender is therefore included as a variable to possibly identify the Ghanaian case of tenure among males and females especially in the banking sector which is relatively male populated.

The level of education of the employee is also added to the variables to identify whether an individual's educational attainment has a bearing on his or her tenure. This is a dummied variable with the numbers 0 representing those with at most a Higher National Diploma (HND), 1 referring to employees with a first degree and 2 representing those with Post-graduate degrees and or other professional qualifications. Individuals with higher levels of education are less prone to quits as espoused by some studies. Authors in support of this assertion are of the view that employers are not willing to stay aloof and permit their industrious workers leave. Higher acquisition of knowledge associated with higher educational attainment is the signal that catches the eye of the employer. Employers thus put their workplace in order so as to motivate people with higher education stay longer.

For example Balkin and Grifeth (1993) concluded that higher employee benefits that come along with higher educational attainment makes employees who have climbed higher the academic ladder less prone to quits. Contrary to this some studies identify higher educational attainment as a signaling tool for competitors to seek the services of these individuals[20]. This thus makes such people more probable to quit than to stay. Moreover, due to lower educational levels associated with being less competitive in the labour market, those with lower levels of education tend to stay long on their jobs and use the internal ladder for career progression.

Age refers to how old the individual is. It is treated as a continuous variable. It is widely asserted that younger people are more adventurous. They thus tend to be 'job shopping' unlike their older folks. Studies conclude that age is positively related to tenure, thus as an individual ages, his proclivity of quitting reduces. However as the individual approaches his retirement, his intent of tenure diminishes. This suggests the concavity of age in explaining tenure. To capture this concavity, there is another variable age squared. Age is therefore expected to be positively related with tenure and age squared having a negative relationship.

Experience in this study refers to the number of years an individual has spent in the labour market. In this study it is calculated as the difference between the current age of the respondent and the age of the respondent when he or she was first formally employed. Experience in most studies is positively related to tenure[21]. It could be explained in two dimensions: as the individual is experienced in his job duties, employers tend to retain such people so as to enhance productivity and also impart the acquired knowledge onto the up-coming colleagues. Also as ones tenure increases on a job, his level of experience is increased in a one-to-one ratio. However

[20] Refer to literature review in chapter three
[21] Refer to literature review in chapter three

as ones level of experience in a particular field is well sought for by competitors, it serves as a signal for poaching. In most instances employees who are poached are those who are well versed in their undertakings. All these come by, with the accumulation of experience. Using level of experience as a signal suggests lower tenure for the highly experienced individuals. In the study, years of experience is treated as a continuous variable.

Co-workers relations with employees are also considered as a major determinant of tenure. This variable depicts the level of relationship an employee enjoys from his colleagues. It is basically grounded on how an individual perceives of such a relationship. Since it is a qualitative variable, a Likert scale is assigned for it; ranging from not co-operative, co-operative to highly co-operative. The numbers 0, 1 and 2 were assigned to the perceived levels of co-operation respectively. Receiving higher levels of co-operation from co-workers serves as a morale booster for performance and on-the-job endurance. It is therefore expected that co-workers relations have a positive relationship with tenure. It is however treated as a continuous variable.

Incentives as a variable here refers to all other benefits accrued to the employee other than wages received. This thus includes all pecuniary and non-pecuniary benefits received. Mention can be made of allowances, sick leave, bonuses, educational packages etc. It is based on how the respondents perceive the satisfaction of the incentives received. This variable has a Likert scale of not satisfactory, satisfactory and highly satisfactory with 0, 1 and 2 assigned to them respectively. As incentives boost job satisfaction and performance it is expected to have a positive relationship with job tenure. It is however treated as a continuous variable.

Management relations with employees refer to how workers perceive the cordiality of management. This variable also has three categories, from 0 to 2. The numbers 0 represents non

cordial relations, 1 takes care of cordial relations with 2 referring to highly cordial relations. It is expected that the more cordial management is with the employees, a favourable working environment is enhanced and that reflects on higher job tenure of employees. This variable is also treated as continuous.

Workload refers to the demands of work at the job. This variable is also based on the perception of the individual with regards to the demands of work at his respective workplace. The Likert scale for this variable also ranges from very demanding to not demanding. The numbers 0 is assigned to jobs that are considered very demanding, with 1 and 2 for jobs that are demanding and not demanding respectively. In theory the individual considers work to be a disutility and will thus prefer jobs that are less demanding, all things being equal. This would mean that less demanding jobs would attract longer tenure. However some empirical works suggest that jobs that are more stressful (more demanding) rather attract longer tenure. This variable will thus seek to either prove the ceteris paribus assumption or side with the other competing outcome. This variable is treated as a dummy.

Wages which is arguably the prime determinant of tenure refers to the primary monetary reward an employee receives for his or her service delivery. Ones reward for his services rendered is reflected in the wages received. The wage variable is dummied with the numbers 0 reflecting wages below GH¢500, 1 capturing wages ranging between GH¢500 and GH¢1000 with 2 representing wages between GH¢ 1000 and GH¢1800. Wages above GH¢ 1800 were dummied as three. Wages in this study refers to the 'take home pay' of the employee. As wages is the predominant motivational tool for job satisfaction and performance, it is expected to have a positive correlation with tenure.

Job offers received is a variable captured to suit the job match model which is the framework of the study. Jovanovic's job match model (1979) encompasses both the tenure and search models. This variable gives evidence of on the job search and its consequence on tenure. It is dummied as yes or no. Yes refers to the situation where the respondent has received a job offer while at post in his current job and No showing otherwise. For a 'yes' the respondent is accorded the number 1 with 2 referring to a 'No' situation. Individuals who have received job offers while at post are expected to have a lower tenure as compared to those who have not.

Table 4b: Variables with their expected signs

VARIABLES	EXPECTED SIGNS
gender (male / female)	+/-
education level	+/-
age	+
age squared	-
experience	+/-
co-workers relations	+
incentives	+
management relations	+
workload	+/-
wages	+
offer received : Yes	-
: No	+

Source: By author

4.2.2 Estimation technique

In order to obtain the parameter estimates of the regressed model, the study will use Logistic regressions specifically the Multinomial Logit Model. The choice of the Multinomial Logit Model is based on its ability to predict probable outcomes from the explanatory variables. Moreover the dependent variable has more than two categories which qualifies the study to adopt the Multinomial logit model (with this study, the dependent variables are categorized into three). Also it assumes there is an Independence of Irrelevant Alternatives (IIA), that is, given that any categorized dependent variable is omitted or deleted, it would not affect the probability of the occurrence of the other categories. This assumption therefore implies that under no circumstance should a subject be found in more than one category. Given tenure as the dependent variable, categories made of the number of years spent on the job would necessarily make each subject be in only one of the categories spelt out. Furthermore, marginal effects and odds ratio which are embedded in the model make it easy for the interpretation of outcomes. The probit model could be used for the analysis. The choice of the logit model over the probit is not far fetched. With probit models it is assumed that the residuals have standard normal distributions but residuals of logit models have standard logistic distribution. Moreover, the logit was basically developed for models which satisfy the IIA assumption.

Cameron and Trivedi's (2005) representation of the multinomial logit model is of the form;

$B_i = X_i A_i + e_i$ …… ……...(I)

Where,

e_i = stochastic error term

X_i = parameter estimates

A_i = vector of explanatory variables

B_i = dependent variable identifying the categories with respect to the number of years spent with the current employer.

The general probability expression is of the form;

$$Prob\ (i) = \frac{\exp(Vi)}{\sum_{j=1}^{j} Vj} \quad \text{..... ……(II)}$$

Where *Prob* (*i)* = the probability of the decision maker choosing alternative *i*

Vj = the systematic component of the utility of alternative *j*

$$Prob(0) = \frac{\exp(V0)}{\exp(V0)+\exp(V1)+\exp(V2)} \quad \text{……... (III)}$$

$$Prob\ (1) = \frac{\exp(V1)}{\exp(V0)+\exp(V1)+\exp(V2)} \quad \text{……. (IV)}$$

$$Prob(2) = \frac{\exp\ (V\ 2)}{\exp(V0)+\exp(V1)+\exp(V2)} \quad \text{…..……. (V)}$$

This formulation implies that the probability of choosing an alternative increases monotonically with an increase in the systematic utility of that alternative and decreases with increases in the systematic utility of each of the other alternatives. This means that for example, if an individual

as of the time the survey was conducted had stayed on the job for two years, an increase in his utility for the second year and a possible decrease in utility for the subsequent years would make the individual terminate his employment by the end of the second year. If it is however foreseen that the following years will generate higher utility than the current year then the individual would opt to probably increase his stay rather than quit at the end of the second year.

The probability that an individual *i* chooses any of the categories of years spent with the current employer is thereby expressed as;

$$P_{ij} = \frac{\exp(\text{Xi Ai})}{\sum_{j=0}^{2} \exp(\text{Xi Ai})} \quad \ldots \quad (VI)$$

Setting category 2 as the reference class for the purpose of comparison and interpretation with yields;

$$P_{i2} = \frac{1}{1+\sum_{j=0}^{1}(\text{Xi Ai})} \quad \ldots \quad (VII)$$

$$P_{ij} = \frac{\exp(\text{Xi Ai})}{1+\sum_{j=0}^{1}(\text{Xi Ai})} \quad \ldots \quad (VIII)$$

The odds ratio will thus be of the form;

$$\frac{Pij}{Pi2} = \frac{\frac{\exp(\text{Xi Ai})}{1+\sum_{j=0}^{1}(\text{Xi Ai})}}{\frac{1}{1+\sum_{j=0}^{1}(\text{Xi Ai})}} = \exp(X_i A_i) \quad \ldots \quad (IX)$$

Therefore the log odds (Z) = $X_i A_i$ ………………………………………………………… (X)

This means that the dependent variable (tenure) is a function of the vector of firm and individual characteristics

For the interpretation, the marginal effect is computed and is of the form

$$\frac{\partial Z}{\partial A} = X_i(1 - AX)(AX)$$

The expression above gives the probable change in the dependent variable (tenure) given a unit change in the independent variables.

4.3 Model specification for the ex ante analysis

Tenure intents widely inform actual tenure. With reference to the theoretical framework already specified, the model to be used is specified as:

$CSOJ_{if} = b_o + b_1gen + b_2educ + b_3age + b_4agesq + b_5exp + b_6cowrl + b_7inctv + b_8mgrl + b_9wload + b_{10}wages + b_{11}rank + b_{12}TEN + b_{13}mars + u_{if}$ …… (28)

Where CSOJ = continual stay on job; rank = the rank of the individual; mars = marital status of the individual. The interpretations for the other variables are spelt out in equation 27.

The dependent variable has a binary outcome of ‘yes’ or ‘no’; with the ‘yes’ indicating that the individual has intentions of staying whilst ‘no’ depicts quit intentions. The ‘yes’ outcome is coded as 0 (and is used as the base outcome for the logit estimations) with ‘no’ coded as 1. Marital status is dummied with the numbers 0 representing those who are single and 1 for those married. Rank also has three categories with the numbers 0 representing officers, 1 capturing those at the management level with 2 taking care of those at the senior management level. It is

treated as a continuous variable with the least number representing the least rank. Length of tenure is expected to have either a positive or negative relationship with ones intent of staying. This is because of the interplay of age and experience in explaining tenure.

Rank is also expected to have either a positive or negative relationship with ones intent of staying. This is because as the individual assumes a higher rank, it connotes higher productivity levels of the individual and that could serve as a signal for competitors to seek his services. Attaining a higher rank on the other indicates the quality of job match and this reduces the probability of job separation. The effect of marital status on the intent of staying also remains inconclusive. The a priori expectations of the other variable remains the same as they were for the ex post analysis.

4.3.1 Estimation technique

The binary (logit) model is used for the ex ante analysis. This is due to the fact that the dependent variable has two categories (yes/no). The odds ratio is also used for the interpretation of the results.

