ABSTRACT: The broad aim of the study was to assess human resource management practices and their effects on employee turnover in the hotel industry in Cape Coast and Elmina. Precisely, the study sought to determine the influence of workforce demographics on turnover, assess human resource management practices that account for turnover and analyse the relationship between human resource management practices and employees intention to quit in the hotel industry in Cape Coast and Elmina. This study adopted the descriptive cross-sectional design. The sample size was determined by using by Krejcie and Morgan (1970) sample size table. In all, 196 non-managerial employees were sampled. The systematic random sampling technique was used in selecting participants. The main instrument used for the collection of data was questionnaire. Data was analysed using measures of central tendencies. Additionally correlation analysis was conducted to establish the relationship between variables. This was set at 95 percent significant level. The findings divulged that compensation boost employees morale and loyalty; hence management should institute measures to provide adequate motivation in the form of prompt payment of salary, allowances, and rewards to hardworking employees.

KEYWORDS: Human Resources, Compensation, Implementation, Employees and Turnover

INTRODUCTION

An organization’s competitive advantage, continued existence and its success largely depends on the calibre of its human resource (Dominguez, 2011; Bohlander, Snell and Sherman, 2001). The quality of an organization’s human resource and its human capital in terms of knowledge, skills, experience and capacity is fundamental to its growth and development.

Human resources are considered the most critical factor (Dominguez, 2011), and contribute to the success of the organisation. Therefore management should develop and constantly improve employees knowledge-based to accelerate the attainment of the organisational goals (Akhavan, Ramezan, & Moghaddam, 2013). Research suggests that competence and knowledge-based manpower is the most valuable asset of an organisation (Pinho, Rego, & Cunha, 2012). The world is gradually being a knowledge-based economy (Ubeda-Garcia, Marco-Lajara, Sabater-Sempere,
& Garcia-Lillo, 2013) therefore, employees should be equipped with the requisite skill to boost their creativity, innovativeness, intuition and loyalty to increase an organisation’s competitive edge over its rivals (Tan, & Nasurdin, 2011).

Ulath & Yasmin (2013) asserts that in this competitive business environment, organisations cannot survive without its potential human resource. The workforce are considered decisive feature contributing to an organisational accomplishment (Dominguez, 2011), and the effective management and the development of these resources in the individual employee is important to all organisation (Yew, 2013; Juhdi, Pa’wan, Hansaram, & Othman, 2011). The major issue confronting many organizations lies in their inability to appropriately, understand and manage these set of employees which consequently result in high withdrawal rate. Ahmad and Rainyee (2014) posit that organizational commitment and job satisfaction are two variables which go together positively and these two variables inversely relate with the turnover intentions. High staff turnover in hotels is a key factor affecting workplace efficiency, effectiveness and productivity (Lashley and Chaplain, 1999). High hotel employee turnover continues to be a setback in many parts of the world (Moncarz, Zhao, and Kay, 2009).

The tourism industry in Ghana is said to have moved from the sidelines to the centre stage of socio-economic strategies and is emerging as a key component of what is known as non-traditional export sector with potential for foreign exchange, employment creation and income generation (Akyeampong, 1996). Employees in service organizations are critical to the building of excellence as well as success of the industry (Wirtz, Heracleous, and Nitin, 2008).

The Central region’ of Ghana especially Cape Coast and Elmina have become the hub of tourism development since they possess significant tourism resources of natural, historic ‘slave castles’, rich cultural background and educational attractions (Jansen-Verbeke, 1988). Both Cape Coast and Elmina played critical roles in the Trans-Atlantic slave trade. During this period of the Slave trade, the castles of these two towns served as dungeons and ‘storage places’ for the slaves en route to the Americas. Slaves were brought to the castles and kept there to be eventually transported to the Americas. The hotel industry in Cape Coast and Elmina employs a considerable number of workers, but it is not able to retain a sizeable number of them for a long-lasting period of time.

