

## *Full Length Research Paper*

# **Effect of human resource management practices on employee retention: perspectives from the mining industry in Ghana**

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The purpose of the study was to identify frequently used human resource management activities in the mining industry in Ghana and their effect on employee retention. The study collected data from both primary and secondary sources. Questionnaires and interviews were used to collect data from a sample of one hundred and fifty (150) respondents. Anova was used to test the hypothesis and a regression was run to determine the effect of human resource management practices on employee retention. The main findings of the study were that majority of turnover intentions within the study organisation are attributable to human resource management. Training and development, communication and information sharing, health, safety and welfare, incentives and compensation and job security factors are very significant in bringing about turnover intentions within the mining industry. Due to the nature of the mining industry, availability and willingness of respondents was a big challenge though efforts were made to assure respondents of confidentiality. This study provides insights into the effects of human resource management practices on employees' intention to leave and retention in the mining sector in Ghana. Research on the effects of human resources practices on employees' intention to leave and retention in the mining sector of Ghana is almost non-existent. The research brings to the fore the importance of human resource management practices and the need to systematically use these practices to reduce employees' intention to leave and ultimately improve the retention of core employees.

**Keywords:** Human resource management practices, employee retention, turnover intentions, mining industry.

## **INTRODUCTION**

The discovery of oil in commercial quantities in Ghana has brought in its wake the need to properly manage the human resources in the extractive industry in order to improve performance as well as retain core human resources. Human beings are the basic resources operating in the mining industry, thus the survival of the industry depends to a large extent on its ability to develop and retain its human resource base (Landford *et al*, 1995). The need for human resource managers to keep up with effective management of employees in the mining industry cannot be overemphasized. It is thus incumbent on the industry to manage, develop and maintain the workforce in order to meet the new demand.

A primary task in the industry is therefore to bring about a climate favorable for management, workforce and resources to combine effectively all directed towards achieving the organizational goals and objectives while also providing high reward for those involved.

Sullivan, (2009) asserts that employee retention has never been important until recent years. He adds that the costs of employee turnover are skyrocketing and seriously impact an organization's bottom line. Given the importance of retaining employees in today's work environment, some researchers have made available some employee retention articles to give organizations a helping hand in curbing unwanted employee turnover. The importance of retaining top organizational talent cannot be understated. Few managers or companies debate that employee turnover hurts their organization's bottom line (Sullivan, 2009). Teh, (2008) however,

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indicates that few managers grasp the full extent to which employee turnover affects their bottom line. Hard costs such as recruiting, interviewing and training come to mind quickly and are easy to quantify. However there are other cost that are more difficult to quantify, but can have a huge impact on an organization's bottom line (Teh, 2008).

Pfeffer, (1994) argued that human capital has long been held to be a critical resource in most firms. Companies are now trying to add value to their human resources and human resource (HR) department has been set up to manage their human capital. Stavrou-Costea, (2005) also argues that the effective human resource management can be the main factor for the success of a firm. Most of the companies believe that without efficient HRM programmes and activities companies would not achieve and survive. Consequently most of the organizations, domestic companies and multinational companies/corporations (MNCs) all over the world nowadays tend to focus more on HRM and also treat HRM as a key to success.

A Harvard University study reports that 80% of turnover can be blamed on mistakes made during employee selection and hiring process. The study believes that selecting the right employee is an important moral obligation. Psychological testing has been found to be one of the most valid and cost-effective strategies for identifying the most suitable job candidates (Schmidt and Hunter, 1998).

Within the UK and other countries, reports abound of industry concerns over the turnover and wastage of competent employees (Ford, 1997). Such concerns have been fuelled by years of falling enrolments to mining and construction degree courses which have taken their toll on the supply of future employees (Barrick, 2000). Thus, reducing staff turnover and retaining key employees have become core strategic imperatives for most organizations (Rethinking Construction, 2000). Retaining key employees relies upon an employment culture in which employees work for and develop the organization in a spirit of cooperation and involvement. However, the new levels of expectation on employees may place considerable strain on the employment relationship. For example, recent evidence suggests that mining professionals experience extreme occupational stress (Sutherland and Davidson, 1993). This drives some employees out of the industry altogether and those who remain have found themselves having to cope with severe tensions in their work- life balance (Lingard and Sublet, 2002).

Extant research has revealed that employees are an important source of competitive advantage for firms (Pfeffer, 1994). As a result, it is important that a firm adopts human resource management practices that make the best use of its employees. The above trend has led to increased impact of HRM on organizational performance and a number of studies have found positive

relationship between so-called high performance work practices (Huselid, 1995) and different measures of company performance. Furthermore, there is some empirical evidence to support the hypothesis that firms which align their HRM practices with their business strategy will achieve superior outcomes (Becker and Gerhart, 1996). The extent to which, if any, human resource management (HRM) impacts on the organization along the lines of performance, growth, employee turnover and other key variables has emerged as the central research question in the personnel management/HRM field (Becker and Gerhart, 1996; Guest, 1997). For the moment, although human resources (HR) are considered as the most valuable asset in an organization, they make a difference only for a few organizations (Pfeffer, 1998).

Dainty et al., (2000) reports that the mining industry is known for its low investment in people (lip) initiatives and poor commitment to HRM. Langford et al, (1995) noted that most mining and construction firms ignore human resource management practices within the industry. Kululanga et al., (1999) and Ford et. al., (2000) suggested that one possible reason for the low commitment to human resource management issues is the predominance of an engineering culture that focuses on technology instead of people. Loosemore et al, (2003) suggested further that the low investment in people stems from the assumption that "human resource management issues are time consuming and expensive". They also noted that developing employees will make them more attractive to other companies and competitors in the mining industry.

Identification and development of appropriate HRM practices could therefore enable the management of mining companies operating in Ghana to have a clear understanding of the significance and benefits of employee retention. It is again obvious that, identifying the effect of human resource management practices will go a long way to provide input to most HR personnel and policy makers on the need to retain key and talented employees. The write-up will also add up to the existing body of knowledge on the subject matter.

According to Oxfam (2011), the mining industry of Ghana accounts for 5% of the country's GDP and minerals make up 37% of total exports, of which gold contributes over 90% of the total mineral exports. Thus, the main focus of Ghana's mining and minerals development industry remains focused on gold. Ghana is Africa's 2nd largest gold producer, producing 80.5 t in 2008. Ghana is also a major producer of bauxite, manganese and diamonds. The country has 13 large-scale mining companies producing gold, diamonds, bauxite and manganese, and, there are also over 300 registered small scale mining groups and 90 mine support service companies.

Export earnings from minerals averaged 35%, and the sector is one of the largest contributors to Government

revenues through the payment of mineral royalties, employee income taxes, and corporate taxes. In 2005, gold production accounted for about 95% of total mining export proceeds (Bermúdez-Lugo, 2006 and United States Geological Survey, 2008). On the employment front, according to the Ghana Trade Union Congress, there are about 15,000 people engaged in mining in the country.

It has been noted that lack of effective HRM practices in the mining industry has led to the increase in employee turnover rate. According to Tawiah, (1992) most of the proprietors who own and head the firms in Ghana have little or no knowledge in the mining industry. He added that they hold the perception that the construction industry is a business and that the only requirement is financial ability and therefore issues of HRM are things of the past. It has been established that the ability of managers to align themselves well with sound and result-oriented HRM practices and make informed decisions depend largely on the level of their HRM capability. However the variables that contribute to better HRM practices remain unexplored especially in our part of the world (Ghana). More often than not, employees of the mining and construction industry are employed on casual basis and their entry and exit seem to be very high. What will sound human resource practices do to ensure a reduction in the turnover ratio of the mining and construction industry in Ghana? Which human resource management practices attract employees to stay on in the workplace? How frequent are these human resource management practices practiced among mining companies in Ghana? An attempt to find answers to these nagging questions has necessitated this study.

