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 turnover in the hotel industry in Cape Coast and Elmina. This study adopted the descriptive cross-sectional design. The sample size was determined by using (Glenn, 1992) formula for computing sample size of a given population less than five hundred. In all, 196 non-managerial employees were sampled. The systematic and simple random sampling techniques were used to select hotels and participants respectively for the study. The main instrument used for the collection of data was questionnaire administration. Data was analysed using measures of central tendencies. Additionally, correlation analysis was performed to establish the relationship between variables. 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 Management, Human Resource Practices, Intentions to quit, Employees and Turnover

INTRODUCTION

An organization’s competitive advantage, continued existence and its success largely depend on the calibre of its human resource (Domínguez, 2011). The quality of an organizations 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 (Domínguez, 2011), and contribute to the success of any organisation. Human resources are considered critical factor contributing to an organisational success (Domínguez, 2011) and the effective management and development of these resources is important to the organisation (Yeh, 2013; Juhdi, Pa’wan, Hansaram, & Othman, 2011). Therefore management should develop and constantly improve employees knowledge-based to accelerate the attainment of the organisational goals (Akhavan, Ramezan, & Moghadam, 2013). Research suggests that competence and knowledge-based manpower is the most valuable asset of the organisation (Pinho, Rego, & Cunha, 2012). The world is gradually being a knowledge-based economy (Ubeda-Garcia, Marco-Lajara, Sabater-Sempere, & Garcia-Lillo, 2013) and as a result employees should be managed appropriately to enhance their creativity, innovativeness, intuition, loyalty and quality which gives the organisation the competitive edge over competitors (Tan & Nasurdin, 2011).
Ulaha & Yasmin (2013) asserts that in our current competitive business environment, organisations cannot survive without its potential human resource. 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 & Rainyee (2014) pointed out that organizational commitment and job satisfaction are two variables which invariably relate to turnover intentions. High staff turnover in hotels is a key factor affecting workplace efficiency, effectiveness and productivity. High hotel employee turnover continues to be a setback in many parts of the world (Moncarz Zhao & 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 (Nasiripour, Tabibi & Mokhtari, 2014). Employees in service organizations are critical to the building of excellence as well as success of the industry (Wirtz, Heracleous & 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 (Nadiri & Tanova, 2010). 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.

Employee turnover is a problem to industries because it depletes it of the much needed human resource that is fundamental in achieving its set objectives. Suleiman & Som (2013) asserted that turnover is expensive since organization has to spend a lot of money to advertise, recruit, select and hire new employees. After a lot of effort has been made in recruitment, training and development, employees leave the establishment for other jobs. And turnover intention is the crucial stage before the actual turnover occurs. This issue has prompted this study to investigate employee turnover in this sector particularly, Cape Coast and Elmina. 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. Turnover has an immediate effect in these customer service-dependent areas. Labour turnover remains one of the most troubling issues for hospitality businesses (Ghiselli, La Lopa, & Bai 2001). Staff turnover in the hotel industry has been investigated in numerous locations especially in the advanced countries such as: Turkey, Cyprus, UK, Australia, USA (Long & Thean, 2012). Despite these researches, staff turnover is still on the ascendency. 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 human resource management practices which affect employee’s turnover in the hotel industry within Elmina and 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.

**Theoretical and Empirical review**

According to Armstrong (2012) there are numerous HRM theories: resource dependency theory, competitive advantage theory, institutional theory, agency theory, human capital theory, organisation life cycle theory, role behaviour theory, organisational change theory, transaction cost theory, strategic contingency and organisational learning theories. The theories for most of the researches 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 has been found to be an important factor leading to employee satisfaction in the services industry such as: banking, airline, hotel, IT service and hospitals. When employees perceive that equity and fairness is applied on all human resource management practices, it reduces quit intentions (Altarawmneh & alKilani, 2010).