Employee turnover is a problem to this industry because it depletes it of the much needed human resource that is fundamental in achieving its set objectives. Suleiman AlBattat and Mat Som (2013) asserted that turnover is expensive since organization has to spend a lot of money in advertising, recruitment, selection and hiring new employees. After a lot of effort has been made in recruitment, training and development, employees leave the establishment for other jobs. This issue has prompted this study to investigate employee turnover in this sector particularly, Cape Coast and Elmina. Staff turnover in the hotel industry has been investigated in numerous locations especially in the advanced countries such as: Turkey, Cyprus, UK, Australia, USA (Pizam & Thornburg, 2000). Despite these researches, staff turnover is still on the rise. Furthermore, there is sparse in-depth literature on employee’s turnover in the hotel industry in Ghana. It is in respect of this that the study sought to inquire about identifying human resource management practices which affect employee’s turnover in the hotel industry within the Cape Coast Metropolis. Explicitly, the study
determines the influence of workforce demographics on turnover, assess human resource management practices that account for turnover and analyse the relationship between human resource management practices and turnover in the hotel industry in Cape Coast and Elmina.

The study is intended to make significant contributions to existing body of knowledge in the development of the tourism sector in Ghana. Notwithstanding, it places policy decision-makers to adopt best practices in areas of recruitment, selection and retention strategies in the hotel industry. The findings would also contribute to theory of equity since fairness is the key to organisational justice. Management will benefit from the recommendations, since the reduction in labour turnover will directly and indirectly reduce their cost of recruitment, training and production stoppages.

**REVIEW OF RELATED LITERATURE**

According to Armstrong (2012) there are numerous HRM theories: resource dependency theory, competitive advantage theory, institutional theory, agency theory, human capital, organisation life cycle, role behaviour, organisational change, transaction cost, strategic contingency and organisational learning theory.

The theoretical framework for most of the research on the effectiveness of human resource management practices on staff turnover and intentions to quit from the hotel industry are linked to popular theories such as: the Adam Smiths’ Equity Theory and the Folger and Greenberg Organisational Justice Theory. These two theories have been adopted because fairness or justice have been found to be an important factor leading to customer satisfaction in the services industry such as: banking, airline, hotel, IT service, hospitals and phone service (Altarawmneh and alKilani, 2010).

Owolabi (2012), observed that, organizational justice have a great influence on employee turnover intentions. It means, organizational justice determines the decision, whether to stay or leave the organization. Aghaei, Moshiri & Shahrbanian (2012) stated that, organizational justice reduces employee turnover intentions and it also lead to the efficiency and better performance. Further, it is observed that there is negative relationship between distributive justice and interaction justice with employee turnover intentions. Yang (2014), found that, the organization must consider distributive, procedural and interactional justice since they lead to the employee turnover intentions. Among these, interactional justice has major impact on the employee turnover intentions. Yang (2014), observed that organizations must promote ethical climate within the establishment and once employee smells that management is concern about the employees, their motive towards work enhances, so that employee turnover can be reduced. Tynkkynen, Sinervo, Elovainio, Lehto, Koivisto & Noro (2011) observed that, HR practices produce positive outcomes in organizational justice and job controls. However, while introducing HRM practices, it is critical that, there should be justification for such policies. Further it was stated that, high level of perceived organizational support promotes belongingness towards organization which reduces turnover intentions (Nadiri and Tanova, 2010).
HRM practices are defined as “organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals” (Tiwari & Saxena, 2012). HRM practices refer to organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals (Altarawmneh and alKilani, 2010). Human resource management practices are able to provide an organization with a competitive advantage in a working environment. By adopting the best practices, commitment from employees results in increased organisational performance, productivity and profitability (Nickson, 2007). Besides, the intention of employees to leave the industry will also decrease (Chang and Chang, 2008; Mudorand Tooksoon, 2011). If human resource management mechanisms do not work effectively and efficiently, an employee will lack commitment and loyalty toward the organization (Ennew, Banerjee, & Li (2000)

HRM practices may differ from one organization to another and from one country to the other. Several attempts have been made from time to time by different researchers to identify the types of HRM practices in different sectors. In meta-analysis of 104 articles, Boselie, Dietz and Boon (2005) identified some human resources practices including; training and development, contingency pay and rewards, performance management, recruitment and selection, internal promotion, job design, employment security, grievance procedures, human resources planning diversity and equal opportunity, job analysis, socialistic induction and social activities, family friendly policies and work-life balance, employee exit management and social responsibility.