The logit model is thus of the form;

$W_i = B_i X_i + u_i$ …….. ……..(a)

Where,

u_i = stochastic error term

B_i = parameter estimates

X_i = vector of explanatory variables

W_i = dependent variable (continual stay on job)

The general probability expression is of the form;

$$Prob\ (i) = \frac{\exp(Vi)}{\sum_{j=1}^{j} Vj} \quad \text{..... ……(b)}$$

Where *Prob* (*i)* = the probability of the decision maker choosing alternative *i*

Vj = the systematic component of the utility of alternative *j*

$$Prob(0) = \frac{\exp(V0)}{\exp(V0)+\exp(V1)} \quad \text{……... (c)}$$

$$Prob\ (1) = \frac{\exp(V1)}{\exp(V0)+\exp(V1)} \quad \text{……..... (d)}$$

The probability that an individual *i* chooses to stay or not is expressed as;

$$P_{ij} = \frac{\exp(\text{Bi Xi})}{\sum_{j=0}^{1} \exp(\text{Bi Xi})} \quad \text{…… (e)}$$

Setting category 0 as the reference class for the purpose of comparison and interpretation yields;

$$P_{i0} = \frac{1}{1+\exp(\text{Bi Xi})} \quad \text{……..... (f)}$$

$$P_{ij} = \frac{\exp(\text{Bi Xi})}{1+\exp(\text{Bi Xi})} \quad \text{…… (g)}$$

The odds ratio will thus be of the form;

$$\frac{Pij}{Pi0} = \frac{\frac{\exp(Bi\,Xi)}{1+\exp(Bi\,Xi)}}{\frac{1}{1+\exp(Bi\,Xi)}} = \exp(B_i X_i) \quad \text{.. (h)}$$

The odds ratio in this case measures the probable number of times the individual is likely to stay or not given a unit change in any of the explanatory variables.

4.4 Research Design

This section outlines the nature of the research undertaken. The firm and individual characteristics identified as the determinants of employee tenure are a mixture of variables that could be measurable or not. The measured variables include age, age squared, experience and wages. Age, age squared and experience are measured in years and are considered as continuous variables. Wages are measured by the amount earned and in this study are categorized. The qualitative variables include gender, level of education, management relations, co-worker relations, incentives, workload and offer received. These variables cannot be directly measured and for the purpose of analysis are coded. The study is thus both quantitative and descriptive in nature.

4.4.1 Study Area

Accra, the capital of Ghana was the area for the study. It was chosen because it is the hub of the headquarters of the nation's commercial banks. The concentration of banks in this area gives an avenue for a fair representation of employees in the banking sector. The study covered the 25 commercial banks in the country as of May 2012.

4.4.2 Sampling technique

Probability sampling which makes every member of the population have an equal chance of being selected was the technique adopted. With this approach, the simple random technique was used where employees were picked at random by the human resource departments of the banks. The respondents were randomized because of the possibility of capturing employees having their tenure across a wider range of years so as to get a clearer picture of the factors that possibly inform the varying tenure outcomes. The targeted sample size was two hundred (about 1 percent of the total labour size in the Ghanaian banking sector). The 1 percent was chosen because the study was focused on only Accra more specifically on the various head offices of the banks. The choice of employee size per bank for the study was proportional to the labour size of the respective banks in the financial sector[22]. This gives a balance and true reflection of employee tenure across the commercial banks.

4.4.3 Data collection

Structured questionnaires were designed and had three sections. Section A sought to look out for the demographic information of the respondents. Section B was to get information from respondents who had ever experienced labour mobility. Section C centred on on-the-job information where the firm characteristics were identified. The questionnaires were administered to employees of the 25 banks and of the 138 respondents, all the banks had at least one respondent so as to enhance a true representation of the sample. Expectedly, the shortfalls in the targeted respondents were from the banks with relatively large labour size. The survey however

[22] See Appendix 16

lasted a little over 6 weeks. The data collected were cleaned and all variables coded and with the help of Stata (a statistical package), the results found were analyzed.

4.5 Conclusion

The two broad models of turnover which is a replica of tenure are the firm specific and job matching models. The Jovanovic's job match model was thus adopted. This is because most of the assumptions made by the model suit the employment situation in Ghana. In this study quits rather than lay offs explain possible employee turnover. For this reason, the respondents considered for the study were employees and not employers, reflecting the fact that upon a revealing job match, the employee will intend extending his stay or not.

For the ex post analysis, the multinomial logit model was adopted for the purpose of econometric estimation. The multinomial logit model was chosen because the categories for tenure (the dependent variable) were more than two and moreover the study satisfied the Independence of Irrelevant Alternatives (IIA) assumption made by the model. Age, gender, level of education and years of experience were the variables identified to cater for the individual characteristics that have a bearing on job tenure. For the firm characteristics, variables like wages, workload, management relations, incentives and co-workers' relations were spelt out. To fit Jovanovic's job match model (which combines tenure and search models), the variable 'offer received' was included to capture on-the-job search. This also influences tenure because the arrival of a job offer might influence an individual's decision to have continual relationship with his current employer or not.

For the ex ante analysis (which deals with the intent of tenure), the logit model was used but limited to two choices (that is, whether the individual would want to stay or leave). In this model, the dependent variable "continual stay on job" was regressed on the firm and individual characteristics determined under the ex post analysis with tenure, marital status and rank as new independent variables introduced. The variable "offer received was however omitted in this analysis.

Questionnaires were administered to employees of the 25 commercial banks in Ghana with a conscious effort made to ensure at least a representation of each bank. Accra was chosen as the study area and in all 138 respondents who were randomly sampled aided the tenure analysis.

CHAPTER FIVE

PRESENTATION AND DISCUSSION OF RESULTS

5.0 Introduction

Chapter four highlighted the frame within which the study operates and the methodology to be used for the tenure analysis. The job match model developed by Jovanonic (1979) was the theoretical framework for the study and the logit model was adopted as the methodology for the tenure analysis. This chapter presents and discusses the results of the study thus paving way for policy recommendations.

5.1 Descriptive Statistics[23]

The banking sector which is male dominant will expect such a survey to be biased towards males. However it was coincidental with the population distribution of the economy, 47.83 percent of the 138 respondents were males with the rest being females. From table 5a about 55 percent of the respondents who had stayed on the job for at least five years were females. Marital statuses of the employees showed 54 percent remaining single and 46 percent being married. Level of education really matters in the banking industry and unsurprisingly, the least level of education attained as of the time the survey was conducted was a Higher National Diploma (HND). About 6 percent had attained at most the HND with 59.70 percent having a first degree. Those with post graduate degrees and other professional qualifications were 35.08 percent. From table 5a, out of those who had remained at their post for at least five years, 55 percent had

[23] Charts for this section are displayed in the appendix.

attained their first degree with 45 percent attaining their post graduate degree and or professional qualification.

The survey showed that the banking industry is youthfully populated with a minimum age of 23 and a maximum age of 50. The average age was around 30.74. Relative to the average employee tenure in the United Kingdom of about five years (Mumford and Smith, 2004) and 4.4 years in the United States (United States Bureau of Labor Statistics, 2010), that of Ghana is not well documented. However, the average tenure in the banking industry per the survey conducted hovered around 4 years with a standard deviation of 2.56. This gives an indication that for an average worker in the banking industry, the level of labour turnover will be much more pronounced after his fourth year of service. The minimum tenure from the survey was about five months with the maximum being sixteen years. From table 5a about 30 percent of the respondents had stayed on the job for at most two and half years, with 33 percent and 37 percent having stayed for at most four years and at least five years respectively. Years of experience was averaged at 6 with a minimum of 5 months and a maximum of 26 years.

Out of the 138 respondents, about 60 percent had ever experienced labour mobility. This was to throw more lights on their decisions to terminate their previous employment relationship. The mean age at first employment was about 24 years, meaning that an individual in his twenty-fourth year is expected to have tasted formal employment, all things being equal. Out of the 82 respondents who had experienced labour mobility, 59.75 percent had had their first degree before they were first formally employed. Only 7.32 percent and 32.93 percent had attained post graduate degrees and or other professional qualifications and an HND respectively. This reveals that the guaranteed level of education for one to have a career in the banking industry is a first degree.

About 32.84 percent had moved from a financial institution to their current place of work with the remaining probably experiencing occupational mobility. About 82 percent of those who had experienced labour mobility were officers of their former place of work. The average tenure at the previous place of work was however about 3 years with a standard deviation of 1.98 as compared to 2.5 years of farmers in the diaries sub sector of the United States as documented by Bilikoff (2003). This could even possibly reiterate turnover intentions being more pronounced in the fourth year of service and beyond as said earlier.

From appendix 13 about 43 percent had had an offer from their current employers with 41 percent moving voluntarily from their place of work. About 4 percent were reported of being relieved off their post by their former employers, which in effect at least suggests lay-offs in the Ghanaian labour market. Having an offer from the current employers could give evidence of poaching in the banking industry. Since poachers normally promise higher wages and relatively better incentives, it is however not surprising that in appendix 14, 25.64 percent accounted for relatively lower wages at their previous place of work as the main reason for their departure with about 14 percent attributing it to relatively lower incentives.

There is a general notion of the 'whom you know' syndrome in the Ghanaian labour market, that is people who are employed in somewhat prestigious firms are those who have family affiliates in that organization. The survey turned out that 20.29 percent of the respondents employed their family and friends in securing their jobs. About 28 percent had a direct contact with the employer thus it was not based on 'whom you know' but upon having a direct interaction with the employer, with 25.36 percent through their national service. More revealing, 27 percent of those who wanted to have a continual stay on their job had contacted the employer directly in their quest for the job. About 23 percent and 25 percent of the said employees adopted family

and friends and national service respectively as their search strategy. This however gives an idea as to the influence of search strategies on job tenure.

To capture poaching, an offer of employment was grouped alongside the various search strategies adopted by employees in their quest for job hunt. Out of the 138 respondents, 5.80 percent had received offers from their current employers and unsurprisingly were part of the 43.21 percent of those who had experienced labour mobility and had attributed it to offers received. About 38 percent of the 5.8 percent who were poached had attained their post graduate degrees and or professional qualifications with the remaining having their first degree. Close to 50 percent of those poached received not less than GH¢ 1800 with the remaining not less than GH¢ 1000.

From table 5a majority of the respondents were receiving wages ranging from GH¢1000 to GH¢1800 with 28.98 percent receiving above GH¢1800. Five out of every ten employees chosen from among those who had stayed for at least five years received not less than GH¢1000. About 83 percent of those who received below GH¢500 had stayed for at most two and half years.

Close to 80 percent were reported to have cordial relations with the management and 62.32 percent admitting that co-workers were co-operative. From table 5a about 55 percent of those who had remained at their post for at least five years confirmed of enjoying a fair level of cooperation from their co-workers with 68 percent of those having stayed for at most two and half years alluding to the same assertion. Only 10 percent and 8 percent of those who had stayed for at most two and half years and at least five years respectively had complained of not having cordial relations with management. Given the ranks of the respondents at their place of work,

76.47 percent were officers with 12.5 percent and 5.15 percent occupying the management and senior management level respectively.

Only 6.80 percent of the employees reckoned that their workload was not demanding. About 56 percent and 38 percent reported that their workloads were demanding and very demanding respectively. About 61 percent of the longer tenure group (above four years) complained of having workloads which were demanding with 35 percent having no problem with the demands of work. Of those who claimed workload was not demanding, 63 percent had stayed for at most two and half years with 13 percent and 25 percent being on the job for at most four years and at least five years respectively.

From table 5a more than a half of the respondents felt satisfied with the incentives given with about 41 percent not pleased with the level of incentives received. More than half of the employees who had stayed in either of the tenure categorization reported of having satisfactorily levels of incentives. Employees on their current job had received offers from other employers and this constituted 47.83 percent of the sample. Of these about 50 percent of the 5.8 percent who were reported to have been poached had received other offers while on their current job. This suggests an increasing possibility of turnover the more competitive an employee is.

For those who had received offers and still remained at their post, about 30 percent attributed their decision to liking the work they were doing. An equal percentage of 18.46 justified their decision for staying with reasons as wages being relatively higher at their current post and also enjoying good management relations. About 80 percent admitted having a continual relationship with their current firm with 23.64 percent, 22.73 percent and 20.91 percent rooting for liking the

work they do, other unspecified reasons and comfortable wages given respectively as the drive for their decisions.

About 88 percent of those who had stayed for at most two and half years claimed to have a continual stay on the job. However the percentage decreased as tenure increased; as 80 percent and 73 percent of those who had stayed for at most four years and at least five years respectively declared their intentions of staying. This was against higher percentage gains for those who intended terminating their employment relationship with the current firm as tenure increased. Only 12 percent of those who had remained at their post for at most two and half years intended not to continue working with the current employer as against 27percent of those at the longer tenure category (above four years)[24]. For those who opted to quit, about 29 percent were not comfortable with the remuneration given them.