Owolabi (2012) observed that, organizational justice has a great influence on employee turnover intentions. It means, organization justice determines the decision, whether to stay or leave the organization. Owolabi (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), indicate that organizations must promote ethical climate within their establishment and once employees perceive that management is concern about them, their motives towards work enhances, consequently, employee turnover would be reduced. Tan & Nasuridin (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 (Tan & Nasuridin, 2011) stated that, high level of perceived organizational support promotes belongingness towards organization which reduces turnover intentions. Nadiri & Tanova (2010) found that while dealing with employee performance, fairness has a great impact on the turnover intentions, job satisfaction and organizational citizenship behaviour.

Suleiman & Som (2013) emphasised that attribution differences have a major impact on the employee job satisfaction which in turn have an impact on employee turnover. Rainayee (2013) highlighted some of the variables which cause employee turnover intentions. These include work-family conflict, nature of job, and relationship with peers, and work related stress. Rainayee (2013) suggested that organizations 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 intrinsic job factors, they may think of moving out from the organization. Wirtz, Heracleous & Nitin (2008) observed an inverse correlation between job satisfactions, employee involvement and employee commitment with that of the employee turnover.
Human resources management

Employees as human resources are the most important resources within an organization that help in achieving a competitive advantage (Wheelen & Hunger, 2013). Human resource management (HRM) is the management of an organization's workforce or human resources. It is responsible for the recruitment, selection, training, assessment, and rewarding of employees, while in addition overseeing organizational leadership and culture and ensuring the compliance with employment and labour laws of a country. People in work organizations are endowed with broad range of abilities, talents and attitudes. People set overall strategies and goals, design work systems, produce goods and services, certify quality assurance systems, allocate financial resources and market the products and services of the organization (Fong, Ooi, Tan, Lee, & Chong, 2011).

Human Resource Management Practices

According to Tiwari & Saxena (2012), HR practices refer to those organizational activities which are directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals. 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 & Boon (2005) identified some human resources practices which include but not limited to; training and development, contingency pay and rewards, performance management, recruitment and selection, internal promotion, job design, employment security, grievance procedures and corporate 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 (Nadiri & Tanova, 2010) and adopting measures to increase job satisfaction and commitment (Aksu, 2004). Researchers have increasingly focused better and alternative of HRM practices, but high levels of labour turnover are seen as mitigating the achievement of broader business outcomes (Sun, Aryee, & Law, 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, Tiwari & Saxena (2012) 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 & 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 emphasise 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) suggest that managers can take two approaches to reducing turnover: (a) change the job and its environment to eliminate 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 make decisions by consulting effectively with employees.

Milman (2003) state 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.

**Conceptual framework of the study**

A careful perusal of the related literature suggests that these four human resource management practices are key to the success of the hotel industry, especially in Ghana. The conceptual framework, suggests that when selection procedure is scientific, training is adequate and appropriate compensation and salary are paid promptly and are relatively adequate and employees have a clear path of career development and advancement, it will lead to employee satisfaction and once they are satisfied, it boosts their commitment and performance. However, when employees are dissatisfied, it fuels their intentions to quit and subsequently turnover results.

![Figure 1: Source: Field data (2014)](image-url)
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 (Glenn, 1992) formula 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 and simple random sampling techniques were used to select hotels and participants for the study respectively. The main instrument used for data collection was questionnaire administration. 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 (selection, training, compensation, career planning and turnover).

RESULTS AND DISCUSSIONS

Influence of Workforce Demographics on Turnover

With regard to the ages of employees of hotels in the Cape Coast and Elmina Municipalities, the result revealed that majority 153 (76.5%) and 41 (20.5%) were in the ages between 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 (Sun, Aryee & Law, 2007).

This finding is consistent with that of (Juhdi, Pa’wan, Hansaram, & Othman, 2011) who argued that younger employees tend to change employment more often, since they are experiencing an experimental phase at the beginning of their professional life. Also, Shahzad, Bashir & Ramay (2008) 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 and 2 representing one (1) percent 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 on job mobility since a high education is often associated with better labour-market alternatives (Ahmad & Rainyee, (2014).