A number of HRM practices have been suggested as potential solutions for turnover, such as investment in training, offering organisational support, adopting innovative recruitment and selection processes, offering better career opportunities (Walsh & Taylor, 2007; Walters & Raybould, 2007) and adopting measures to increase job satisfaction and commitment (Aksu, 2004). Researchers are increasingly focused on the role of HRM practices, and high levels of labour turnover are seen as mitigating the achievement of broader business outcomes (Cho, Woods, Jang, & Erdem 2006; Sun, Aryee, & Law, 2007). Involvement in recruiting, training, induction, growth and skill development represent a direct cost to the organisation (Hinkin & Tracey, 2006). Another substantial but often-overlooked direct cost is that of hiring a person to cover absent staff, a common practice in businesses (Karsan, 2007).

Studies have identified a plethora of reasons leading to staff turnover. These reasons have been categorised into three major groups: causes related to the enterprise, to the individual and to the industry (Birdir, 2002; Tourism & Transport Forum of Australia (TTF), 2006). Again, Vaugeois and Rollins, (2007) categorized the causes of labour turnover into push and pull factors. Push factors operate to reduce dissatisfaction (e.g. low financial rewards, monotonous job content, working conditions, and relationships with supervisors) with existing circumstances, and pull factors operate to suggest increased satisfaction arising from a change of circumstances.

Milman (2003) found that major influences on turnover can be found in the individual’s personality (their interests, aptitudes and abilities), the individual’s attitude (their morale levels, and opinions they hold on the organisation), biographical details (the individual’s family and
marital status), personal make up (their age, sex, etc); and work related issues (working conditions, and workforce characteristics). Research has indicated that there are several variables related to employees’ turnover intentions. For example, Bergiel, Nguyen, Clenney, and Taylor (2009), found that variables such as compensation, supervisory support, employee training, and employees’ perceived growth opportunities are all negatively related to employees’ turnover intentions.

According to Ye Yang & Wan (2004), retention strategies are more effective if they are targeted at employees who have the greatest impact on core activities within the organization. Strategies must emphasis the design of professional development programmes that consider staff’s career progression and team building (Cho, Woods, Jang, & Erdem, 2006). Staff turnover management approaches have now advanced to include knowledge retention strategies, which aims to create procedures for recording information residing within employees so that the firms benefit even when staff leaves the company (Ye Yang & Wan, 2004).

Income Data Sources (2004) suggested that managers can take two approaches to reducing turnover: (a) change the job and its environment to Elminate negative characteristics, or (b) screen out potential leavers during the hiring processes. Thus, managers should improve recruitment procedures to ensure candidates receive a realistic impression of the company and the job, supporting new recruits during the critical first few weeks in the job, providing clear career paths, support for personal development, considering work-life balance issues, keeping pay in line with appropriate market rates, offering an attractive employee benefits package, creating a pleasant working environment and communicating and by consulting effectively with employees.

Milman (2003) states that given the diversity of factors that can impact on employee turnover, care must be taken not to adopt a ‘one size fits all approach’, or to make assumptions from the outset about what is driving turnover at a particular department or site. Rather, the problem needs to be analyzed on department by department basis and the solutions tailored to local circumstances. Huning & Thomson (2011), observed that attribution difference have a major impact on the employee job satisfaction and which in turn have an impact on employee turnover. Rainayee (2013) highlighted some of the variables which causes employee turnover intentions. It includes work-family conflict, nature of job, and relationship with peers and work stress. It suggested organization can retain employees if they undergo good management policies. Kerner (2008) found that, organization must take care of the job factors because if employees are dissatisfied with the intrinsic job factors, they may think of moving out from the organization. Holtom (2006), observed an inverse correlation between job satisfaction, involvement and employee commitment with that of the employee turnover.