Therefore the general objective of this study was to explore how the Human Resource Management practices influence employee retention in the mining industry so that their implications to management could be discussed. Specifically, the study sought to identify and examine the human resource management practices that employees of the mining industry in Ghana see as important in urging them to stay on in their places of work. It also sought to determine the effect of human resource management practices on employee retention at the mining industry in Ghana. Thirdly, the study investigated how human resource management has been able to enhance the retention of core employees at the mining industry in Ghana.

## Literature review

This section of the study covers the views of other authors on the subject of study. Among the various themes covered include various human resource management practices such as training and development, selection and recruitment, communication and information sharing, health and safety practices and

compensation and incentive packages. The section also covers employee retention and its relationship with human resource management practices.

## Human resource management practices

Studies show that HRM plays an important role in formulating and implementing organisational strategy. Myloni et al., (2004) found that also HRM can be seen as part of the overall strategy of the firm. The increasingly importance of HRM in strategy has then led the HR managers to be part of the decision makers while formulating and implementing strategy. Rozhan and Zakaria, (1996) study of Malaysian firm provides some evidence of HR managers having an involvement in the strategy formulation process.

Although sets of innovative HR practices have been proposed to enhance effectiveness in organizations and to retain talented employees (Dessler, 1999), the configurations of such practices are narrowly focused and these suggestions are often not theoretically grounded. The conceptual model of Lawler (1986) may be a good starting point. This model suggests that four organizational practices may influence work-related attitudes and behaviors, namely, information-sharing, empowerment, competence development and reward. However, studies have shown that reward is a complex process that may not be fully understood without taking into account some of its underlying dimensions, namely the distributive, procedural and non-monetary recognition aspects (Milkovich and Newman 1998).

Most research suggests that HRM is vital in order for an organisation to achieve organisational success (Barney, 1991; Jackson and Schuler, 2000; Pfeffer, 1994). Typically, HRM is considered to be vital in order for an organisation to achieve its success by enabling the organisation to sustain competitive advantage. Literatures on strategic HRM even indicate that HRM practices and systems contribute to the creation of a sustained competitive advantage for the firm (Arthur, 1994; Gerhart and Milkovich, 1992; Huselid, 1995; Macduffie, 1995; Terpstra and Rozall, 1993). As a result, it is important that a firm adopt HRM practices that make use of its employees. A number of researchers have found a positive impact of HRM on organisational performance. For instance, Becker and Gerhart (1996), Becker and Huselid (1999), and Dyer and Reeves (1995) empirical studies found that firms which align their HRM practices with their business strategy will achieve superior outcomes. MacDuffie (1995) studies worldwide auto assembly plants found that some HRM practices are related to productivity and quality of the firm. Delery and

Doty (1996) found significant relationships between HRM practices and accounting profits among banks. Youndt et al (1996) found that certain combinations of HRM practices are related to operational performance of

manufacturing firms. Guthrie (2001) surveyed in New Zealand corporations found that HRM practices are related to turnover and profitability of the corporations.

More recent empirical study on HRM practices (Lee and Lee, 2007) uncovered six underlying HRM practices on business performance, namely training and development, teamwork, compensation/incentives, HR planning, performance appraisal and employee security help improve firms' business performance including employee's productivity, product quality and firm's flexibility. This study reveals that three items of HRM practices influence business performance: training and development, compensation/incentives, and HR planning. However, some other researches also show that certain HRM practices have significant relationship with operational (employee's productivity and firm's flexibility) and quality performance outcomes (Chang and Chen, 2002; Ahmad and Schroeder, 2003; Kuo, 2004). These research evidence shows that effective HRM practices can have positive impact on business performance. Using data from 197 Taiwanese high-tech firms Chang and Chen (2002) conducted a comprehensive study to evaluate the links between HRM practices and firm performance. This study reveals that HRM practices including training and development, teamwork, benefits, human resource planning, and performance appraisal have significant effect on employee productivity. This study also found benefits and human resource planning have negative relationship with employee turnover.

To generalize the efficacy of seven HRM practices by Pfeffer (1998) Ahmad and Schroeders (2003) found the seven HRM practices such as employment security, selective hiring, use of teams and decentralization, compensation/incentive contingent on performance; extensive training, status difference and sharing information have significant relationship with operational performance. Kuo (2004) adopted 11 HRM practices found that employment security, team working and incentive compensation are regarded as three of the main practices for impacting hospital performance.

### **Training and development**

Training and development may be related to firm performance in many ways. Firstly, training programmes increase the firm specificity of employee skills, which, in turn, increases employee productivity and reduces job dissatisfaction that results in employee turnover (Huselid, 1995). Secondly, training and developing internal personnel reduces the cost and risk of selecting, hiring, and internalising people from external labour markets, which again increases employee productivity and reduces turnover. Training and development like job security requires a certain degree of reciprocity: A company that systematically trains and develops its employees develops their market value more favourably.

This increases employees' productivity, commitment, and lowers turnover. Companies may also assist their employees in career planning. In doing so, companies encourage employees to take more responsibility for their own development, including the development of skills viewed as significant in the company (Doyle, 1997).

Barringer et al. (2005) compared rapid-growth and slow-growth firms and found that rapid-growth firms depend heavily on the abilities and efforts of their employees to maintain their growth-oriented strategies. The fast-growth firms used training programs to achieve their objectives and emphasized employee development to a significantly greater extent than their slow-growth counterparts. Therefore, training and employee development practices are more common in rapid-growth firms than slow growth ones. Miller (2006) examined the growth strategies in the retail sector and suggested that modern retailers should place more emphasis on the policies and practices that could contribute to staff retention, rather than on the immediacy of recruitment and selection. Zhu (2004) reviewed the changes in the area of human resource development in Japan and observed that some companies and industries have shifted towards a more strategic approach that emphasizes the impact of effective learning at both individual and organizational levels on long-term organizational competitiveness. Huselid (1995) found that the education and development of employees have a significant effect both upon the personnel productivity and the short-term and long-term indicators of organizational performance.

Ngo et al. (1998) investigated the effects of country origins on HR practices of firms from the United States, Great Britain, Japan and Hong Kong operating in Hong Kong. The study results showed that structural training and development and retention-oriented compensation were related to various measures of firm performance. Paul and Anantharaman (2003), in searching the links between human resource practices and organizational performance, proposed that career development programmes demonstrate a true interest of the organization for the growth of its personnel, which, in turn, stimulates commitment and devotion, which, subsequently, raises personnel productivity and consequently economical output. Cerio (2003) examined the manufacturing industry in Spain and found that quality management practices related to product design and development, together with human resource practices, are the most significant predictors of operational performance. Michie and Quinn, (2001) investigated the relationships between UK firms' use of flexible work practices and corporate performance and suggested that low levels of training are negatively correlated with corporate performance.

In a US Department of Labour (1993) study of high-performance work practices it was found that the use of formal training programs was associated with significantly

higher productivity growth. Becker and Huselid (1999) argue that the economic returns of extensive training are more likely to be captured by the firm if employees are motivated to stay and contribute to the firm's success fostered in part by selective hiring, competitive pay packages and team-orientated work environments. Youndt et al. (1996) theorize that human resource practices designed to develop talented and team-oriented workers improve employee productivity and customer satisfaction.

### **Recruitment and selection**

This practice can ensure that the right people, with the desirable characteristics and knowledge, are in the right place, so that they fit in the culture and the climate of the organization. Moreover, pinpointing the rights employees would decrease the cost of employees' education and development. Huselid, (1995) examined HR practices of high performance companies and found that attracting and selecting the right employees increase the employee productivity, boost organizational performance, and contribute in reducing turnover. According to Huselid (1995) and Becker and Huselid (1999), selective hiring procedures are necessary to ensure effective retention of the most qualified employees while lowering employee turnover in the long term.