[24] Refer to table 5a

Table 5a: Descriptive of key variables

VARIABLES	TENURE			TOTAL
	0 - 2.5 years	2.6 - 4 years	Above 4 years	
GENDER:				
Male	19	24	23	66
Female	23	21	28	72
	42	45	51	138
EDUCATION:				
HND	5	2	0	7
First Degree	28	25	27	80
Post graduate	8	17	22	47
	41	44	49	134
CO-WORKERS' RELATIONS:				
Not cooperative	4	0	1	5
Cooperative	29	29	28	86
Highly cooperative	9	16	22	47
	42	45	51	138
INCENTIVES:				
Not satisfactory	20	17	19	56
Satisfactory	21	24	29	74
Highly satisfactory	1	3	3	7
	42	44	51	137
MANAGEMENT RELATIONS:				
Not cordial	4	1	4	9
Cordial	32	34	41	107
Highly cordial	6	10	6	22
	42	45	51	138
WORKLOAD:				
Very demanding	15	20	18	53
Demanding	22	24	31	77
Not demanding	5	1	2	8
	42	45	51	138
WAGES:				
Below GH¢500	5	1	0	6

VARIABLE	TENURE			TOTAL
	0-2.5 years	2.6-4 years	Above 4 years	
GH¢500 - GH¢1000	13	12	5	30
GH¢1001 - GH¢1800	18	17	27	62
Above GH¢1800	6	15	19	40
	42	45	51	138
OFFER RECEIVED:				
Yes	12	26	28	66
No	30	19	23	72
	42	45	51	138
CONTINUAL STAY:				
Yes	37	36	37	110
No	5	9	14	28
	42	45	51	138

Source: Computed by author

5.2 Results from logit estimations

This section discusses the results of the marginal effects and odds ratio from the logistic regressions for the ex post and ex ante analysis respectively. From the multinomial logistic regressions, the following results were obtained;

5.2.1 Ex post analysis

The analysis under this section reflects those determinants that have accounted for the present number of years an employee has stayed on the job. The base outcome is the tenure above 4 years and all analysis are made in reference to this category. Tables 5b and 5c below give the results of the logistic regressions for tenure spanning from 0 to 2.5 years and 2.6 to 4 years respectively.

Table 5b: Logistic regression results for shorter tenure (0 – 2.5 years)

Variable	Marginal Effects	Robust Std. Error	z	P>z
Female	-0.1159583	0.10037	-1.16	0.248
Age	-0.4459282	0.11316	-3.94	0.000*
Age squared	0.0074909	0.00182	4.12	0.000*
First degree	-0.4697266	0.31494	-1.49	0.136
Post graduate	-0.4481303	0.23146	-1.94	0.053***
Experience	-0.1108141	0.03234	-3.43	0.001*
GH¢500-GH¢1000	-0.2269226	0.10198	-2.23	0.026**
GH¢1001- GH¢1800	-0.2235021	0.13052	-1.71	0.087***
Above GH¢1800	-0.2151908	0.10976	-1.96	0.050**
Management relations	0.2629279	0.17652	1.49	0.136
Co-workers relations	-0.3733523	0.13948	-2.68	0.007*
Demanding	0.0151376	0.097	0.16	0.876
Not demanding	0.6715198	0.17243	3.89	0.000*
Incentives	-0.1112181	0.08847	-1.26	0.209
No offer received	0.2921376	0.10739	2.72	0.007*

From table 5b, *=1% significance level, **=5% significance level, ***= 10% significance level. (Number of Observations=129, Wald Chi 2(30) =1464.93, Prob > Chi 2=0.0000, Pseudo R^2 = 0.3706)[25]

Source: By author

Table 5c: Logistic regression results for mid tenure (2.6 – 4 years)

Variable	Marginal Effects	Robust Std. Error	z	P>z
Female	0.0043098	0.11061	0.04	0.969
Age	0.2150269	0.12344	1.74	0.082***
Age squared	-0.0044046	0.00194	-2.27	0.023**
First degree	-0.5219648	0.31504	-1.66	0.098***
Post graduate	-0.5510294	0.23135	-2.38	0.017**
Experience	0.0857787	0.03035	2.83	0.005*
GH¢500-GH¢1000	-0.7621385	0.10333	-7.38	0.000*
GH¢1001- GH¢1800	-0.7722295	0.13106	-5.89	0.000*
Above GH¢1800	-0.7792153	0.11074	-7.04	0.000*
Management relations	0.0218538	0.15817	0.14	0.890

[25] The Pseudo R^2 gives an idea of the goodness of fit of the model. Having a Pseudo R^2 of 0.3706 > 0 speaks well of the fitness of the model although a Pseudo R^2 of 1 is the most preferred. According to Wooldridge (2010), the goodness of fit for a logit model is not all that important as compared to the economic and statistical significance of the explanatory variables

Variable	Marginal Effects	Robust Std. Error	z	P>z
Co-workers relations	0.2112286	0.12243	1.73	0.084***
Demanding	-0.0462951	0.10592	-0.44	0.662
Not demanding	-0.5574876	0.15112	-3.69	0.000*
Incentives	0.0524307	0.09288	0.56	0.572
No offer received	-0.2552922	0.10846	-2.35	0.019**

*=1% significance level, **=5% significance level, ***= 10% significance level. ((Number of Observations=129, Wald Chi 2(30) =1464.93, Prob > Chi 2=0.0000, PseudoR^2 = 0.3706)

Source: By author

For the first outcome which comprises tenure spanning not more than two and half years, age, age squared, experience, co-workers' relations, not demanding workload, no offer received were significant at 1%. Wages between GH¢500 and GH¢1000 and above GH¢1800 were significant at 5% with wages between GH¢1000 and GH¢1800 and post graduate degree and or professional qualifications being significant at 10%. Gender, first degree, management relations, workload which are demanding and incentives were however insignificant.

For the second outcome, experience, wages and not demanding workload were significant at 1%. Age squared, post graduate and or professional qualification and no offer received were significant at 5%. Age, first degree and co-workers' relations were also significant at 10%. Variables like gender, management relations, incentives and workloads which were demanding were however not significant.

Age was found to have a negative relationship with the shorter tenure (0 – 2.5 years) with a marginal effect of -0.4459282 and age squared having a positive relationship with a marginal effect of 0.0074909. This means that as the individual ages, he is 44.6% less probable to stay for at most 2.5 years but as he nears retirement he is 0.7% more probable to stay for at most 2.5 years. However with the mid tenure (2.6 – 4 years) age and age squared were positively and negatively related respectively with marginal effects of 0.2150269 and -0.0044046. The positive relationship of age suggests that as the individual ages in his mid level of tenure the probability of staying for at most 4 years increases by 21.5% as the individual has a relatively limited time left to stay on his post. The negative age square means that the individual's probability of ending his career at the current post as he ages increases by 0.4%.

In effect, as the individual advances in age in congruent with tenure, the probability of having a continual stay on the job decreases. The longest of stay will be the individual ending his career on the job which is however shortened as tenure accumulates. The concavity of age turned out in the research works of Mumford and Smith (2003) and Mumford and Smith (2004).

Experience showed a negative relationship with shorter tenure with a marginal effect of -0.1108141. This implies that if an individual is more experienced, then he is 11.08% less probable to stay for at most 2.5 years. This is supported by the studies of Ruhm (1987), Groysberg and Nanda (2002) and Khan et al. (2010) who asserted that higher job tenure is associated with higher levels of experience possibly because of higher incentive packages offered to the experienced workers. However as the individual became more experienced by staying on the job for the mid tenure level the probability of continuing his stay was reduced by 0.0857787. This might be due to experience serving as a signal luring other competitors to seek his services thus giving room for a quit after the fourth year of service(as per the survey).

Giving that ones level of experience connotes his on-the-job performance, Jackofsky (1984) confirmed that higher performing employees were very likely to quit than average performing workers because of the existing better opportunities in the labour market. Terrell (1998) reiterated that some people in a bid to have higher wage growth hop from one organization to the other so as to accumulate general working experience and thus become more competitive. Thus experience possibly has a threshold for job tenure and thereby exhibits concavity tendencies.

With a marginal effect of -0.373352, co-workers' relations have a negative relationship with short tenure. This implies that as workers enjoy higher levels of cooperation from their co-workers, they are 37.33 percent less probable to stay on the job for a relatively shorter term period. Bilikoff (2003) reiterated that unhealthy co-workers' relations triggered turnover which implied that in the presence of healthy co-workers' relations, longer job tenure becomes inevitable. However as the mid tenure is reached, with a marginal effect of 0.2112286, cooperation from co-workers does not increase the length of ones tenure with a probability of 21.12 percent.

More experienced workers enjoy higher cooperation levels from their colleagues so as to tap their expertise to enhance their work delivery[26].Possibly the level of experience acquired as of the mid tenure becomes a bait luring other firms to seek his services. Quit intentions however become pronounced at this stage especially when these experienced individuals tend to exit the firm. Kirschenbaum and Weisberg (2002) discovered that employee's perceived impression of their co-workers' intention to move had a positive significant influence on an individual's quit intentions. Bommer et al (2000) also confirmed that the exit of influential co-workers re-echoes the quit intents of others who got acquainted with them.

[26] The correlation between experience and coworkers' relation was 0.1474

Workloads which are not demanding showed a positive relationship with shorter tenure with a marginal effect of 0.6715198. The import of this is that when workers are not challenged with the work they do, they are 67.15 percent more probable to stay for at most 2 years. As mentioned earlier, the banking industry is youthfully populated. With their relatively higher levels of aggression and dynamism, they tend to be comfortable with more stressful jobs at the initial levels of tenure. Mumford and Smith's (2004) conclusion of more stressful jobs being associated with longer tenure thereby affirms the above assertion. However, workloads which were not demanding were negatively related to the mid tenure with a marginal effect of -0.5574876.Therefore at the mid tenure levels, quit intentions of employees become more pronounced with a probability of 55.7 percent as the workload becomes very demanding. Work qualifying as a disutility comes into play as a threshold of tenure is reached.

This is because responsibility is an increasing function of on-the-job experience[27]. Employees will thus prefer jobs with relatively lower workload demands as compared to that which is quite tedious. This is buttressed by Wunder et al (1982) who were of the view that stressful work demands lead to job dissatisfaction and thus reduce employee tenure especially among managers.

No offer received from other employers had a positive relationship with shorter tenure with a marginal effect of 0.2921376, which is quite revealing. This suggests that as an individual does not receive any job offer whilst on his post, he is 29.2 percent more likely to stay for a shorter time period. It could however imply that as one receives an offer in his first two years of appointment then it connotes his level of competitiveness and as firms would want to retain their best employees, measures will be put in place to retain such individuals. Therefore receiving no offer would not ginger employers to possibly go the extra mile to ensure better conditions of

[27] Workload was positively correlated to experience (0.0291)

service. Proponents of the life cycle theory however allude to the fact that an individual at his initial years of job tenure (especially new entrants into the labour market), tend to be highly unstable and rather experiment with jobs. Youngblood et al (1983) argued that higher turnover among newer employees reflects the incongruities between expectations of work roles before joining and the experiences of work roles after joining. Therefore, regardless of no offer received such people tend to have higher quit rates at the initial levels of tenure. However as they manage to stay and no offer is received, they tend to increase their length of tenure with a probability of 25.5%. This is shown by the marginal effect of -0.2552922.

This is because ones level of experience on the job normally accounts for internal promotions. In a bid to use the internal ladder to rise to the top, individuals might probably prefer to increase their length of tenure once no offer has been received. Also as no offer is received, it might signal relatively lower levels of employee competitiveness and perhaps the prudent decision will be to use the internal ladder for promotion hence increasing tenure.

At all categories of wages, there was a negative relationship with both shorter and mid tenure. As the individual's wage levels increase, on the average he is 22 percent and 77 percent less likely to stay for at most 2.5 years and 4 years respectively. This could mean that wages are very much pronounced in the determination of tenure. Hashimoto (1981), Balkin and Griffeth (1993), Clark-Rayner and Harcourt (2000) and Commey (2008) all asserted that higher wages triggered longer employee tenure.

Post graduate degree and or professional qualifications were negatively related to tenure with their marginal effects for shorter and mid tenure as -0.4481303 and -0.5510294 respectively. This means that as an individual advances in education especially in attaining a post graduate

and or professional qualification he is 44.8 percent less likely to stay for at most 2 years and 55 percent less likely to stay for at most 4 years. The higher ones level of education, the longer his tenure and this could be due to the relatively higher job satisfaction associated with having higher levels of education. Khan et al (2010) concluded that in Pakistan, higher levels of education tend to have a boost in the rewards received which eventually creeps into higher employee tenure. Lane and Parkin (1998) also discovered that higher educational levels do not attract contract termination as firms motivate such people so as to tap from their intellectual acumen and expertise.

5.2.2 Ex ante analysis

Inferring from Van Breukelen et al (2004), tenure intents widely inform actual tenure. This insight therefore calls for an analysis of the intent of tenure which is captured in this section. Table 5d below summarises the logistic regression results of an individual's intent of job tenure.