**METHODOLOGY**

The study employed the descriptive cross-sectional design. This survey was aimed at eliciting information on the factors that account for employee turnover. The target population consisted of all workers in the hotel industry in both Cape Coast and Elmina in the Central Region of Ghana. The accessible population was four hundred (400) workers in the 40 hotels and guest houses in Cape Coast and Elmina. The sample size was determined using Krejcie and Morgan (1970) table
for determining the sample size of a given population. The formula for the computation of the sample size took into consideration: chi-square for one (1) degree of freedom, the population size, the population proportion which was set at 0.5 and the degree of accuracy set at 0.05. In all, 196 employees were sampled. The systematic random sampling technique was used in selecting participants. The main instrument used for data collection was structured questionnaire. Data was analysed using measures of central tendencies: the mean, mode and standard deviations, as well as frequencies and percentages. Additionally correlation analysis was conducted to establish the relationship between the studied variables.

RESULTS AND DISCUSSIONS

Influence of Workforce Demographics on Turnover
With regard to the ages of employees of the hotels in the Cape Coast and Elmina Municipalities, the result revealed that majority 153 (76.5%) and 41 (20.5%) were in the ages of 18 – 30 and 31 – 40 respectively. The cumulative percentage is that 194 (96.5%) of them are young aging between 18 and 40 years. However, 6 (3.0%) of the employees were 50 years and above. The mean age of the survey respondents was 35 years, with the youngest worker being 19 years, whilst the older worker being 51 years. The implication is that hotel managers should motivate their staffs who are young since research has shown that young employees are highly mobile for alternative lucrative jobs (Hellmen, 1997).

This finding is consistent with that of (Henneberger and Souza-Poza, 2007) who argued that younger employees tend to change their employment more often, since they are experiencing an experimental phase at the beginning of their professional life. Also, Munasinghe and Sigman (2004) examined longitudinal wage data and found that the young, when dissatisfied, are more likely to search for other jobs, whereas older workers were more likely to be “involved in firm specific investments”

In terms of education, the study found that 26 (13.5%) of the respondents had no formal education, while 72 (36.0%) had basic education, 79 (39.5%) had secondary education, 21 (10.5%) had Higher National Diploma, 2 (1.0%) had first degree. The importance of education as a variable of concern is that, research has shown that productivity has a positive correlation with education. And that the level of education has a positive effect on the probability of job mobility since a high education is often associated with better labour-market alternatives (Royalty, 1998).

Also, the study found that the more of the employees 117 (58.5%) had worked in the hotels from 1 – 2 years, 50 (25.0%) of the respondents had worked between 3 – 5 years, and 33 (16.5%) had worked in the company from 6 – 10 years. The study revealed that it was those in the management positions who usually, are owners or relatives of management who worked in the hotels for longer periods. The implication is that long period of service is a pre-requisite factor for promotion. Therefore, it can be a motivational factor for employees to stay even though the conditions are not satisfactory (Wood, 1997).
**Human Resource Management Practices that Influence Employees to Withdrawal**

This section presents the analysis and discusses on staff compensation at Cape Coast and Elmina hotels in the Central Region. The mean for compensation was ($\overline{X} = 1.76$). A mean of 2.34 implies that averagely, there is low compensation scheme for staff at the various hotels. The implication is that the overall pay satisfaction at the studied area was very low.

With regards to measurement of dispersion the standard deviation values indicates that the values are close to the mean. The statistics indicates that the standard deviation points close to the mean, which indicates that the data is not wide spread. The average standard deviation is ($\sigma = 0.61$) is closer to the average mean ($\overline{X} = 1.76$)

The mode is useful when the most common item, characteristic or value of a data set is required. The mode was one (1) which means majority of the respondents indicated one (1) as their response, which indicates majority disagreed that there is adequate compensation schemes.