One tool that can assist with ensuring proper screening of candidates is pre-employment tests. Cho et al. (2006) theorize that the practice of pre-employment testing and the result of candidates passing such skill-based tests can heighten new hires' sense of organizational commitment. However, their research also found that once employees are on-board and seek upward mobility, promotions can actually increase turnover rates of non-managerial employees if not practiced appropriately. For example, in instances in which inadequate employee training and development exist, employees can become frustrated and stressed by assuming greater responsibility for which they are ill equipped. Thus employer policies and practices regarding employee promotions and work designs are among the top reasons why people join, stay or leave an organization (Cafaro, 2001).

Cohen and Pfeffer, (1986) argued that hiring standards reflect not only organizations' skill requirements but also the preferences of various groups for such standards and their ability to enforce these preferences. Michie and Quinn (2001) proposed that a possible indirect link between selective hiring and organisational performance can be the forging of internal bonds between managers and employees that creates the write culture for productivity growth. Collins and Clark (2003) argued that the practice of selective hiring results at sales growth. Paul and Anantharaman (2003) pointed out that an effective hiring process ensures the presence

of employees with the right qualifications, leading to production of quality products and consequently in increase of economic performance.

Cho et al. (2005) examined pre-employment tests as a key component of selective hiring and found that when employed, these tests can select employees that stay with a company longer. Passing pre-employment tests may give an applicant a stronger sense of belonging to the company, resulting in higher degrees of commitment if employed. Cardon and Stevens (2004) pointed out that for small companies recruiting is often problematic. This can be due to several reasons such as limited financial and material resources and jobs with unclear boundaries responsibilities, which decreases their potential to hire qualified candidates.

### **Communication and information sharing**

Sharing of information may have a dual effect: Firstly, it conveys employees the right meaning that the company trusts them. Secondly, in order to make informed decision, employees should have access to critical information. Communicating performance data on a routine basis throughout the year help employees to improve and develop. Employees presumably want to be good at their jobs, but if they never receive any performance feedback, they may perceive to have a satisfactory performance when in fact they do not (Chow et al., 1999). Furthermore, information sharing fosters organizational transparency which reduces turnover (Ahmad and Schroeder, 2003) and forges synergistic working relationship among employees (Nonaka, 1994). Information sharing is not a widespread HR practice as someone might have expected it to be.

Many companies are vulnerable to share critical information with their employees because in this way employees become more powerful and companies may lose control of them (Pfeffer, 1998). Furthermore, information sharing always involves the danger of leaking important information to competitors (Ronde, 2001). In a study of Japanese consultation committees, Morishima (1991) found a positive association of information sharing with productivity and profitability, and a negative one with labour cost. Constant et al. (1994) pointed out that attitudes about information sharing depend on the form of the information. Burgess (2005) studied employee motivations for knowledge transfer outside their work unit and found that employees who perceived greater organizational rewards for sharing spent more hours sharing knowledge beyond their immediate work group. However, a significant percentage of employees perceived knowledge as a means of achieving upward organizational mobility. Therefore, employees sought information more often than shared it.

Roberts (1995) studied how HR strategy affects profits in 3,000 businesses throughout the world and found that

sharing information was related with higher profitability. However, Ichniowski and Shaw (1999) compared US and Japanese steel-making plants and found that employee participation based solely on problem-solving teams or information sharing did not produce large improvements in productivity. In a study of Fortune 1,000 largest manufacturing and service companies on high performance practices, Lawler et al. (1995) found information sharing to correlate to firm performance but results are inconclusive.

### Compensation and incentive policies

Performance-based compensation is the dominant HR practice that firms use to evaluate and reward employees' efforts (Collins and Clark, 2003). Evidently, performance-based compensation has a positive effect upon employee and organizational performance (Brown et al. 2003; Cardon and Stevens, 2004). However, there is scarce evidence on the effects of compensation policy of firm growth. Empirical studies on the relationship between performance-related pay and company performance have generally found a positive relationship, but a growing body of empirical evidence suggests that it is not just pay level that matters, but pay structure as well (Wimbush, 2005; Singh 2005).

Barringer et al. (2005) conducted a quantitative content analysis of the narrative descriptions of 50 rapid-growth firms and a comparison group of 50 slow-growth companies. Results demonstrated that employee incentives differentiated the rapid-growth from the slow-growth firms. Firms that were eager to achieve rapid-growth provided their employees financial incentives and stock options as part of their compensation packages. In doing so, firms managed to elicit high levels of performance from employees, provide employees the feeling that they have an ownership interest in the firm, attract and retain high-quality employees, and shift a portion of a firm's business risk to the employees. Delery and Doty (1996) identified performance-based compensation as the single strongest predictor of firm performance. Both performance-based compensation and merit-based promotion can be viewed as ingredients in organizational incentive systems that encourage individual performance and retention (Uen and Chien, 2004). Collins and Clark (2003) studied 73 high-technology firms and showed that the relationships between the HR practices and firm performance (sales growth and stock growth) were mediated through their top managers' social networks. Cho et al. (2005) suggested that incentive plans is effective in decreasing turnover rates. Banker et al. (2001) conducted a longitudinal study of the effectiveness of incentive plans in the hotel industry and found that incentive plans were related to higher revenues, increased profits, and decreased cost. Paul and Anantharaman (2003) found

that compensation and incentives directly affect operational performance.

To be effective, compensation practices and policies must be aligned with organizational objectives. While performance-based compensation can motivate employees, sometimes employees perceive it as a management mechanism to control their behaviour (Lawler and Rhode, 1976). In such a case, employees are less loyal and committed, thus compensation plans have the opposite than desired outcome (Ahmad and Schroeder, 2003; Rodriguez and Ventura, 2003).

Employee turnover can significantly slow revenue growth, particularly in knowledge-intensive industries (Baron and Hannan, 2002). Given that much of the tacit knowledge resides within employees, significant turnover poses a threat to firm performance and its future growth potential. With high turnover rates, firm growth flees away along with leaving managers who often become employers of rival firms or establish themselves rival firms. A major and perhaps the most notable among organizational retention initiatives is compensation and benefits. Numerous studies have addressed the impact of employee compensation, rewards and recognition on turnover and retention (Becker and Huselid, 1999; Cho et al., 2006; Huselid, 1995; US Department of Labour, 1993; Walsh and Taylor, 2007; Youndt et al., 1996). Several research studies. Becker and Huselid, (1999) found that highly competitive wage systems promote employee commitment and thus results in the attraction and retention of a superior workforce.

A recent study by Cho et al. (2006) investigated the relationship between the use of human management practices and organizational performance. It found that companies providing incentive plans to employees are more likely to experience lower turnover rates among non-managerial employees. The authors theorize that a firm would further reduce its turnover rate if it applies reward systems in the form of incentive plans to more employees across the organization. Several other research studies have indicated that compensation in the form of base or variable pay may not be sufficient to attract or retain employees. Milman (2003) and Milman and Ricci (2004) concluded that the most significant retention predictors included intrinsic fulfilment and working conditions rather than monetary rewards. Similarly, the study by Walsh and Taylor (2007) revealed that although compensation and work-life balance are important, it is the absence of opportunity for professional growth and development that affects management retention and turnover (Walsh and Taylor, 2007).

One purpose both of direct and indirect compensation is to enhance employees' motivation and attachment to the organization (Appelbaum et al., 2000; Arthur, 1994). Both meta-analyzes (Cotton and Tuttle, 1986; Hom and Griffeth, 1995) and empirical studies (Powell et al., 1994; Shaw et al., 1998) show an inverse relationship between high relative pay and/or pay satisfaction, and employee

turnover. Strong salary growth significantly reduces turnover for high performing employees (Trevor et al., 1997). In organizations using performance-contingent reward systems, high-performing individuals who were well compensated were less likely to quit than those with lower levels of rewards and performance (Park et al., 1994). Researchers also have demonstrated a relationship between indirect compensation ("fringe benefits") and employee turnover (Bennett et al., 1993).