Also, the study found that 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. It can be summarised that majority of the workforce had worked between one to two years in their respective hotels. The study revealed
that it was those in the management positions who usually, are owners or relatives or relatives of business owners who have worked in the hotels for longer periods.

**Human Resource Management Practices that Influence Employees to Withdrawal**

This section presents the analysis and discusses staff compensation at Cape Coast and Elmina hotels in the Central Region. The mean for compensation was \( \bar{X} = 1.76 \). 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.

As regards measurement of dispersion, the standard deviation values indicate 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 widely spread. The average standard deviation is \( \sigma = 0.61 \) is closer to the average mean \( \bar{X} = 1.76 \)

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 connotes that 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 their salary and other benefits are not comparable to the market. However, cumulatively, 32 (18.3%) agreed that their salary and other benefits are comparable to the market. This implied that the salary and other benefits paid to workers are not the same as is being paid to other workers within the same industry. The implication is that a lot of workers a leave their place of work when they feel they are not well compensated for their contribution. The findings is consistent with that of Bergiel, Nguyen, Clenney, & Taylor (2009) state who state that most employees in the hotel industry do not receive remuneration that commensurate their effort in their workplaces as it is done in the same industry elsewhere.

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 and this may trigger employees to decide to leave their present jobs for other that they presume they would be adequately be compensated.

The analysis on training as a contributory factor for employees deciding to quit and eventually quitting their jobs showed a low mean average of \( \bar{X} = 1.73 \). The indication is that, averagely, the respondents did not agree 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 of how frequently participants responded to an item, averagely it was one (1). 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 was \( \sigma = 0.59 \) which is an indication that the data is close to the mean.

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 (-.03). The implication is that any time employees perceive that there is lack of training, it triggers 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 (.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 them and hence influences their intention 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.

The results also showed that the factors that influence employees at the various hotels to develop quit intention are mainly: inadequate compensation and benefits packages and inadequate training. These findings point to the fact that management should provide regular 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 anytime employees perceive that training is lacking and compensation package to be unsatisfactory; it triggers their intention to quit.

Contribution to research

The research gap this study sought to fill is that there is no comprehensive literature on human resource management practices in Ghana as compared to the advance world. Despite the numerous human resource management practices, only four: selection procedure, training, compensation and career planning were used. The study established that lack of training and inadequate compensation to employees increases their perception to quit. Thus, inadequate compensation schedule as compared to the market rate create employees intentions to quit and subsequently turnover. Again, it was deduced that, there is lack of requisite training for the employees in their various areas of operations.

Further, the study has contributed to research by suggesting the key human resource management practices factors that has an impact on employees’ intentions to quit in the hostel industry especially in the Cape Coast and Elmina Municipalities in Ghana since there are scanty or lack of comprehensive literature on HRM practices within the hotel industry.
CONCLUSIONS

From the above discussions and findings 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 in the hotel industry.

RECOMMENDATIONS

Based on the findings, the following recommendations were made:

1. Since the study revealed that the is inadequate compensation in the industry; it is suggested that management should institute measures to provide adequate compensation and also make prompt payment of salary, allowances and rewards to hardworking employees in order to motivate in order to reduce the intention of leaving the industry.

2. Regular training in the form of in-service training and opportunities for career development should be implemented. This will enhance their competency and limit employees’ intention to quit.

3. The top management should provide fullest possible support (financial as well as moral) to the HR department in designing and implementing best HRM practices particularly in the areas providing, adequate training and payment that commensurate employee’s effort.

4. 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.

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 as variables influencing employees intentions to quit and turnover. Further studies could be conducted to ascertain other factors that could help minimise employee’s turnover or intentions to quit if not completely eradicate it in the Cape Coast and Elmina Municipalities.

REFERENCES