Table 5d: Logistic regression results for continual stay on job

Variable	Odds Ratio	Robust Std. Error	z	P>z
Age	0.7171077	0.379518	-0.63	0.530
Marital Status	1.91939	1.313105	0.95	0.341
Experience	0.93732	0.1439058	-0.42	0.673
Management relations	0.2631387	0.2607115	-1.35	0.178
Co-workers relations	0.7309842	0.4007376	-0.57	0.568
Workload	1.603188	0.7542893	1.00	0.316
Incentives	0.1146978	0.0795388	-3.12	0.002*
GH¢500-GH¢1000	0.584471	0.6379824	-0.49	0.623
GH¢1001-GH¢1800	0.0760837	0.0763547	-2.57	0.010*
Above GH¢1800	0.031923	0.0488865	-2.25	0.024**
First degree	0.707193	1.465844	-0.17	0.867
Post graduate	1.856116	4.065138	0.28	0.778
Rank	0.5150557	0.3305384	-1.03	0.301
Age squared	1.006511	0.0088477	0.74	0.460
Female	5.232926	3.616189	2.39	0.017**

Variable	Odds Ratio	Robust Std. Error	z	P>z
Tenure (2.6 – 4 years)	6.761743	7.156562	1.81	0.071***
Tenure (above 4 years)	13.63338	14.12329	2.52	0.012**

*=1% significance level, **=5% significance level, ***= 10% significance level. (Number of Observation=131, Wald Chi 2(17) =39.49, Prob > Chi 2= 0.0015, Pseudo R^2= 0.3917).

Source: By author

Using logistic regressions, gender, tenure, wages and incentives were the only significant variables. Incentives were significant at 1%, with gender and tenure being significant at 5%. Wages were also significant at 10%.

From table 5d the odds ratio for females not continuing their employment relationship was 5.2885. This suggests that if an employee is a female, the probability of her terminating her employment contract or not extending her stay on the job is 5.3 times higher than that of her male counterparts. Reasons that may account for this outcome could probably be household production activities which are normally undertaken by females. This is confirmed by works of Wagner et al (1987) who were of the view that males had higher organizational tenure than females because the former are engaged in higher "job involvement". Also Mumford and Smith (2003) attributed lower tenure among females to household production activities.

Mid and longer tenure had negative relationships with one's intent of staying with odds ratio of 6.761743 and 13.63338. This means that as the individual increases his job tenure, the probability of leaving the firm on the average is 10 times higher. The negative effect of age and experience on tenure could account for this. In our ex post analysis, it was concluded that as the

individual ages the probability of increasing his tenure decreases (as captured by the age squared), therefore the more years he spends on the job the fewer tenure he has ahead of him. Also as tenure increases, experience is accumulated and as it serves as a signal for competence, the proclivity for competitors demanding his services also increases. This is confirmed by the ex post analysis where those who had received job offers at the mid tenure were more likely to exit. However this conflicts the results of Marshall and Zarkin (1987) Clark-Rayner and Harcourt (2000) and Jovanovic (1979) who affirmed that the probability of job separation is a decreasing function of job tenure.

Individuals with higher wages were more likely to have a continual stay on the job. From table 5d the odds ratio for wages above GH¢1000 on the average was 0.05. This means that as individual's wages are increased beyond GH¢1000, the probability of staying is 0.05 times higher. As evident from the ex post analysis, wages were positively related to higher tenure. Since wages are the rewards for provision of services, acknowledging performance by paying higher wages boosts the morale of the employee. This serves as bait for a continual stay on job. According to Bartel and Borjas (1981), in the United States, on the average younger workers who quit get at least a 5 percent increase in their wages on the new job they settle on. It could therefore be inferred that when workers are paid very well, they would be inclined towards committing their services to the current employer. Clark-Rayner and Harcourt (2000) further concluded that highly paid workers are less likely to resign than their less paid counterparts.

Incentives which also reward performance were positively related to the individual's intentions of staying. The odds ratio for incentives was 0.1147. This connotes that an employee is 0.11 times more likely to stay on the job given higher levels of incentives. An increase in incentives gives an indication of a further increase should an individual remain at his post and still performs

remarkably. Higher levels of utility derived from incentives therefore inform an individual of having a positive intent of staying. Clark-Rayner and Harcourt (2000) in their study in New Zealand came out that bonuses received by employees reduced their turnover intents by 73 percent. Mumford and Smith (2003) in their cross country comparison of Britain and Australia confirmed an increase in tenure given a boost in incentives received by employees.

5.3 Conclusion

Logit regressions were used for both the ex post and ex ante analyses. For the ex post analysis, tenure {which was categorized into shorter tenure (0 – 2.5 years), mid tenure (2.6 – 4 years) and longer tenure (above 4 years)} was regressed on gender, level of education, age, age squared, experience, co-workers' relations, incentives, management relations, workload, wages and offer received. Level of education, age, age squared, experience, co-workers' relations, workload, wages and offer received were significant in explaining employee tenure. For the individual characteristics, level of education, age, age squared and experience were significant. On the other hand, firm characteristics comprising of co-workers' relations, workload and wages were also significant. This affirms that firm and individual characteristics influence job tenure.

For the ex ante analysis, tenure, marital status and rank with the initial explanatory variables outlined with the exception of offer received were regressed on the variable 'continual stay on job'. It turned out that gender, wage, tenure and incentives determined employees' intent of tenure. Unsurprisingly, the descriptive statistics shared the same views of the various regressions.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.0 Introduction

The previous chapter presented and discussed the results of the findings. Using multinomial logit regression, the ex post analysis saw level of education, age, experience, co-workers' relations, workload, wages and offer received being significant in explaining employee tenure. The ex ante analysis also confirmed the significance of gender, wages, incentives and tenure in informing ones tenure intents. In this chapter, the study will be summarized and recommendations given so as to inform policy making. Moreover, limitations to the study will be outlined and areas for further research proposed to add to the body of literature on employee tenure.

6.1 Conclusion and summary of findings

According to Ziorklui (2001), the influx of banks trigger employee poaching. Ghana can as of June 2012, boast of 25 commercial banks. Inferring from Ziorklui (2001), about 178 percent increase in the number of banks from 9 in the 1990s has embedded issues of employee turnover stemming from employee raiding. Amediku (2008) revealed an upsurge in the cost of employee turnover in the banking industry in a year-on-year analysis for the period 2001 to 2007.

This study therefore sought to identify those determinants that enhance employee tenure so as to inform bank officials on what to put in place to minimize the frequent incidence of employee turnover. Inferring from Borjas (2005), efficient tenure improves the job match quality between the firm and the worker and in effect increases the contribution of labour to national income.

Within the framework of the concept of job match, the firm and individual characteristics that were outlined to have had effect on tenure included co-workers' relations, incentives, management relations, workload, wage, offer received, gender, level of education, age, age squared and experience. Results from the logistic regressions are summarized below;

For the ex post analysis, younger employees were found to have lower levels of tenure as compared to the older individuals; however as the individual ages the probability of increasing tenure invariably diminishes as he gradually limits the length of time available for him at his work post. Employees with higher levels of education were found to stay longer on the job as compared to those with relatively lower levels. Higher wages on the other hand also increased the proclivity of an individual increasing his on-the-job tenure. Experience showed concavity. At the initial levels of tenure, an increase in the years of experience proposed higher probability of increasing the length of job tenure. However at the mid tenure, experience exhibited a negative relationship. This implies that experience has a threshold in fostering tenure.

Co-workers' relations also had a mixed outcome. At the initial levels of tenure, employees enjoying higher cooperation from their colleagues motivated them to increase their tenure probabilities. However at the mid tenure, higher levels of cooperation rather led to a decreased probability of increasing tenure. The tendency for one to enjoy higher levels of co-operation from his co-workers might be his contribution to their success (which could probably stem from the level of experience acquired) in their respective work duties. This could possibly mean that at that level regardless of higher cooperation enjoyed, the level of experience acquired could serve as a signal for other competitors to bid for their services. This even confirms the average tenure of 4 years as per the study. Moreover there was a positive correlation between co-workers' relation and experience.

Workloads which were not demanding resulted in lower tenure among employees. However at the mid tenure workloads which were not demanding increased the probability of an individual staying on the job for at least five years. It could possibly mean that high levels of experience are accompanied with higher responsibilities and therefore workloads becoming more demanding and challenging[28]. Ceteris paribus, work is regarded as a disutility and thus less work will be preferred to more.

Receiving no job offer increased the probability of the individual being at the shorter tenure range than at longer tenure range. However at the mid tenure, no offer received increased the probability of a longer tenure. According to the life cycle theory, the initial tenure of an employee is characterized with gross uncertainty in terms of staying on the job. As he endures the initial stage and has no offer from other employers, it could have two revelations. According to the job match model, on-the-job search increases ones probability of a job offer (Jovanovic, 1979). Therefore when no job offer is received it could mean that the individual is comfortable on his current job and thus not searching. This action will invariably increase his tenure on the job. It could also be accounted for that, an individual who has not received any job offer at the mid tenure level is relatively less competitive. Due to this disadvantage, the employee would rely on the internal mechanism at his work place for a possible promotion thereby informing his longer tenure[29].

Undertaking the ex ante analysis, the variable 'continual stay on job' was regressed on all the independent variables outlined earlier with the inclusion of marital status, rank and tenure. The dependent variable had a binary outcome of a 'yes' or 'no'. Using logistic regression, tenure,

[28] Experience and workload were positively correlated (0.0291)
[29] Organizations that are entitlement oriented applaud tenure; therefore an employee who stays a little longer on the job is given a higher recognition.

gender, wages and incentives were significant. Higher tenure inclined the intent of stay towards a no. This is because as tenure increases the individual's time left on the job is reduced; therefore responding in the affirmative is less probable. Females were also less likely to have a continual stay on the job. This could be due to the household production activities that are dominated by them. Wages and incentives had an affirmative response for increasing tenure. Both variables serve as catalysts for job performance and satisfaction. Therefore an increase in wages and incentives would probably increase the tenure intents of employees.

6.2 Recommendations

Based on the findings from the study, the following recommendations are given to improve employee tenure situations in our banks, financial institutions and corporate bodies at large.

Firms should make it a point to offer relatively higher wages to their employees even though it is difficult to determine the maximum acceptance wage of the individual. However, wages paid should commensurate their work efforts. Furthermore, the incentives given to employees should be at least satisfactory if not highly. As the name implies, incentives motivate the individual to give off his best. The loyalty of employees is won when they are highly satisfied with incentives given them. From the findings, younger workers and experienced employees who were prone to quits all stemmed from their quest to associate themselves with firms that reward their efforts with better wages and incentives. Longer tenure associated with those with higher level of education basically had its roots from better conditions of service embodying satisfactory levels of incentives and better wages. This goes up to add that in a bid to improve employee tenure,

wages and incentives given to employees should be at least satisfactory but cautiously tied to productivity so as to further enhance the profitability of the firm.

Furthermore, conditions of service for the employees should be family-friendly. Family leave, paid leaves of absence, flexibility in work arrangement, assistance with dependent care among others should be embedded in the policies of firms. From the data, about 55 percent of those who had stayed on the job for at least 5 years were females. However, the intents of females to increase their tenure were not in the affirmative and a possible reason was the production of household activities. Therefore implementing organizational-family friendly policies could in a way relieve employees off some household production burden and will probably propel an increase in their job tenure.

Moreover, firms should be circumspect in their recruitment activities. Having cordial co-workers' relations tend to increase ones tenure. This connotes the importance of team work and peaceful co-existence among employees. Therefore firms during their screening process should most importantly fish out for prospective employees who champion the course of team work. Since organizational citizenship behaviour of a work group begets the citizenship behaviour of the individual (Bommer et al, 2003), having employees who are team players will automatically transmit those traits to the newly recruits. Having a culture of cordial co-workers' relations is thus dependent on the crop of employees in a given organization.

Employees being comfortable with the job content also play a crucial role in determining tenure. Findings from the survey showed that majority of the employees who opted to stay despite receiving offers from other employers attributed their decision to being comfortable with the job

content[30]. Also 24 percent of those who opted to have a continual employment relationship with their current employers reckoned that satisfaction with job content was their main drive. Employers should therefore endeavour to put square pegs in square holes by assigning job duties to employees in line with their field of competence. When this is ensured, working under stressful conditions would even be hardly noticed and employees would not regard job stress as a disutility.

More interestingly, the search method adopted by the individual had a bearing on the intent of tenure. Findings from the survey showed that 27 percent, 23 percent and 25 percent of those who wanted to have continual relationship with the firm contacted the employer directly, worked through family and friends and used national service respectively as the avenue for securing their jobs. These depict the role that search costs (direct contact with employer) and loyalty (through family and friends and national service) play in ones tenure intent. Employers should therefore be informed of the prospective employee's tenure intent via the job search method used, ceteris paribus.