### Health and safety practices

Responsibilities for planning and coordination of health and safety are often unclear, and compliance with health and safety law is generally poor. Informal Contractual conditions in the sector make it difficult for workers to exercise their rights. To make matters worse, self-regulation is increasingly widespread in the construction industry, and the relevant administrations frequently have a permissive, passive attitude towards employers who ignore health and safety laws, even when this leads to the death of a worker (Moconachie and Hilson, 2011).

It was noted by Sharma, (1998) that healthy workplace or wellness initiatives take on a variety of forms, including those directed at the physical work environment (cleanliness, safety, ergonomics, etc.); health practices (supporting healthy lifestyles, fitness, diet, etc.); and social environment and personal resources (organizational culture, a sense of control over one's work, employee assistance programs, etc.). Healthy workplace initiatives not only improve the health and well-being of individual employees, but contribute to business performance objectives including employee retention.

### Job security

Job security creates a climate of confidence among employees which cultivates their commitment on the company's workforce. Job security requires a certain degree of reciprocity: firstly, a company must signal a clear message that jobs are secure; then, employees believing that this is true, feel confident and commit themselves to expend extra effort for the company's benefit; finally, a company that have learnt that job security contributes to its performance, invests again in job security (Pfeffer, 1998). Probst, (2002) has developed a conceptual model of the antecedents and consequences of job security. Antecedents include worker characteristics, job characteristics, organizational change and job technology change. Consequences include psychological health, physical health, organizational withdrawal, unionisation activity, organizational commitment and job stress. Job involvement, cultural values, and procedural justice moderate job security perceptions and attitudes.

Buitendach and Witte, (2005) assessed the relationship between job insecurity, job satisfaction and affective organizational commitment of maintenance workers in a parastatal in Gauteng. Study results revealed small but significant relationships between job insecurity and extrinsic job satisfaction and job insecurity and affective organizational commitment. Job satisfaction was also found to mediate the relationship between job insecurity and affective organizational commitment. However, today's business environments are far from providing job security to their employees. For example, in an analysis of involuntary job loss in France between 1982 and 2002, Givord and Maurin (2004) found evidence that technological changes contribute to keeping the employees for shorter periods of time, thus increasing job insecurity.

When companies do provide job security, then empirical evidence suggests that it has a positive effect on to firm performance. Following Pfeffer (1998), Ahmad and Schroeder (2003) found that among others, job security impacts operational performance indirectly through organizational commitment. Delery and Doty (1996) studied the US banking sector and found some support for a positive relationship between employment security and firm performance. In their study of 101 foreign firms operating in Russia, Fey et al. (2000) found evidence that human resource practices indirectly improve organizational performance. The results showed that not only, there was a direct positive relationship between job security and performance for non-managers, but job security was the most important predictor of HR outcomes for non-managerial employees. Results also suggested a direct positive relationship between managerial promotions based on merit and firm performance.

### Employee retention

Many of the research studies focus on the functional human resources (HR) activities such as recruitment and training. Examples of these are from Collins (2007), Dermody et al. (2004) Reynolds et al. (2004) and Martin et al. (2006) who focus on the important role that appropriate recruitment plays in retaining good staff. Improving the quality and quantity of staff of an organization appears to be dependent on improving the image of the industry, together with more strategic ways of managing work rosters and workloads. Dermody et al. (2004) argue that hourly paid staff are best motivated and attracted to the industry through incentive pay programs and innovative benefits such as cash bonuses, flexible work schedules and mentoring programs.

Another HR function, and therefore a potential retention strategy, that receives attention in the literature is training. Research by Chiang et al. (2005) examined the relationship between training, job satisfaction and the

intention to stay in the hospitality industry. The findings suggest that training quality was positively related to training satisfaction, job satisfaction and intention to stay. Related to the concept of training is that of education and the type of training given by training providers such as universities and vocational institutions. A study by Hjalager and Andersen (2001) explores the difficult question of whether tourism employment is merely contingent, temporary work or whether it is actually a career. The approach taken by Wildes and Parks in their research on food servers, looks at the influence that internal marketing has on employee retention. They argue that building strong relationships within the organisation reduces turnover and, furthermore, promotes recommending behaviour of employees of the hotel to friends. Employee retention in the mining industry has received little attention from the literature.

The area that has most recently been a focus for examination regarding the retention of staff is that of the role that balancing working and family life has in turnover decisions. The research by Doherty (2004) and Maxwell (2005) provide insights into the link between the work-life conflict and employee turnover. Maxwell suggests that managers are key to the initiation and implementation of WLB policies with some of those policies being the introduction of flexible working hours and arrangements, providing better training, breaks from work and better work support. All these strategies not only address WLB issues but also enhance employee retention.

Walsh and Taylor (2007) study found that although it was important to obtain a good salary and benefits package, whether employees remain with the organization primarily depends on the degree to which their employers respond to their professional growth. They noted that those employees most committed to performing challenging work are the ones most likely to remain with their companies

### **Relationship between human resource management practices and employee retention**

A study by Chew et al. (2005) reveals that organizations with a value profile of either elite or leadership, complemented with strategic HRM effectiveness will enhance financial performance. Huselid (1995) identified a link between organization-level outcomes and groups of high performance work practices. Instead of focusing on a single practice (for example staffing), the simultaneous use of multiple sophisticated human resource practices was assessed. He concluded that the sophistication of those practices was significantly related to turnover, organizational productivity, and financial performance. Delery and Doty (1996) affirmed that the existence of formal or informal policies have many strategic implications that should affect employee retention. Prior empirical work has consistently found that use of effective

human resource management initiatives enhances employee retention and productivity. Specifically, selective recruitment and training procedures, working environment, Labour-management participation programs, and performance appraisal, promotion, and incentive compensation systems that recognize and reward employee merit have all been linked with valued firm-level outcomes (Huselid, 1995; US Department of Labour, 1993).

Though the stream of research on employee turnover has been voluminous, many of the studies in the organizational sciences have focused on individual-level predictors of turnover with less attention given to the effects of human resource management practices on employee turnover and retention at the organization-level (Shaw et al., 1998). Furthermore, the earlier research into human resource management practices utilized sample units consisting of businesses from a wide range of industries (Becker and Huselid, 1999; Huselid, 1995; Pfeffer, 1994; US Department of Labour, 1993; Walsh and Taylor, 2007). Few studies, however, have examined the impact of human resource management practices on employee turnover and retention specific to such industries.

Research indicates that, hiring and training a replaced worker for a lost employee costs approximately 50% of the workers' annual salary (Johnson et al., 2000); interestingly, the cost do not end there. Each time an employee leaves a firm, it is assumed that productivity drops due to the learning curve involved in understanding the job and the organization. Furthermore, the loss of intellectual capital contribute to this loss because not only do lose human capital and relational capital of the departing employee, but also competitors are potentially gaining these assets.