A substantial number of respondents 81 (46.3%) and 62 (35.4%) strongly disagreed and disagreed respectively that salary and other benefits are comparable to the market. However, cumulatively, 32 (18.3%) agreed that their salary and other benefit is comparable to the market. The implication is that a lot of workers leave their place of work when they feel they are not well compensated for their contribution. The studies of Vaugeois & Rollins (2007) states that salary and other benefits should be comparable to the market so as to cushion workers against economic hardships.

<table>
<thead>
<tr>
<th>Compensation category</th>
<th>Mean ($\overline{X}$)</th>
<th>SD ($\sigma$)</th>
<th>Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>In our organization, salary and other benefits are</td>
<td>1.82</td>
<td>0.97</td>
<td>1</td>
</tr>
<tr>
<td>comparable to the market</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I’m paid adequately for the job I have</td>
<td>1.62</td>
<td>0.90</td>
<td>1</td>
</tr>
<tr>
<td>Management is extremely fair in personal policies</td>
<td>1.84</td>
<td>0.99</td>
<td>1</td>
</tr>
<tr>
<td>Job performance is an important factor in determining the</td>
<td>1.74</td>
<td>1.07</td>
<td>1</td>
</tr>
<tr>
<td>incentive compensation of employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The compensation for all employees is directly linked to</td>
<td>1.74</td>
<td>1.01</td>
<td>1</td>
</tr>
<tr>
<td>his/her performance.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Overall mean</strong></td>
<td><strong>1.76</strong></td>
<td><strong>0.61</strong></td>
<td><strong>1</strong></td>
</tr>
</tbody>
</table>

Again, on the notion of whether staff are paid adequately for the job they do, 103 (58.9%) strongly disagreed, 47 (26.9%) disagreed, however, 12 (6.9%) agreed and 13 (7.4%) strongly agreed. It can be inferred from the analysis that clearly, the staff at the various hotels do not agree that they are adequately paid. Cumulatively 150 respondents out of 175 suggest that they are not paid adequately.
The analysis on training as a contributory factor showed a low mean average of ($\bar{X} = 1.73$). The indication is that, averagely, the respondents do not agreed that management give them the perceived level of training they anticipate. Since the scale of 1.0 – 2.0 represents disagreement. The mode, which is an indication how frequently participants responded to an item, averagely it was one (1) which an indication that they do not believe that there is adequate training schemes. The standard deviation also indicates how close the data is to the average mean. As suggested by Saunders et al., (2007), the lower the standard deviation, the more it has statistical significance. The standard deviation ($\sigma = 0.59$) which an indication that the data is close to the mean.

**Table 2: Training of Employees**

<table>
<thead>
<tr>
<th>Training category</th>
<th>Mean ($\bar{X}$)</th>
<th>SD ($\sigma$)</th>
<th>Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organization conducts extensive training programs for its employees in all aspects of quality.</td>
<td>1.64</td>
<td>0.87</td>
<td>1</td>
</tr>
<tr>
<td>New knowledge and skills are imparted to employees periodically to work in teams.</td>
<td>1.85</td>
<td>1.00</td>
<td>1</td>
</tr>
<tr>
<td>My hotel management give proper and official courses in preparation of the employees at their job</td>
<td>1.83</td>
<td>1.02</td>
<td>1</td>
</tr>
<tr>
<td>There are formal training programs to teach new employees the skills they need to perform their jobs</td>
<td>1.60</td>
<td>0.88</td>
<td>1</td>
</tr>
<tr>
<td>In service training is conducted to employees frequently</td>
<td>1.74</td>
<td>1.04</td>
<td>1</td>
</tr>
<tr>
<td><strong>Overall mean</strong></td>
<td><strong>1.73</strong></td>
<td><strong>0.59</strong></td>
<td><strong>1</strong></td>
</tr>
</tbody>
</table>

With regard to the question whether hotels conducts extensive training programmes for its employees in all aspects, 11 (6.3%) of the respondents strongly agreed, 14 (8.0%) agreed, 52 (29.7%) disagreed and 98 (56%) strongly disagreed. The implication is that as many as 150 (85.7%) disagreed that the hotels conduct training in all aspects. The implication is that employees were not satisfied with the level and quality of training at the various hotels.