6.3 Limitations to the study and areas for further study

The relatively smaller sample size is a cause for concern in this study. Though nothing could be taken away from the findings, it would have been more representative of the population if the sample size was to be large (the Ghana Living Standard Survey 5, which is a nationwide survey has a sample size even less than 1 percent of the population size). The sample size was relatively small due to the limited time for the study coupled with the lack of cooperation from bank

[30] Refer to appendix 9

officials with reasons being their tight schedule and also the fact that responding to the questionnaires would not be tied to their performance appraisal.

Owing to financial constraints, the researcher solely undertook the administering of the questionnaires to employees of the 25 commercial banks. This delayed the completion of the survey; as having more research assistants could have saved time.

The research only considered the quit intents of the employee and ignored possible lay-offs. Having a joint analysis on quit and lay-off intents would have been more informing on the determinants of employee tenure. Future research could look into the two phenomena simultaneously.

The study was cross sectional in nature. To get consistency in the findings and having a clearer view on the determinants of employee tenure, a panel survey would be more informing. With the panel survey, other variables like unemployment rates could be added to better inform tenure intents given the prevailing economic outlook.

Regardless of these shortcomings, findings from this study is very revealing and contributes to the body of literature on employee tenure especially in the Ghanaian context as literature on employee tenure are relatively sparse.

REFERENCES

Amediku, S. (2008), An Overview of Employment and Labour Cost in the Ghanaian Banking Industry, Bank of Ghana Working Paper WP/MPAD/BOG-08/02-7.

Ampadu, N.K. and Agyei, B. (2011), The Impact of Job Satisfaction on Staff Attitude Towards Patients/Clients in the Public Health Institutions – A case study of West Akim Municipality, Asamankese, Master of Arts Dissertation, Kwame Nkrumah University of Science and Technology.

Anin, T.E. (2000*), Banking in Ghana*, Woeli Publishing Services, Accra.

Asiedu-Danquah and Yaw, R. (2006), *The nature and causes of employee turnover in the Internal Revenue Service of Ghana*, Institute of Development Studies.

Attiah, J. (2008), *The impact of employee turnover of Ghana Post Company Limited*, Master of Business Administration Thesis, Kwame Nkrumah University of Science and Technology.

Balkin, D.B. and Griffeth, R.W. (1993), The Determinants of Employee Benefits Satisfaction, *Journal of Business and Psychology*, Vol. 7, No. 3, pp 323-339.

Bartel, A. P. and Borjas G.J. (1981), Wage Growth and Job Turnover: An Empirical Analysis, *Studies in Labour Markets*, University of Chicago Press.

Bilikoff, G. (2003), *Labor Management in Agriculture: Cultivating Personal Productivity*, Chapter 16, pp 203-208.

Bishop, H.J. (1990), Job Performance, Turnover and Wage Growth, *Journal of Labour Economics*, Vol.8, No. 3, pp 363-386.

Bommer, H.W., Miles, E.W., Grover, S.L. (2003), Does One Good Turn Deserve Another? Coworker Influences on Employee Citizenship, *Journal of Organizational Behaviour*, Vol.24, No. 2, pp 181-196.

Booth, A.L. and Francesconi, M. and Garcia-Serrano, C. (1999), Job Tenure and Job Mobility in Britain, *Industrial and Labour Relations Review*, Vol. 53, No.1, pp 43-70.

Borjas, G.J. (2005), *Labor Economics*, McGraw Hill/Irwin Publishing, Third Edition.

Bratsberg, B. and Terrell, D. (1998), Experience, Tenure and Wage Growth of Young Black and White Men, *The Journal of Human Resources*, Vol. 33, No.3 pp 658-682.

Bretz, Jnr. R.D., Boudreau, J.W., Judge, T.A. (1994), Job Search Behaviour of Employed Managers, *Personal Psychology*, Vol. 47, pp 275-301.

Burdett, K. (1978), A theory of Employee Job Search and Quit rates, *The American Economic Review*, Vol. 68, No. 1, pp 212-220.

Cameron, A.C. and Trividi, P.K. (2005), *Microeconometrics: Methods and Applications*, Cambridge University Press, New York.

Churchill, G.A. Jnr, Ford N.M. and Walker, O.C. Jnr. (1974), Measuring the Job Satisfaction of Industrial Salesmen, *Journal of Marketing Research*, Vol. 11, No. 3, pp 254-260.

Clark-Rayner, P. and Harcourt, M. (2000), The Determinants of Employee Turnover Behaviour: New Evidence from a New Zealand Bank, *Research and Practice in Human Resource Management*, Vol. 8, No. 2, pp 61-71.

Commey, J.N.O.W. (2008), *A study of the factors which determine employee motivation in Ghana*, Master of Philosophy Thesis, Human Resource Management, University of Ghana Business School.

Copeland, C. (2003), Employee Tenure, *Employee Benefit Research Institute*, Vol. 24, No. 3 (March), pp 1-9.

Cotton, J.L. and Tuttle, M.J. (1986), Employee Turnover: A Meta-Analysis and Review with Implications for Research, *The Academy of Management Review*, Vol. 11, No. 1, pp 55-70.

Dore, R.P. (1976), *The Diploma Disease*, Berkeley, University of California Press.

Dwomoh G. and Korankye T. (2012), Labour Turnover and its Impact on Performance of Banks in Ghana, *European Journal of Business and Management*, Vol. 4 No. 7 pp 1-8.

Farber, H.S. (1999), Mobility and Stability: The dynamics of job change in labour markets, *Handbook of Labour Economics*, Vol. 3, pp 2439-2481.

Firth, L., Mellor, D.J., Moore, K.A., Loquet, C. (2004), How can managers reduce employee intention to quit, *Journal of Managerial Psychology*, Vol. 19, No. 2, pp 170-187.

Ghana Statistical Service (2008), *Ghana Living Standard Survey*, Government of Ghana, Accra.

Groysberg, B. and Nanda A. (2002), *Does Stardom Affect Job Mobility? Evidence from Analyst Turnover in Investment Banks*, Working Paper 02-029, Harvard Business School.

Hashimoto, M. (1981), Firm-specific human capital as a shared investment, *American Economic Review*, Vol. 71, No. 3, pp 475-482.

Herzberg, F., Mausner, B., Peterson, R.O. and Capwell, D.F. (1957), *Job Attitudes: Review of Research and Opinion,* Psychological Service of Pittsburgh.

http://www.bog.gov.gh accessed in December 2011.

http://www.myjoyonline.com accessed in November, 2011.

http://www.pwc.com/GhanaBankingSurvey accessed on 21st April, 2012.

Hunt, W.J. and Saul, P.N. (1975), The Relationship of Age, Tenure and Job Satisfaction in Males and Females, *The Academy of Management Journal*, Vol. 18, No. 4, pp 690-702.

Hutchful, S.M. (1980), *Problems of Personnel Management: A study of job satisfaction and employee turnover among graduate civil servants in Ghana*, Master of Business Administration Thesis, School of Administration, University of Ghana.

ISSER (2010), *The State of the Ghanaian Economy – 2010*, Institute of Statistical, Social and Economic Research, University of Ghana, Accra.

Jackofsky, E. (1984), Turnover and job performance: An integrated process model, *Academy of Management Review*, Vol. 9, pp 74-83.

Jha, S. (2010), *Determinants of employee turnover: A review*, Apeejay School of Management, New Delhi.

Jovanovic, B. (1979), Job Matching and the Theory of Turnover, *Journal of Political Economy*, Vol. 87, No.5, Part 1, pp 972-990.

Khan, U.K , Farooq, S.U., Ullah, M.I. (2010), The Relationship between Rewards and Employee Motivation in Commercial Banks of Pakistan, *Research Journal of International Studies*, Issue 14, pp 37-54.

Kirschenbaum, A. and Weisberg, J. (2002), Employee's Turnover Intentions and Job Destination Choices, *Journal of Organizational Behaviour*, Vol. 23, No. 1, pp 109-125.

Kuhn, P. and Sweetman, A. (1999), Vulnerable Seniors: Unions, Tenure and Wages following Permanent Job Loss, *Journal of Labour Economics*, Vol. 17, No. 4, pp 671-693.

Lane, J. and Parkin, M. (1998), Turnover in an Accounting Firm, *Journal of Labour Economics*, Vol. 16, No. 4, pp 702-717.

Lewis, D. and Terrell, D. (2001), Experience, Tenure and the Perceptions of Employers, *Southern Economic Journal*, Vol. 67, No. 3, pp 578-597.

Locke, E.A. (1976), The Nature and Causes of Job Satisfaction, *Handbook of Industrial and Organizational Psychology*, pp 1297-1350.

March, J.G. and Simon, H.A. (1958), *Organizations*, New York: Wiley Publishers.

Marshall, R.C. and Zarkin, G.A. (1987), The Effects of Job Tenure on Wage Offers, *Journal of Labour Economics*, Vol. 5, No. 3, pp 301-324.

McCall, B.P. (1988), *Occupational Matching: A Test of Sorts*, Working Paper No. 237, Industrial Relations Section, Princeton University.

McEvoy, G.M. and Cascio, W.F. (1987), Do Good or Poor Performers Leave? A Meta-Analysis of the Relationship between Performance and Turnover, *Academy of Management Journal*, Vol. 30, pp 774-762.

Mincer, J. and Jovanovic, B. (1981), Labour Mobility and Wages, *Studies in Labour Markets*, University of Chicago Press.

Muchinsky, P.M. and Morrow, P.C. (1980), A Multi-disciplinary Model of Voluntary Employee Turnover, *Journal of Vocational Behaviour*, Vol. 17, pp 263-290.

Mumford, K. and Smith, N.P. (2003), Deteminants of Current Job Tenure: A Cross Country Comparison, *Australian Journal of Labour Economics*, Vol. 6, No. 3, pp 435-451.

Mumford, K. and Smith,N.P. (2004), Job Tenure in Britain: Employee Characteristics versus Workplace Effects, Discussion Paper No. 1085, IZA.

Ruhm, C.J. (1987), Job Tenure and Cyclical Changes in the Labour Market, *The Review of Economics and Statistics*, Vol. 69, No. 2, pp 372-378.

Shaw, C.S. (1973), *Financial Deepening in Economic Development*, Oxford University Press, New York.

Spector, P. (1997), *Job Satisfaction: Application, Assessment, Causes and Consequences*, Thousand Oaks, CA: Sage.

Swody, C.A. and Powell, G.N. (2007), Determinants o Employee Participation in Organizations' Family-friendly Programs: A Multi-level Approach, *Journal of Business and Psychology*, Vol. 22, No. 2, pp 111-122.

The Research Department (2007), *Issues on Wages and Labour Market Competitiveness in Ghana*, Bank of Ghana Publication.

The World Bank (1988), *Ghana Financial Sector Adjustment Program*, World Bank (May).

Trevor, O.C. (2001), Interactions among Actual Ease-of-Movement Determinants and Job Satisfaction in the Prediction of Voluntary Turnover, *The Academy of Management Journal*, Vol. 44, No. 4, pp 621-638.

Van-Breukelen, W., Van-der-Vlist, R., Steensma, H. (2004), Voluntary Employee Turnover: Combining Variables from the "Traditional" Turnover Literature with the Theory of Planned Behaviour, *Journal of Organizational Behaviour*, Vol. 25, No. 7, pp 893-914.

Visser, P.J., Breed, M. and Van-Breda R. (1997), Employee Satisfaction: A Triangular Approach, *Journal of Industrial Psychology*, Vol.23, No. 2, pp 19-24.

Wagner, A.J. III, Ferris, R.G., Fandt, M.P. and Wayne, J.S. (1987), The Organizational Tenure–Job Involvement Relationship: A Job Career Experience Explanation, *Journal of Occupational Behaviour*, Vol. 8, No. 1, pp 63-70.

Wooldridge, J.M. (2010), *Econometric Analysis of Cross Section and Panel Data*, Second edition, Massachusetts Institute of Technology.

Wunder, R.S., Dougherty, T.W. and Welsh, M.A. (1982), A Causal Model of Role Stress and Employee Turnover, *Proceedings Academy of Management*, Vol. 42, pp 297-301.

Youngblood, S.A., Mobley, W.H. and Meglino, B.M. (1983), A Longitudinal Analysis of the Turnover Process, *Journal of Applied Psychology*, Vol. 68, pp 507-516.

Ziorklui, Q.S. (2001), The Impact of Financial Sector Reform on Bank Efficiency and Financial Deepening for Savings Mobilization in Ghana, African Economic Policy Discussion Paper No. 81.