### **Conceptual Framework**

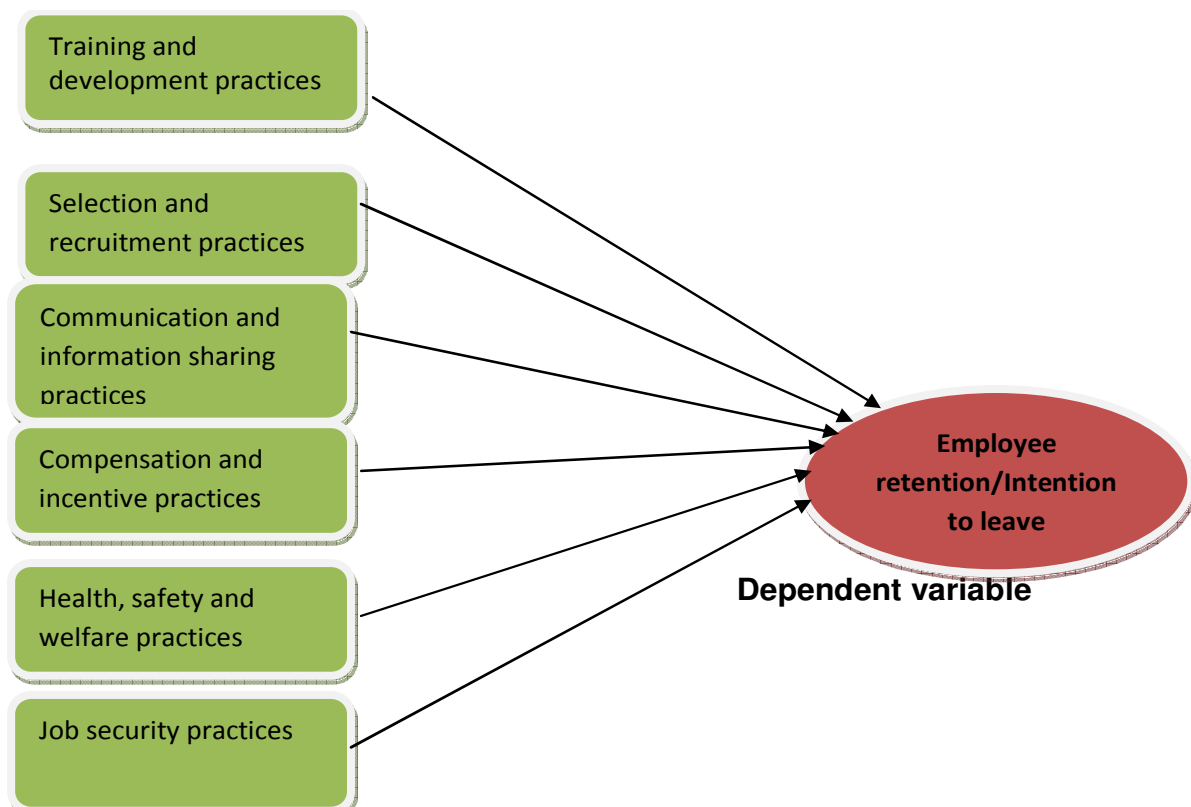
The conceptual framework for the study had two variables which were the dependent and independent variables. The independent variables were the six human resource management practices. These were the recruitment and selection practices, training and development practices, communication and information sharing practices, compensation and incentive practices, health and safety practices and job security practices. The dependent variable was employee retention. From the research topic, the level of employee retention was dependent upon the human resource management practices being pursued in the organization.

### **Independent variables**

#### **Hypothesis**

One hypothesis was tested to find the relationship





**Figure 1.** Human resource management practices

between human resource management practices and employee retention in the mining industry in Ghana.

H0: There is no significant effect of human resource management practices on employee retention.

H1: There is significant effect of human resource management practices on employee retention.

## RESEARCH METHODOLOGY

This research is designed to investigate the effect of HRM practices on Employee retention in the mining industry in Ghana. The study is geared toward identifying the factors that motivate or influence employee retention so that human resource managers could make reasoned decisions regarding which HRM practices will best be adopted and practised in their organizations.

The researchers used an exploratory research design. This was to find out the true situation on the frequency of practicing the identified human resource management practices among mining companies. The research employed both quantitative and qualitative techniques in the analysis of the results. The study adopted the case study design because the study was limited to a mining company in Ghana although there are several sections and departments within the organisation. The population for the study was made up of all the staff of the selected

mining company. There was a research population of four hundred and fifty (450) employees. These were made up of both senior and junior staff, permanent and casual workers. The rationale behind is to ensure all the various groups were involved so that the study could be as representative as possible.

The study involved a sample of one hundred and fifty (150) respondents representing one-third of the research population (33.33%). The study employed both random and non-random sampling techniques. The sampling technique which was used was the simple random sampling technique. This was to ensure that each sample unit had equal chance of being involved in the study. However, the study ensured that all the departments were duly covered to avoid the neglect of any department. The human resource manager and key senior staff were purposively sampled. The reason behind the use of this technique is as a result of their access to exclusive information which was very relevant for the study.

The secondary data for the study was obtained from the company's annual reports and brochures. It is out of these sources that information on the profile of the company was obtained. The main instruments used to collect the primary data were questionnaire and interview. The junior, senior, permanent and casual workers responded to the questionnaires while the managers

(HR) were interviewed. The questionnaire was designed after specifying the data needed based on the research problem and the objectives set for the study. The questionnaire was organized into three sections using closed-ended questions. Section one consisted of questions concerning the socio-demographic characteristics of the respondents. Section two focused on six HRM variables, assessing their motivational effect on employee retention, while section three was concerned with the frequency of the HRM practices in the mining industry in Ghana. The researcher consulted experts to discuss the mode of the chosen measurements, question content and wording, and questionnaire appearance. Their comments and contribution were incorporated in the drafting of the questionnaire.

The interview guide was carefully designed after reviewing enough literature on human resource management issues. This was used to address the fourth objective and answer the fourth research question. The human resource management manager responded to the interview guide. Measures of perception in research on HRM practices were used for this study. Respondents were asked to indicate on Four- point scales, ranging from one- “not important” to four- “very important”, the degree of importance they attached to each of the eight HRM variables. These dimensions were recruitment and selection, training and development, job security, information sharing and employee communication, health, safety and welfare and compensation and incentives. The respondents were asked to indicate the frequency of the HRM practices in their organizations along each of the six HRM factors. The five-point scale was used for this measurement range from one-“never” to five-“always”.

Multiple measures were employed to assess recruitment and selection, specifically: orientation of the newly hired employees, accuracy of person specification, equal opportunity for recruitment and selection and well-defined job description were used. The training and development section of the questionnaire covered: skill training on the job, the training received on the job and the ability to use my own skills. Information sharing and employee communication covered areas such as: manager-employee dialogue, quarterly meetings that is open to all employees to explain workplaces policies and business plans, clearly communicating exactly what the firms expectations are and respect for employees views. Multiple measures were employed to assess health, safety and welfare. Specifically, safe working environment, safety gadgets, health insurance and provision of sick leave a payment of tools allowances and early payment of wages and salaries. Multiple measures were employed to assess job security and this covered factors such as climate of confidence among employees, employee commitment to work, company invests in job security and high degree of union activity at the work-

place. Employee retention was measured with ‘intention to leave the job within the next one year’. The researchers used employee retention, intention to leave or quit and labour turnover interchangeably.

In order to ascertain the effect of human resource management practices on employee retention (intention to leave), a regression was run using the human resource management practices as independent variables and employee retention (intention to leave) as the dependent variable. The hypothesis was tested using analysis of variance (Anova). Also, factor analysis was used to reduce all the many factors under each human resource management practice to the most important ones using their factor loadings in each component. A description of the relationship between how important the factors were and how frequent they were practiced was carried out to look at their ability to affect employee retention.

The reliability and consistency of the instruments used to measure all the six human resource management practices were tested using the Cronbach alpha ( $\alpha$ ) criterion. The Cronbach alpha criterion sets a criterion value of 0.7 as an indicator of true reliability and consistency of the instruments used to measure a particular variable. This was determined for all the six human resource management practices studied and the results found that all the factors used to measure the human resource management practices were equal to or above 0.7 thus indicating high reliability and consistency.

## **Presentation, analysis and discussion of data**

This section covers the presentation, analysis and discussion of data collected .The analysis has been presented in three sections; the socio-demographic description of respondents, results on human resource management practices and effect of human resource management practices on employee turnover.

### **HRM practices**

It was found that about 71% of the employees were males while the females constituted 29% with the operations and exploration departments made up of solely males. Again, two-thirds of the staff population were below forty years with 52% having university education. Also, 59% of the employees had spent up to three years with the company and two-thirds having worked with one company or the other.

All the variables used to measure human resource management practices were statistically reliable and consistent with Cronbach alpha values greater than or equal to 0.7.