**Relationship between HRM practices and Intentions to Quit**

The result obtained indicates a negative relationship between quit intention and training with correlation (rho) coefficient of (-0.03). The implication is that any time employees perceive that there is lack of training, it trigger their intention to quit. Again, using Cohen (1988) suggested interpretation of correlation results as: ± 0.10 – 0.29 as small, ± 0.30 – 0.49 as medium, and ± 0.50 – 1 as large, the relationship between quit intention and training (-0.03) was small. The implication is that lack of training has an amount of impact on employees quit intentions.
Again, the study found a negative relationship between quit intention and compensation with the correlation (rho) coefficient of (-.04). The implication is that anytime employees perceive that they are inadequately compensated, it has a negative effect on the perception to quit. Again, there was a positive relationship between quit intention and selection with the correlation (rho) coefficient of (0.11). The implication is that, even though management can put measures to enhance proper selection procedure, employees can still quit their jobs. But using Cohen interpretation, the impact will be minimal, since the correlation coefficient is small.

Table 3: Nonparametric Spearmen’s Correlation (rho) Analysis

<table>
<thead>
<tr>
<th></th>
<th>Selection</th>
<th>Training</th>
<th>Compensation</th>
<th>Career Planning</th>
<th>Quit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selection</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td>-.04</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td>-.25**</td>
<td>-.02</td>
<td>-.02</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Career Planning</td>
<td>.23**</td>
<td>-.00</td>
<td>-.36</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Quit Intentions</td>
<td>.11</td>
<td>-.03</td>
<td>-.04</td>
<td>.14</td>
<td>-</td>
</tr>
</tbody>
</table>

The results showed that the factors that influence employees at the various hotels to develop quit intention are mainly: lack of training and inadequate compensation package. These findings point to the fact that management should provide regularly training to the employee and also ensure that employees are adequately compensated to boost their morale to stay. Nevertheless, once the other studied variables had relationships among themselves, management should take all into consideration to achieve the best from employees.

The results also indicate that there was a negative relationship between two independent variables: training and compensation, and intention to quit (dependent variable). The implication is that any time employees perceive that training is lacking and compensation package to be unsatisfactory; it triggers their intention to quit.

CONCLUSIONS

From the above discussions on the independent variables (selection, training, career planning, and compensation) it is clear that, training and compensation were the main factors that can induce quit intentions. However, training and compensation alone may not be enough. Therefore all the other factors or variables should be taken into consideration whenever management wants to curb staff intention to quit turnover in the hotel industry.

RECOMMENDATIONS

The answer to minimize employee’s intentions to quit may lie in high-performance HRM theory, effective talent management and organisations commitment to mitigate this problem. An integrated HR strategy combining resource (e.g. staffing levels, training, mobility and security)
and control-based HR practices (e.g. appraisals, rewards, job design and participation) can affect turnover and productivity through creating a quality employment relationship.

Based on the findings, the following recommendations are made:

1. Compensation boost employees morale and loyalty; therefore management should institute measures to provide adequate motivation in form of prompt payment of salary, allowances, and rewards to hardworking employees.
2. Regular training in the form of in-service training, opportunities for career development should be implemented. This will boost employees competency and basic skills.
3. The top management should provide fullest possible support (financial as well as moral) to the HR department in designing and implementing the best HRM practices.

Directions for further studies
Since the outcome of the study suggested that lack of compensation, need for career planning, better selection procedures, lack of employees involvement in decision making and inadequate training account for turnover. Further studies could be conducted to ascertain other factors that could help minimise employees turnover in the Cape Coast and Elmina Municipality. Again, the scope of the study could be extended to cover other areas.

References