APPENDICES

NOTE: Category 0 refers to tenure spanning from 0 to 2.5 years; Category 1 on the other hand spans from 2.6 to 4 years and Category 2 taking care of tenure beyond 4 years

Appendix 1

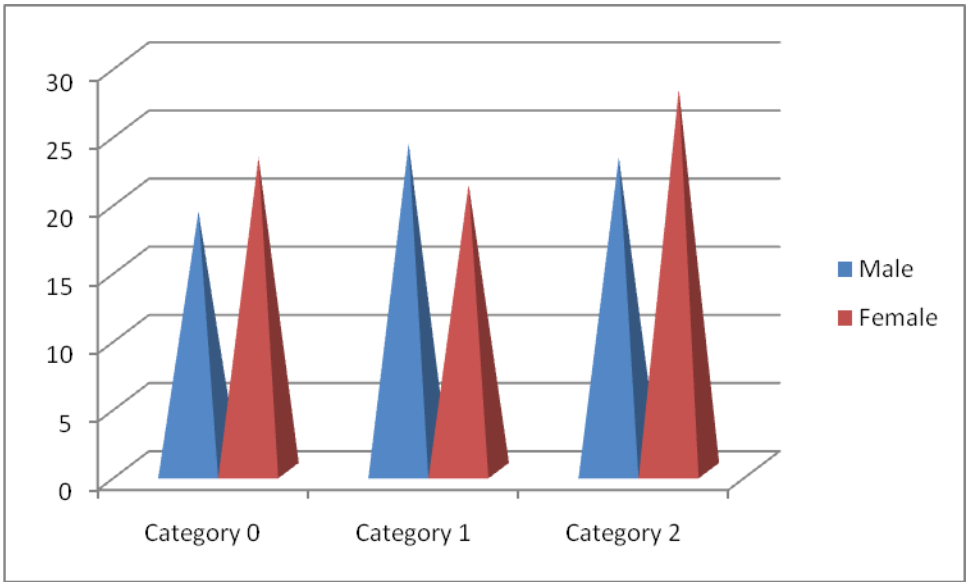

Figure A1: Distribution of gender across the categorized tenure

Appendix 2

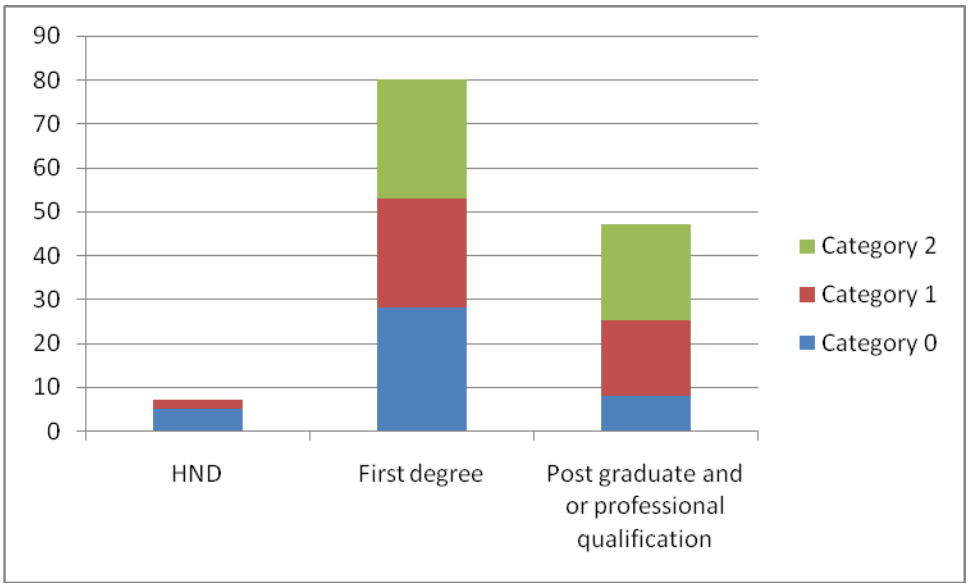

Figure A2: Distribution of educational levels across tenure

Appendix 3

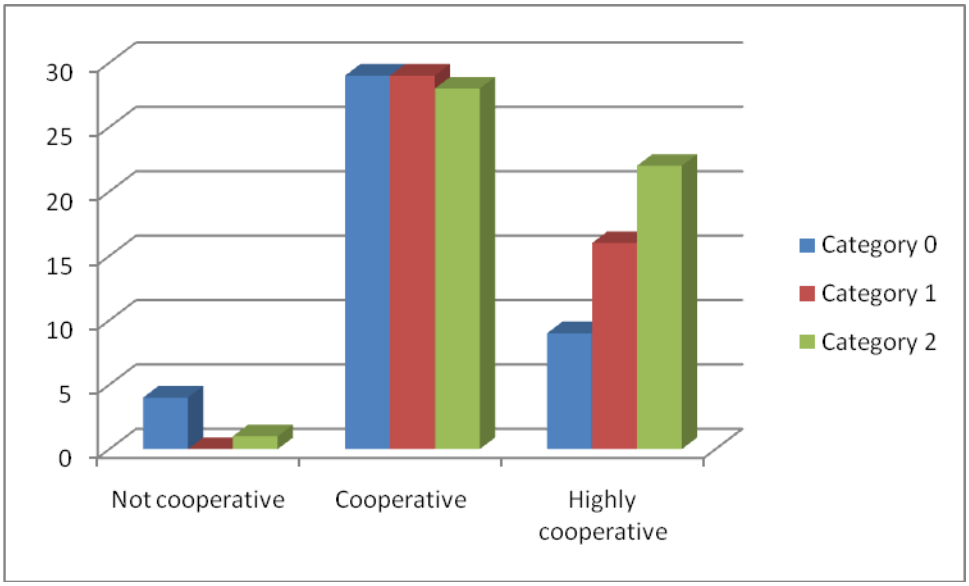

Figure A3: Distribution of co-workers relations across tenure

Appendix 4

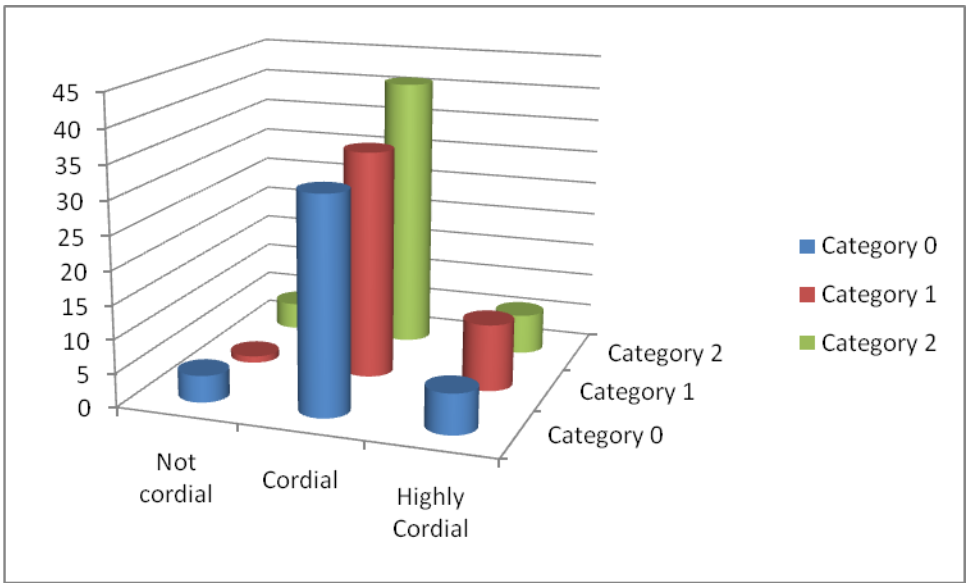

Figure A4: Distribution of management relations across tenure

Appendix 5

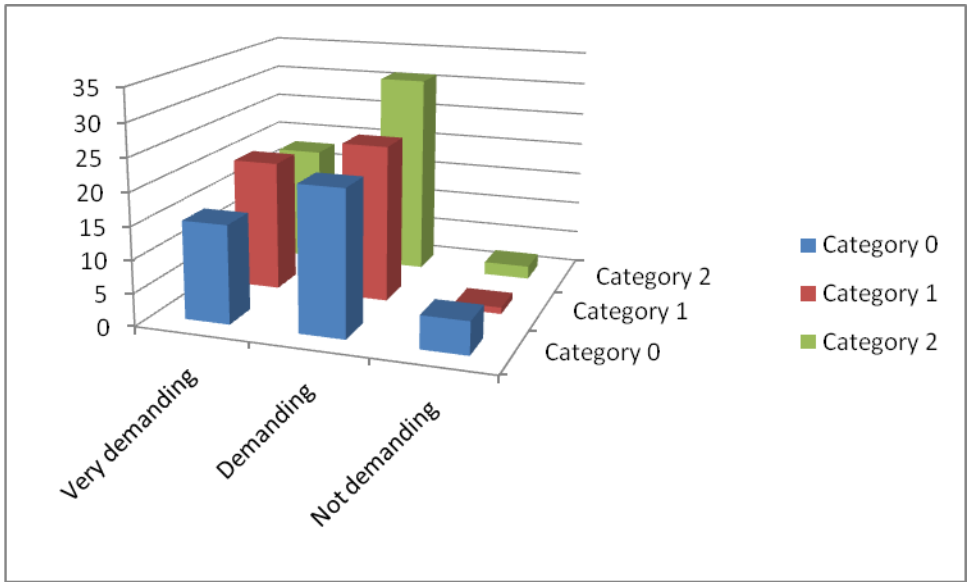

Figure A5: Distribution of workload across employee tenure

Appendix 6

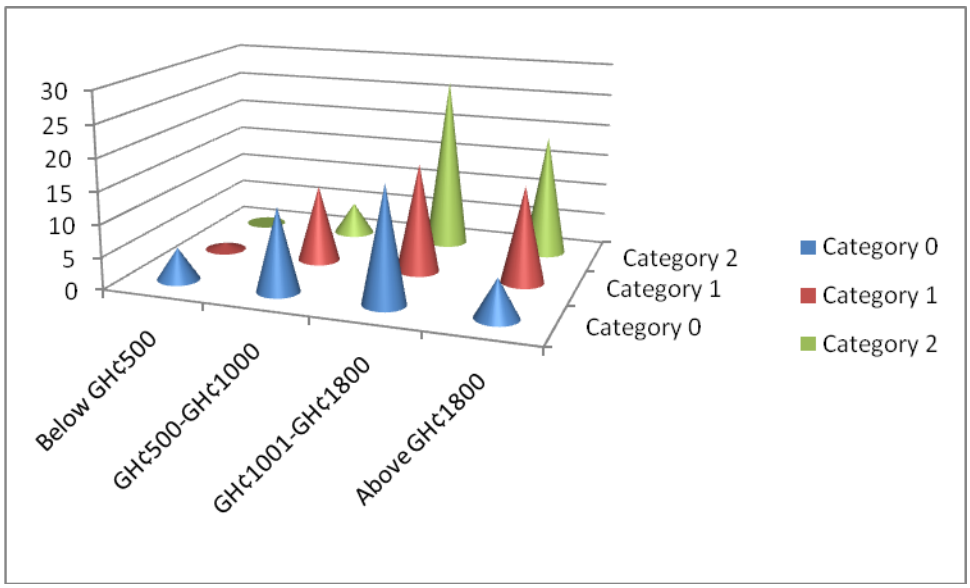

Figure A6: Distribution of wages across employee tenure

Appendix 7