The most important human resource management factors identified by the employees are presented in the table below:

**Table 1.** Important HRM factors identified by employees

| Human Resource Practices                     | Dimensions   |
|--|--|
| <b>Selection and recruitment</b>             | <ul style="list-style-type: none"> <li>• clarity of job description</li> <li>• accuracy of person specification</li> <li>• good recruitment advertisement</li> </ul>   |
| <b>Training and development</b>              | <ul style="list-style-type: none"> <li>• opportunity to learn new priorities and new tasks</li> <li>• opportunity to learning new skills in a team environment</li> <li>• opportunity to develop one's skills</li> </ul>   |
| <b>Communication and information sharing</b> | <ul style="list-style-type: none"> <li>• provision of to both employees and management on the company's achievements and progress</li> <li>• opportunity to participate in the policies which guide and rule their working lives</li> <li>• opportunity for employees to air their views without fear</li> <li>• clearly communicating to employees exactly the firm's expectations</li> </ul> |
| <b>Health, safety and welfare</b>            | <ul style="list-style-type: none"> <li>• provision of safety gadgets for the workmen whiles on the job</li> <li>• provision of first aid, canteen, rest rooms or sanitary facilities</li> <li>• provision of sick leave with pay, health insurance and retirement benefits for workers</li> <li>• safe working environment</li> </ul>  |
| <b>Incentives and compensation</b>           | <ul style="list-style-type: none"> <li>• provision of other allowances like canteen, transportation and housing</li> <li>• provision of adequate working tools and equipments</li> <li>• opportunity for promotion</li> <li>• tax relief on employees' wages and salaries</li> </ul>   |
| <b>Job security</b>                          | <ul style="list-style-type: none"> <li>• management identifying employees' problems and helping to solve them</li> <li>• company investing in job security</li> <li>• high degree of union activities at the workplace</li> </ul>  |

It was again found that, there was significant effect of human resource management practices on employee turnover within the mining industry. Human resource management practices influenced turnover intentions by about 85%. However, with the exception of selection and recruitment, all the other five human resource management practices studied were individually significant in bringing about quitting intentions within the company.

Again, it was found that although there was no separate human resource management department, activities to ensure sound human resource management practices were treated with seriousness through careful implementation and evaluation at the workplace.

### **Effect of human resource management practices on employee turnover**

In order to measure statistically the relationship between

the human resource management practices and employee turnover, a regression was run to determine whether human resource management practices could affect employee turnover. The formulated hypothesis was tested using analysis of variance (Anova) and the relationships between the six human resource management practices and employee turnover was determined by looking at the standardized coefficients from the coefficients table. The result is presented under the model summary of the regression model, the analysis of variance and coefficients which found the relationship or correlation between the independent variables (predictors) and the dependent variable.

The result from table 4.2 suggests that the model is very good in establishing the relationship between the dependent and independent variables. It could be seen from the model summary that the independent variable (human resource management practices) is able to predict the dependent variable (employee turnover

**Table 2.** Model Summary

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .924 <sup>a</sup> | .854     | .848              | .11282                     |

**Table 3.** ANOVA<sup>b</sup>

| Model |            | Sum of Squares | df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 10.091         | 6   | 1.682       | 132.130 | .000 <sup>a</sup> |
|       | Residual   | 1.718          | 135 | .013        |         |                   |
|       | Total      | 11.810         | 141 |             |         |                   |

measured by intention to quit) by 85%. This result suggests that, about 85% of employee turnover is attributable to human resource management practices and therefore suggests that management should be very much concerned about such practices because of how substantial these variables are in triggering an intention to quit.

### A Predictors

(Constant), Job security practices, Selection and recruitment practices, Communication and information sharing practices, Incentives and compensation practices, Health, safety and welfare practices, Training and development practices.

### Hypothesis testing

The hypothesis was tested using the analysis of variance (Anova) and the probability value (sig) was 0.000 thus falling within the critical value which suggests that the null hypothesis should be rejected. This means the null hypothesis which stated that there was no significant relationship between human resource management practices and employee turnover should be rejected and the alternative hypothesis sustained. Prior empirical work has consistently found that use of effective human resource management initiatives enhances employee retention and productivity. Among such works that showed consistency with this finding is the findings of Delery and Doty (1996) who affirmed that the existence of formal or informal policies has many strategic implications that should affect employee retention.

### A Predictors

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sharing practices, Incentives and compensation practices, Health, safety and welfare practices, Training and development practices

### B Dependent Variable: Intention to Leave

Table 4 shows the relationship between the individual human resource management practices and the dependent variable. Huselid, (1995) and US Department of Labour, (1993) indicated that selective recruitment and training procedures, working environment, Labour-management participation programs, promotion, and incentive compensation systems that recognize and reward employee merit have all been linked with valued firm-level outcomes. Selection and recruitment practices showed an insignificant very weak negative correlation with intention to leave and for that matter turnover. Research by Chiang et al. (2005) examined the relationship between training, job satisfaction and the intention to stay in the hospitality industry. Their findings suggest that training quality was positively related to training satisfaction, job satisfaction and intention to stay.

This study confirms their findings as it could be seen from the table of coefficients that training and development showed significant negative correlation with intention to quit. The same could be said of Demody et al. (2004) who argued that hourly paid staff are best motivated and attracted to the industry through incentive pay programs and innovative benefits such as cash bonuses, flexible work schedules and mentoring programs. It is no wonder incentive and compensation practices showed a significant negative correlation with intention to quit.

It can also be seen from table 4 that all the human resource management practices were negatively correlated with intention to quit and were very significant with the exception of selection and recruitment that showed an insignificant weak negative correlation with the dependent variable (intention to quit). Walsh and

**Table 4.** Coefficients<sup>a</sup>

| <b>Model 1</b>                                  | <b>Unstandardized Coefficients</b> |                   | <b>Standardized Coefficients</b> | <b>t</b> | <b>Sig.</b> |
|---|------------------------------------|-------------------|----------------------------------|----------|-------------|
|   | <b>B</b>                           | <b>Std. Error</b> | <b>Beta</b>                      |          |             |
| (Constant)                                      | 3.011                              | .072              |                                  | 41.717   | .000        |
| Selection and recruitment practices             | -.011                              | .052              | -.014                            | -.215    | .830        |
| Training and development practices              | -.177                              | .072              | -.194                            | -2.457   | .015        |
| Communication and information sharing practices | -.153                              | .047              | -.172                            | -3.245   | .001        |
| Incentives and compensation practices           | -.247                              | .057              | -.263                            | -4.353   | .000        |
| Health, safety and welfare practices            | -.354                              | .074              | -.314                            | -4.790   | .000        |
| Job security practices                          | -.070                              | .033              | -.091                            | -2.137   | .034        |

a. Dependent Variable: Intention to quit

Taylor (2007) study found that although it was important to obtain a good salary and benefits package, whether employees remain with the organization primarily depends on the degree to which their employers respond to their professional growth. They noted that those employees most committed to performing challenging work are the ones most likely to remain with their companies. The role of human resource management practices to ensure high retention of key personnel is therefore inevitable within the mining industry.

#### **Results of interview with the human resource manager on how human resource management practices have helped retain key employee issues**

It was indicated by the human resource manager that the company had laid down policies on all the six identified human resource management practices. On the issue of who is responsible for the implementation, he indicated that specific units in the various departments were charged to implement. Learning and development unit is charged with the implementation of the training and development in the organization. Health and safety is the responsibility of health, safety and loss prevention unit, communication and information sharing is the responsibility of communication unit whilst the rest mentioned above are implemented by HR unit. The HR management practices were evaluated from time to time usually during mid year and at the end of the year and this has contributed tremendously towards retaining key employees. This was measured by performance management trucker. This, manager of the unit, as well as the employees or the subordinates of HR, just like other unit in the departments must align their yearly goals and activity so they can be evaluated at the end of the year. He indicated that employees were involved and represented by their managers and union representatives in the design and the evaluation of any policy regarding human resource management practices.