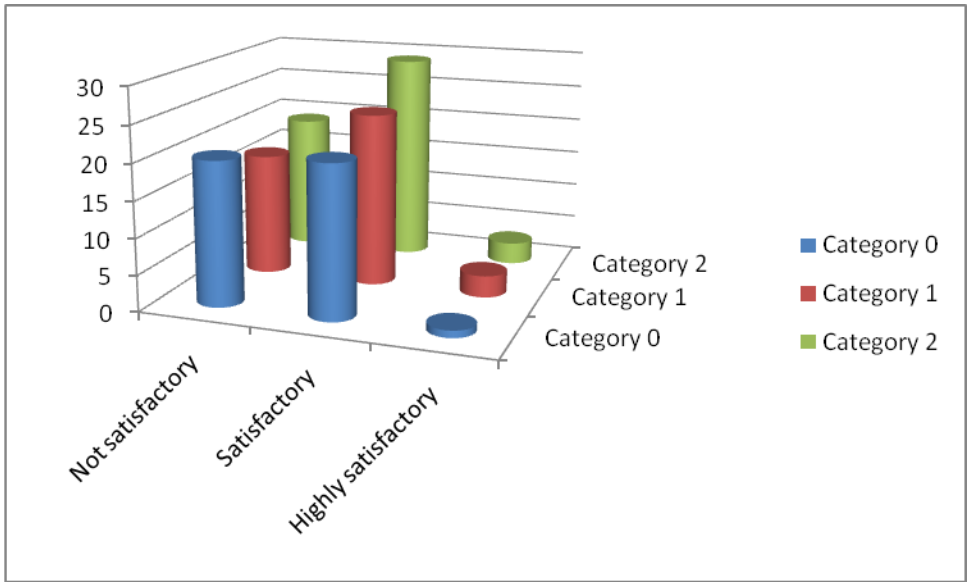

Figure A7: Distribution of incentives across employee tenure

Appendix 8

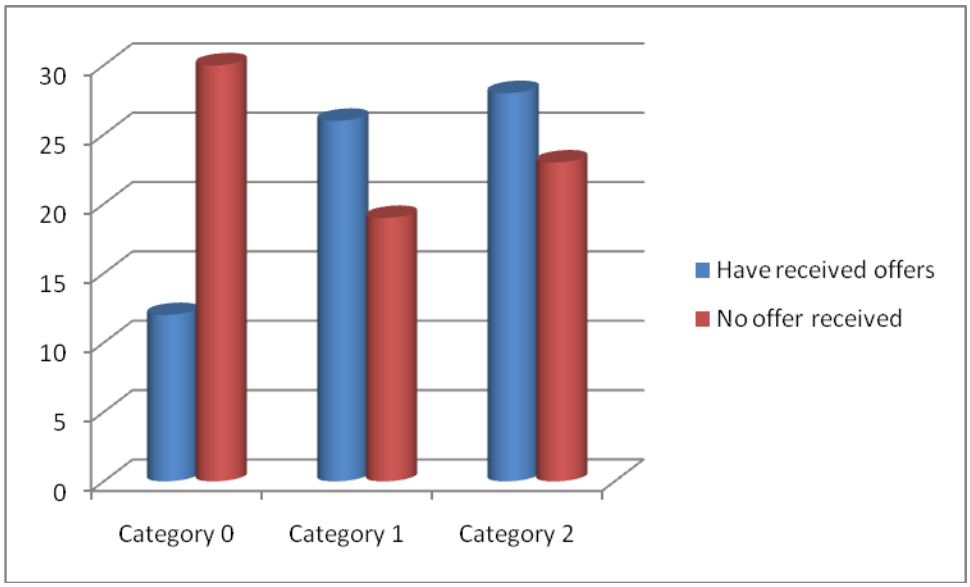

Figure A8: Distribution of offer received across employee tenure

Appendix 9

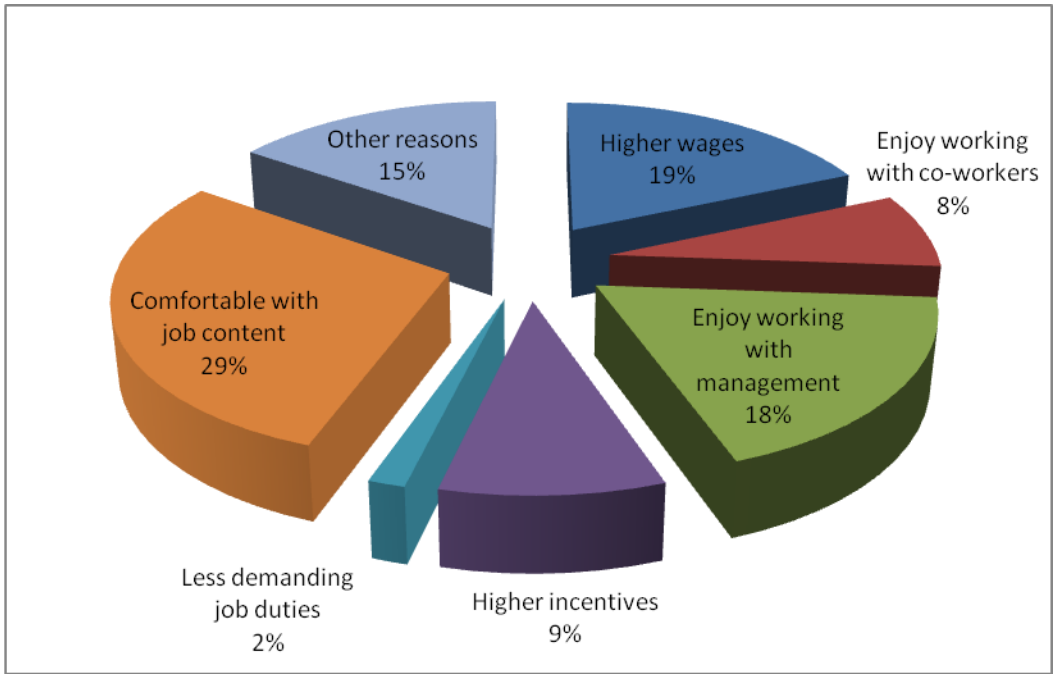

Figure A9: Reasons accounting for employees preferring to stay despite offers received

Appendix 10

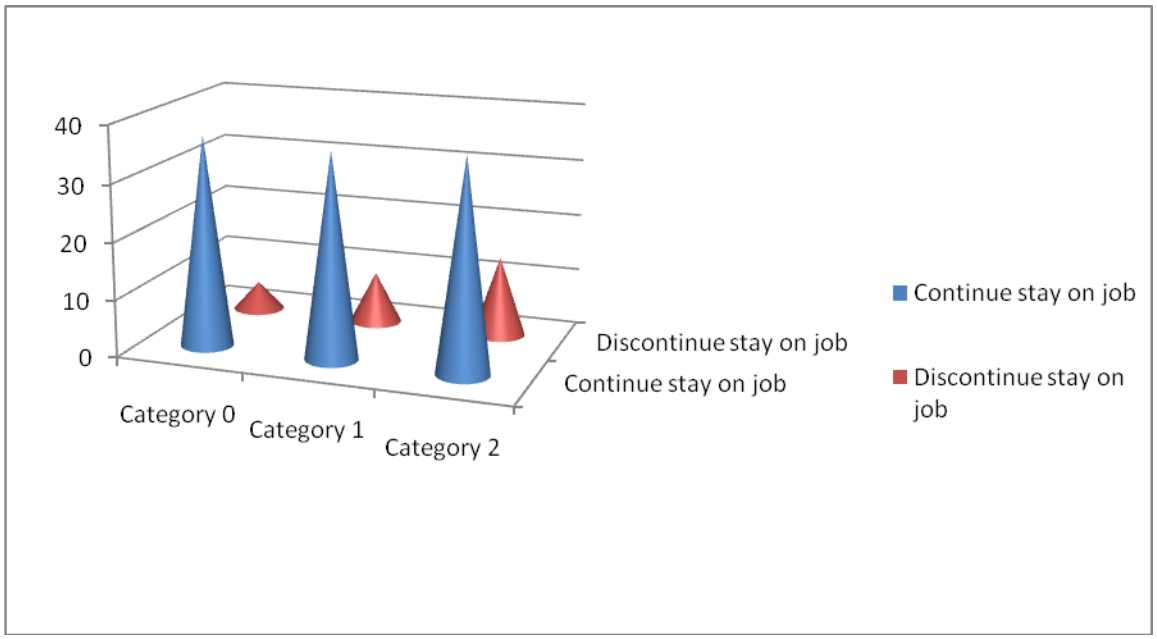

Figure A10: Distribution of intent of tenure across already established employee tenure

Appendix 11

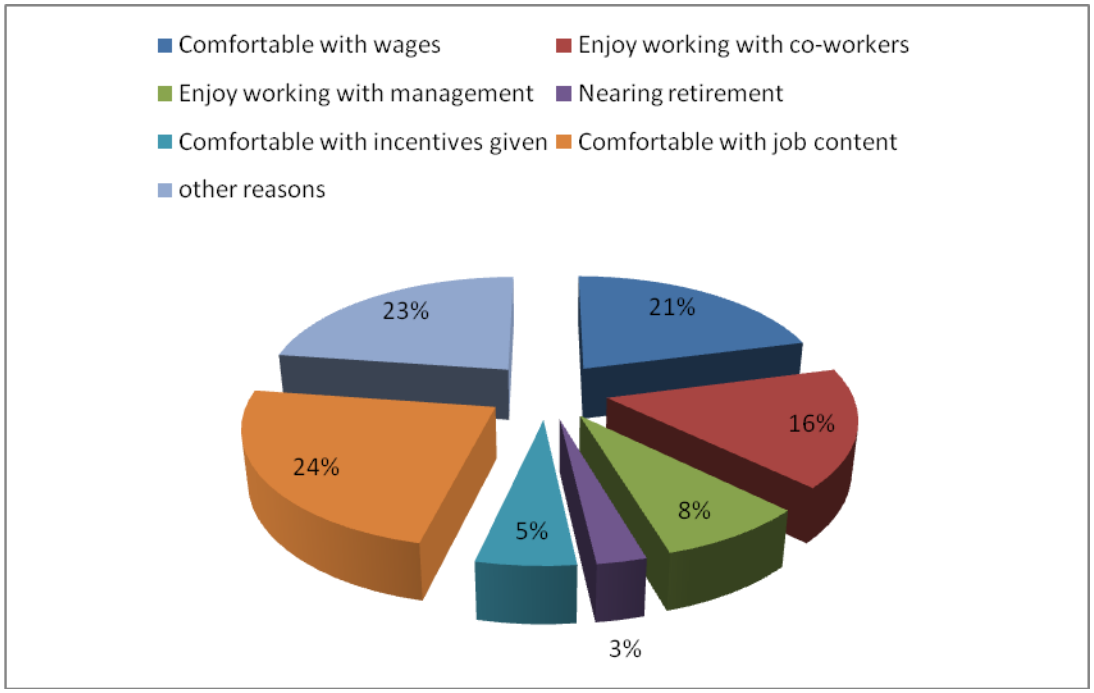

Figure A11: Reasons for intent of continual tenure

Appendix 12

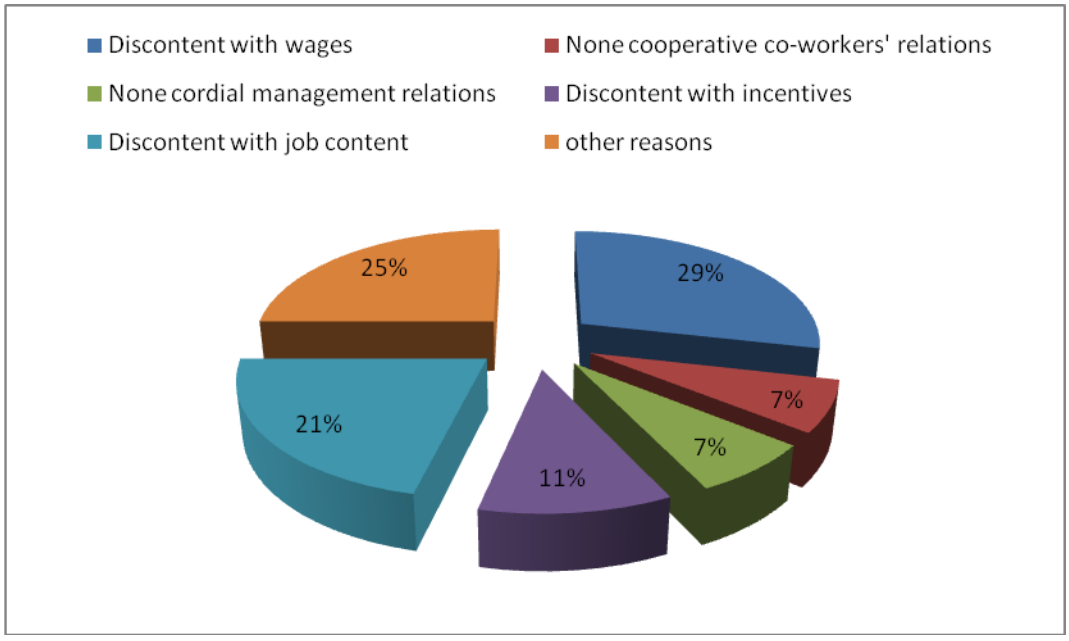

Figure A12: Reasons for intent of quit

Appendix 13

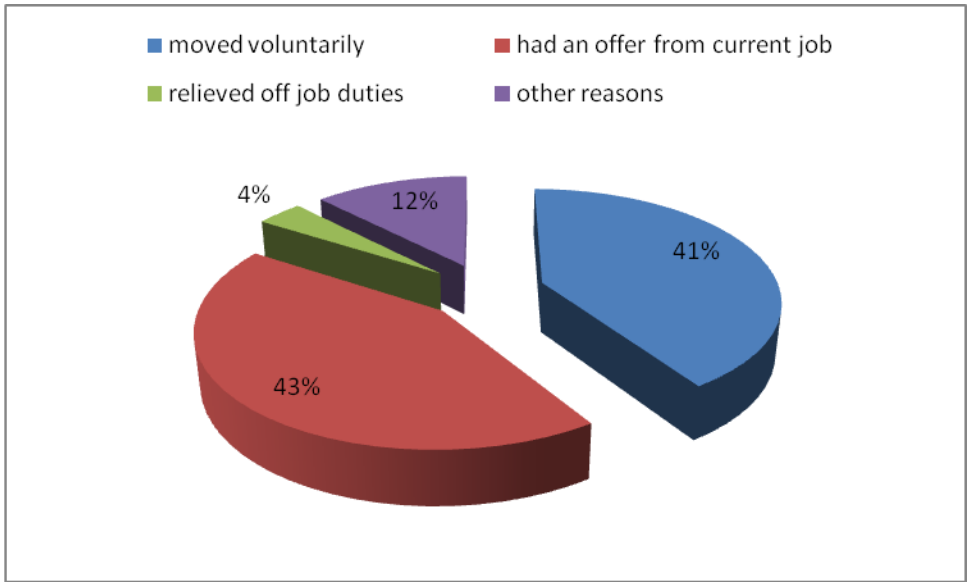

Figure A13: Distribution of manner of movement across employees who had experienced labour turnover before being at their current post

Appendix 14

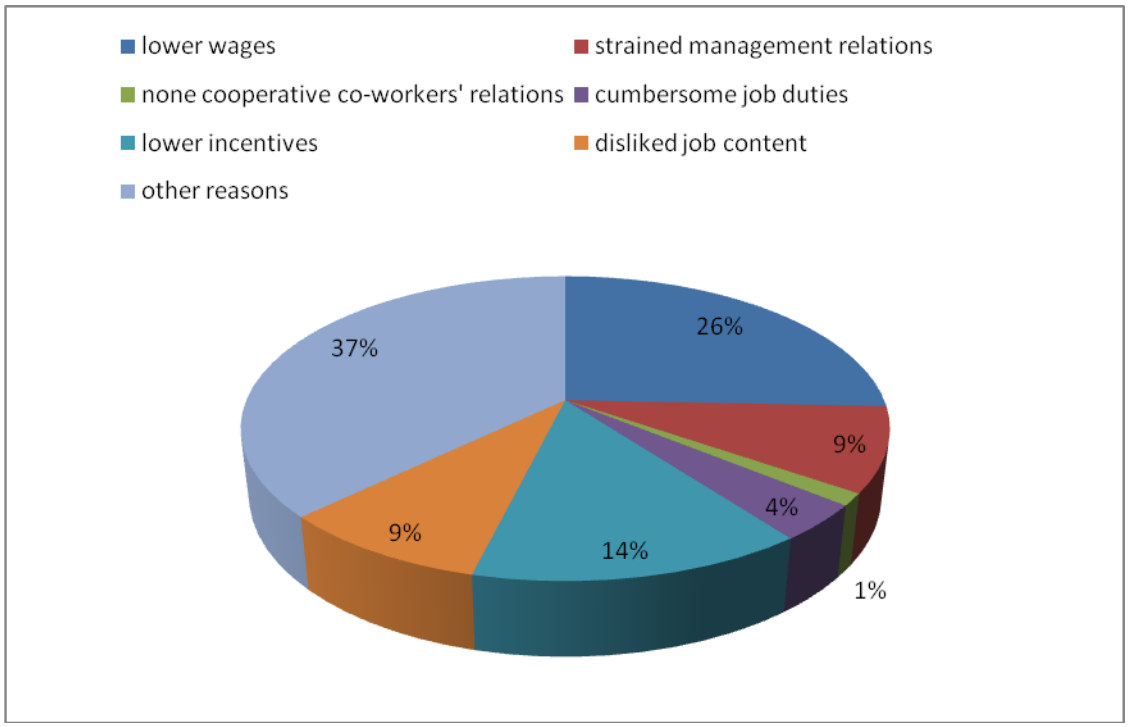

Figure A14: Reasons accounting for employee turnover before settling on the current job

Appendix 15

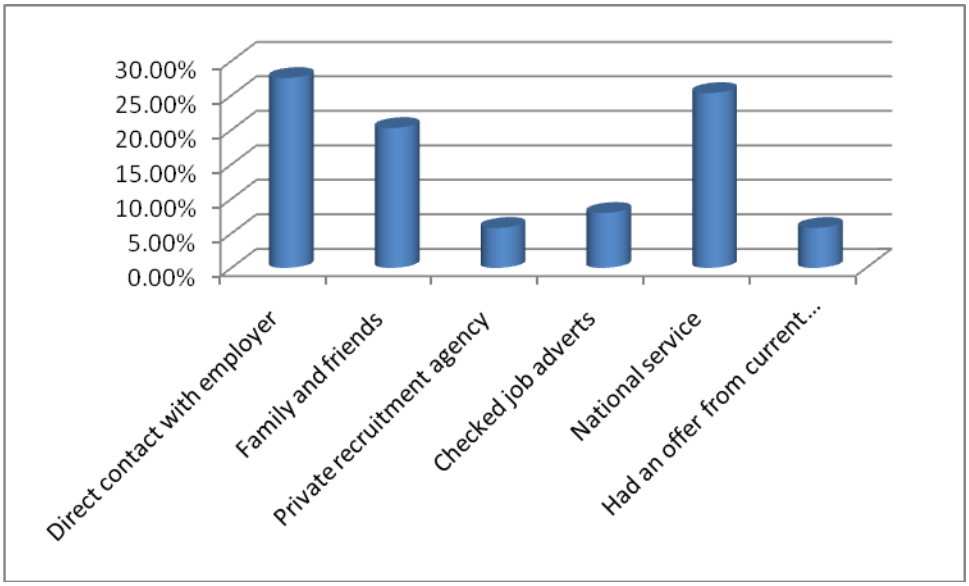

Figure A15: Distribution of Job Search Methods employed by the respondents

Appendix 16: Table showing the proportional sampling of employees from the respective banks

Name of bank	Labour size	Sample size
Standard Chartered Bank	986	12
Barclays Bank	1557	19
Ghana Commercial Bank	2315	29
National Investment Bank	864	11
Agricultural Development Bank*	1300	16
Merchant Bank	444	6
SGSSB	671	8
CAL Bank	300	4
Ecobank	890	11
HFC Bank	584	7
Prudential Bank	667	8
First Atlantic Merchant Bank*	120	1
UT Bank	560	7
International Commercial Bank*	240	3
The Trust Bank	329	4
Bank of Africa*	400	5
UniBank*	260	3
Stanbic Bank*	460	6
Guaranty Trust Bank	490	6
United Bank for Africa	520	6
Zenith Bank	466	6
Fidelity Bank	728	9
Intercontinental Bank*	540	7

Name of Bank	Labour size	Sample size
Bank of Baroda	9	1
Access Bank	60	1
Sahel Sahara Bank	202	3
Energy Bank	55	1

Source: By author

Note: Banks in asterisks are those on which there was no information on their labour size. Estimates were made as such based on their number of branches. These estimates were based on the average labour size per the banks which had reported their staff strength as of the time the survey was done.

Appendix 17

QUESTIONNAIRE

INTRODUCTION

I am Amos Sarfo-Agyemang, a Master of Philosophy (Economics) student of the University of Ghana researching on the thesis topic **"Determinants of Employee Tenure in the Banking Sector of Ghana"**. You are cordially invited to partake in this survey. Your responses to the questions below are very much appreciated for the successful completion of the thesis and you are guaranteed of utmost confidentiality. Only results from this survey will be published for academic and policy purposes. Thank you.

SECTION A – PERSONAL INFORMATION

Please tick where appropriate

Q1. Nationality: ……..

Q2. Gender: ☐ Male ☐ Female

Q3. Age of respondent: ……..

Q4. Marital Status: ☐ single ☐ married

Q5. Number of children: …….

Q6. Age of eldest child: ……..

Q7. Level of education presently: ☐ high school ☐ Higher National Diploma ☐ bachelor's degree ☐ Masters Degree ☐ doctorate degree ☐ other (specify).…….

.

SECTION B

To be filled if the respondent has ever moved from one organization to the other (please tick where appropriate)

Q8. How old were you when you were first formally employed? ……

Q9. What was your level of education when you were first formally employed?

☐ High school ☐ Higher National Diploma ☐ bachelor's degree ☐ masters degree ☐ Doctorate degree ☐ others (specify)…….

Q10. How many organizations have you worked with before the current one? ……

Q11. What is the name of the organization that you recently left? .....

Q12. What was your rank in the previous organization? ☐ Board of directors ☐ senior management ☐ management ☐ officer ☐ others (specify)……..

Q13. How many years did you spend with the previous organization? ……

Q14. How did you get to the current job?

☐ Moved voluntarily from the previous job ☐ had an offer from the current job ☐ was relieved of my duties by my former employer ☐ others (specify)…….……

Q15. What was the main reason that made you move from the previous organization?

☐ Wages were relatively low ☐ strained management relations ☐ did not get on well with co-workers ☐ job duties were cumbersome ☐ incentives were relatively low ☐ I did not like the work I was doing ☐ other (specify)…….

SECTION C (Current Job Information)

Please tick where appropriate

Q16. What is your rank at the current job? ☐ Board of directors ☐ senior management

☐ Management ☐ officer ☐ others (specify)……

Q17. How long have you stayed with the current organization? ……..

Q18. Which search method did you employ in getting the current job?

☐ Direct contact with employer ☐ through family and friends ☐ engaged a private recruitment agency ☐ checked job adverts in the newspapers and other media ☐ national service ☐ had an offer from the current organization ☐ others (specify) ……

Q19. What is the range of your net monthly salary?

☐ Below GH¢500 ☐ GH¢500 - GH¢1000 ☐ GH¢1000 - GH¢1800 ☐ GH¢1800 - GH¢2500 ☐ above GH¢2500

Q20. How will you rate management's relations with you?

☐ Not cordial ☐ cordial ☐ highly cordial

Q21. How will you rate your co-workers relations with you?

☐ Not cooperative ☐ cooperative ☐ highly cooperative

Q22. How will you consider the workload?

☐ Very demanding ☐ demanding ☐ not demanding

Q23. The incentives (allowances, bonuses, other benefits etc) received on the job are……

☐ Not satisfactory ☐ satisfactory ☐ highly satisfactory

Q24. Have you received any offer from another employer ever since you were employed in the current organization? ☐ Yes ☐ No {if No move to Q26}

Q25. If your answer to Q24 is Yes, what is the main reason for your stay? Because,

☐ Wages received are higher than the one offered ☐ I enjoy working with my co-workers ☐ I enjoy working with management ☐ incentives are relatively high ☐ job duties are relatively less tedious ☐ I like the work I do ☐ other (specify)……

Q26. Do you want to continue working with the current organization? ☐ Yes ☐ No {if No move to Q28}

Q27. If answer to Q26 is Yes, what is the main reason for that decision? Because,

☐ I am comfortable with the wages given me ☐ I enjoy working with my co-workers ☐ I enjoy working with management ☐ I am nearing retirement ☐ I am comfortable with incentives given ☐ I like the work I do ☐ other (specify)……

Q28. How long do you want to stay with this organization? .....

Q29. If answer to Q26 is No, what is the main reason for that decision? Because,

☐ I am not comfortable with the wages given ☐ I don't enjoy working with my co-workers ☐ I don't enjoy working with management ☐ I am not comfortable with incentives given ☐ I do not like the work I do ☐ other (specify)……

THANK YOU VERY MUCH FOR YOUR COOPERATION

END OF SURVEY

Appendix 18

PERIOD / SCHEDULE	OCT 2011	NOV 2011	DEC 2011	JAN 2012	FEB 2012	MAR 2012	APR 2012	MAY 2012	JUN 2012	JUL 2012
PROPOSAL WRITING										
PROPOSAL DEFENCE										
LITERATURE REVIEW / CHAPTER 3										
PRETESTING										
ADMINISTRATION OF QUESTIONNAIRES										
DATA ANALYSIS										
PREPARATION OF THESIS DRAFT										
PREPARATION OF FINAL THESIS AND SUBMISSION										

Chart A18: Shows the work plan for the entire period in the writing of the thesis