Promoting good health and safety of employees in mining environment had really worked well to attract and retain competent employees. The manager again added that not only that good incentives like housing allowance, provision of buses/transportation, payment of fees for wards, Christmas bonus, fairness in remuneration, treating employees with respect (no racism) etc have worked well to retain employees. The interviewee indicated again that there is more room for improvement particularly in the areas of incentives and compensation. However due to scarce resources and the fact that the little profit realized have many alternative uses, employees were not given all that they demanded but would be improved upon with time. According to the manager, there was no independent HR department. However, consultants were usually used as and when it became necessary. The manager confirmed that the HR department was represented at the top management level. He indicated that at the global level there is senior vice president in charge of HR management practices. At the local level, the manager of HR was among the top management that makes strategic decision for the organization. Line managers and the HR met regularly to discuss and review HRM practices. Decisions on HR practices were implemented through the supervision of the manager. So far the cooperation between the HR department and the line managers had been very good.

#### **Relationship between important human resource management factors and their frequency of practice within the mining company**

In order to determine whether the human resource management factors that the employees deem important were frequently practiced at the workplace, the researcher limited the important factors to those the respondents indicated as "very important" and "important". The frequency of practice factors were also

limited to those the respondents indicated as “always” practiced and “usually” practiced. These percentages have been used for the analysis. It is envisaged that, factors that were considered very important or important but are not frequently practiced could be possible reasons for employees’ intention to leave the job.

### **Training and development practices**

It was indicated by 96.2% of the respondents that, ‘the training received on the job’ was an important human resource management practice; it is interesting to observe that the frequency of practice was 71.7%. This suggests that, what the employees recognize as important was not frequently practiced. This has the tendency to spur up dissatisfaction and can result in high labour turnover. The respondents again indicated that ‘opportunity to develop one’s skill’ was important (92.5%), but its frequency of practice within the company was 71.7%. Although the frequency of practice is quite substantial, the variance between its importance and rate of practice is very significant and can result in an employee’s intention to leave the job.

Although respondents indicated that it is important to be ‘given the opportunity to plan their own skills’ (96.2%), it was confirmed by 56.6% of the respondents that it was usually practiced. The most important and frequently practiced training and development practice was ‘opportunity to learn new priorities and new task’ which were represented by 81.2% and 83.1% respectively. This confirms the finding of Doyle, (1997) who reported that companies should encourage employees to take more responsibility for their own development, including the development of skills viewed as significant in the company.

The variance between what is important and what is practiced is very insignificant and it is positive for the mining company. It was expressed by 86.8% of the respondents that ‘opportunities to learn new skills in a team environment’ was important, they indicated that it was frequently practiced by 68%. Kalleberg and Moody, (1994) asserted that “training and development” appeared to encompass all dimensions of employee motivational factors and retention. Training and development is seen as a useful means of coping with changes fostered by technological innovation, market competition, organizational structuring, and demographic shifts (Kalleberg and Moody, 1994).

It could be realized from the discussion that, most training and development practices were important they were not frequently practiced. This has the tendency to force employees to think about quitting the job for another. It is therefore the responsibility of employers within the mining industry in Ghana to ensure that the factors indicated as important are usually practiced so that they could retain most talented employees.

### **Recruitment and selection practices**

The respondents (94.3%) confirmed that ‘good orientation of the newly hired employee’ was an important factor in determining employee retention, they indicated that its frequency of practice was just 68% thereby leaving a big gap. The gap could represent employee dissatisfaction which may possibly trigger an intention to quit the job. On ‘accuracy of person specification’, 88.7% recognized it as important but its frequency of practice was only 71.7%. Good recruitment is an important recruitment and selection factor which determines employee retention according to 91.1% of the respondents, however, it was surprisingly indicated by only 58.5% that it was usually practiced. The variance is outrageous and could possibly compel employees to move to a place where this important factor was practiced. If newly hired employees are not well inducted, there might be some problems with how to the job well.

Respondents indicated that this factor was important (88.7%), it was rather reported by 64.2% of the respondents that it was usually practiced. The most frequently practiced important recruitment and selection factor was ‘clarity of job description’. This was indicated by 90.5% as important and 84.9% as frequently practiced. The variance is very minimal and could not result in turnover intention within the company. It was indicated by Schuster, (1986) that the right people should always be hired so that the cost of recruitment can always be kept low. Huselid, (1995) also added that hiring the right people increased productivity and that placing the right advertisement, ensuring clarity of job description, inducting and orienting the new employee would help achieve the benefits of good recruitment and selection exercise. On the whole, apart from ‘clarity of job description’, all the recruitment and selection factors are not usually practiced although it is important. This means that these unpracticed but important factors can impede the retention of talented employees in the company.

### **Communication and information sharing practices**

Employer-employee dialogue was identified by 79.2% of the respondents as important; it was surprisingly indicated by only 58.5% as frequently practiced. Employers should create the enabling environment for employees to dialogue with them on pertinent issues so that they could be settled amicably. If such situations do not prevail, workers may be tempted to quit the job for another where those opportunities exist. It was overwhelmingly declared by 90.5% of the respondents that employees should be given the opportunities to air their views but it is sad to realize that this was practiced by only 66.1% of the respondents.

Working under intimidating environments does not bring out the best in the worker and it is in the supreme

interest of the employer to create a favourable atmosphere for workers to express themselves without fear. Free flow of information to both employees and management on the achievements of the company is an important communication factor (79.2%), its frequency of practice (75.5%) was very close to its importance. It shows that this factor is weak enough to compel employees to quit the job in the company because their expectations on this have been met. The respondents again indicated that quarterly meetings that are opened to all to discuss work progress was important (84.9%) in the company, it was only practiced in the workplace of 62.3% of the respondents. The gap is significant enough to force some employees who are dissatisfied about this to quit the firm for another. On 'clearly communicating exactly what the firms' expectations are to employees', 84.9% indicated this factor as important but its frequency of practice was 75.5% and finally, respondents expressed that opportunity to participate in the policies which guide and rule their working lives' was important (92.4%), it was only practiced in the workplace of 68% of the respondents. It suggests a significant difference and has the tendency make an employee leave for a different job.

The results indicate that there was very good communication link between the employees and management of their various companies. This has the capability of promoting good working relationships among workers. According to Pfeffer, (1998), many companies are vulnerable to share critical information with their employees because in this way there is the tendency that employees may become more powerful and companies may lose control of them. This may be a danger but the management need to control the flow of information so that those critical decisions that needs to be taken at the strategic level is left in the hands of top management.

It has been confirmed in the literature that, information sharing fosters organizational transparency which reduces turnover (Ahmad and Schroeder, 2003) and forges synergistic working relationship among employees (Nonaka, 1994). These findings are enough to imply that information sharing helps the organization. On the whole, as a result of a well practiced communication system among the respondents, there is little tendency for employee communication to pose problems to employee retention within the mining industry in Ghana.

### **Health, safety and welfare practices**

The respondents unanimously indicated that 'safe working environment' was important but 73.6% indicated that this was frequently practiced at the workplace. A safe working environment motivate workers to give out their best but employees experience an unsafe environment they may tempted to leave to places they consider safe. According to 98.1% of the respondents, 'provision of safety gadgets for workmen while on the job' was

important but it was practiced among 71.7% of the respondents. The variance is so large that it has the potential to trigger employee turnover. Injuries at the workplace are not uncommon and should be addressed by providing safety gadgets for the workers whiles at the workplace. It is even against the labour standards for employees to work under such conditions.

Respondents felt that 'sick leave with pay, health insurance, life and retirement for employee' is so important (100%) in the company but this was frequently practiced or catered for among 79.3%. This result still leaves so many gaps that should be addressed by employers in order to forestall possible turnover intention. Again, it was declared by 86.8% of the respondents that first aid, canteen facilities, restrooms, ablution area and sanitary facilities are important and must be provided at the workplace. This has the potential to reduce time wasted in seeking these services outside the workplace thereby increasing the time for productivity. It was however indicated by 67.9% of the respondents that these facilities were provided at their workplaces. This situation is not very good for the industry and the earlier it is addressed the better it would be to improve employee retention.

Respondents indicated that the appointment of safety officers who sees to the safety of workmen whiles on the job is important (81.1%) but the appointment has been made among 75.5% of the respondents. These figures are somehow close and indicate that this practice has a lesser tendency to cause employee turnover within mining companies in Ghana. Another important factor identified (94.3%) was 'management bearing full treatment cost, beyond just first aid of injuries sustained at work'. It was surprisingly confirmed by only 66% that the practice was frequent at their workplaces.

It is possible that this can bring about employee turnover. It was the view of 83% of the respondents that 'designing safety publicity leaflets' was important but it was rather practiced among 64.1% of the respondents. The respondents attached much premium to health and safety issues and this confirms the findings of Kalleberg and Moody, (1994), who reported that improving health, safety and welfare of employees is an antidote for motivating and keeping them. It could be seen from the discussion that employees regarded most health and safety factors as important but the practice was very minimal. It therefore suggest that employees might be dissatisfied about this and might possible intend to quit their current places of work.

### **Compensation and incentive practices**

According to Wimbush, (2005) and Singh, (2005) studies on the relationship between performance-related pay and company performance have generally found a positive relationship, but a growing body of empirical evidence

suggests that it is not just pay level that matters, but pay structure as well. It is obvious that fairness of pay is important in every workplace and this was confirmed by 96.2% of the respondents but it was only practiced among 71.7% of the respondents. If workers anticipate that their pay does not commensurate their output, agitations might arise and various unrests which have serious repercussions on productivity might result. The end result of this is an intention to quit the job. Workers expect that tools allowances must be paid and this opinion was expressed by 86.8% of the respondents.

However, it was least practiced in their various workplaces according to 56.6% of the respondents. This is very serious and has a very high potential to cause employee turnover. The respondents were of the opinion that there should be opportunity to enjoy social security and end of service benefits thus indicating it as important (98.1%) but it was only 75.5% of the respondents who were benefiting from this practice. It should be mandatory that employees of mining companies both casual and permanent should enjoy these benefits. This is capable of enabling most employers to retain their talented employees.

Just as indicated above, 98.1% of the respondents felt that payment of other allowances such as canteen, housing, transportation is important and must be paid but the practice (56.6%) leaves much to be desired. Employees must be paid deserving allowances so that they do not harbour the intention to quit the current job for another. More often than not, employees' salaries are unduly delayed. The respondents felt that this factor is important (96.2%) but it was only confirmed by 69.8% of the respondents that their wages and salaries were paid earlier. Such delays might compel some employees to go for loans and they end up paying huge interests which compound their financial burdens.

Such a situation is capable of compelling some talented employees to quit the job for another. Employees would always want to work with the right tools and equipments and recognizes this factor as important (98.1%) but the practice was different as it was confirmed by 75.5% as frequently practiced. It suggests that workers are dissatisfied about the tools they work with within the mining industry in Ghana a situation which may impede employee retention.

The respondents again were of the view that there should be tax reliefs on employee wages and salaries (71.7%). It was confirmed by 62.3% of the respondent that this was frequently practiced. This factor has little potential to cause employee turnover because the expectations of the employees does not differ greatly from what is actually practiced. According to 94.3% of the respondents, 'opportunity to be promoted' was an important HRM practice, its frequency of practice was 62.3%. This suggests that there is little promotion opportunities for employees in the company and can bring about turnover intentions.

It could be seen from the discussion that, the compensation and incentive factors are the least practiced in the mining company. Interestingly, it is a human resource management practice that employees attach great importance. What this means is that, the compensation and incentive factors are very strong in causing employee turnover because the level of dissatisfaction seems very high and employees would seek to compensate for their dissatisfaction by looking for a better job.

### **Job security practices**

Employees would always want to feel secured about the jobs they do. This is a practice that can compel employees to have an intention to quit the job they were doing. It was indicated by Pfeffer, (1998) that a company that has learnt that job security contributes to its performance, invests again in job security and that the company must signal a clear message that jobs are secure; then, employees believing that this is true, feel confident and commit themselves to expend extra effort for the company's benefit. It therefore means that the company enjoys from ensuring that employees' jobs are secured. The respondents indicated that it is important for employees to be treated with dignity and with respect while at work (86.8%). It was however indicated by 71.6% of the respondents that this was frequently practiced at their various places of work. This is quite close although it has a potential to be injurious to employee retention.

The respondents were of the view that the 'high level of commitment at the workplace' was important (92.5%) but this was frequently practiced among 73.6% of the respondents. The gap is significant enough to cause employee turnover. The respondents did not attach much importance to 'management identifying employee problems and helping solve them'. This was indicated by 73.6% and was practiced among 68% of the respondents. The figures look so close that, it has little or no effect on bringing about employee turnover. Management should not only be interested in workers coming to work but should be part of the solution to their problems. It was confirmed by 88.6% of the respondents that 'high degree of union activities' was important but was practiced among 75.5% of the respondents. It suggests that this factor although could bring about turnover intention it is not very strong enough looking at the dispersion.

Lastly, fairness, transparency and equitability of management were indicated as an important human resource management factor (83%) and were practiced at the workplaces of 73.6%. The gap is close which means that, employees might have little agitation about it and cannot significantly bring about a quitting intention.



On the whole, 'job security practices' is among few the human resource management practices with most frequently practiced factors closer to their importance. Such a revelation suggests that, it would be a very weak predictor of employee turnover intention. This is because the expectations of the employees are met by how frequently they are practiced and that there would be no basis for using it as a reason for quitting the job.

## **CONCLUSION AND PRACTICAL IMPLICATIONS /RECOMMENDATIONS**

This section comprises the conclusion and recommendations based on findings of study.

### **CONCLUSION**

It could be concluded from the findings that, there was a very youthful staff population with average of age below forty years. Again, the employees had enviable level of education with two-thirds of the staff having worked with other mining companies. Also, most of the employees are newly employed having spent up to three years with the company.

Human resource management practices were frequently practiced and evaluated within the company. The most important human resource management factors out of the thirty-eight (38) factors studied within the mining companies which could affect employee retention included opportunity for learning new skills in a team environment, opportunity to participate in the policies which guide and rule their working lives, opportunity for employees to air their views without fear, clearly communicating to employees exactly the firm's expectations and safe working environment.

It can be concluded from above that, the effective implementation of these human resource management practices can lead to a reduction in employee turnover especially within the mining industry. It can also be concluded that 85% of turnover intentions within the mining industry is attributable to human resource management practices and companies must be very mindful of them. Training and development factors, communication and information sharing factors, health, safety and welfare factors, incentives and compensation factors and job security factors are very significant in bringing about turnover intentions within the mining industry.

### **Practical implications/Recommendations**

The following recommendations have been made based on the findings

#### **Succession planning**

There is the need for the company to have well laid down

succession planning programmes for the ageing 33% (one-third) staff members. The rich experience of such employees cannot be lost and the company can save itself the huge cost of poaching by grooming talented staff to occupy such positions in the event of retirement.

### **Training and development programmes**

With close to 60% of the employees having spent up to three years with the organization, there is the need for more training and development programmes to equip them with the requisite skills for the job. Employees will need some form of time and training to adjust to the company's organizational culture.

### **Concentration on important human resource management factors**

The study revealed that management sees human resource management practices as less important and this could jeopardize the company by making them lose key, talented and potential employees. It is recommended that the industry focuses on the identified important human resource management factors such as clarity of job description, accuracy of person specification, good recruitment advertisement, opportunity to skills in a team environment among others. If resources will not be sufficient, the company can concentrate on training and development factors, communication and information sharing factors, health, safety and welfare factors, incentives and compensation factors and job security factors since they are the most significant factors.

### **Further research**

It is recommended that further research in this area could be carried out on the important factors by looking at how they directly affect financial performance of the mining companies in Ghana.

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