

RELATIONSHIP BETWEEN WORK ENVIRONMENT, CAREER DEVELOPMENT OPPORTUNITIES AND EMPLOYEE RETENTION IN VODAFONE GHANA LIMITED.

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ABSTRACT: *The issue of employee retention has generated growing interest for human resource practitioners and researchers because of the effects it has on the development and accomplishment of organization's goals and objectives. This study explores the link between work environment, career development opportunities and employee retention in Vodafone Ghana Limited. The study used 142 employees, representing 10% of the target population of 1,420. Data was collected primarily through semi-structured questionnaire. The paper adopted descriptive research survey, specifically cross sectional. Data was analyzed with Descriptive Statistics. Pearson Correlation Coefficient was employed to establish the relationship among the variables. The findings indicated that work environment and career development opportunities had positive relationship with employee retention and thus affect employees' decision to stay in Vodafone Ghana Limited. The implication of the study is that, the management of Vodafone Ghana Limited should provide advancement opportunities to increase employees' career growth to help retain employees. Finally the study also recommends that thriving and friendly environment should be provided at the workplace to make employees more satisfied to remain in Vodafone.*

KEYWORDS: Employee Retention, Work Environment, Career Development Opportunities, Vodafone Ghana Limited.

INTRODUCTION

Employees in an organization have always been key assets as they drive the company to its performance thereby gaining competitive advantage. Their departure could have significant effects on the implementation of the organization's strategic goals and objectives and may eventually cause a decline in productivity. Apart from this, Lee-Kelley, Blackman, & Hurst (2009), believe that the cost involved in employee turnover is huge as it includes loss of performance, replacement and training costs, loss of business opportunities, loss of customer satisfaction and loss of talent. As such, employee retention is important in the long-term growth and success of a company.

Retaining the best employees would ensure the achievement of company objectives, customer satisfaction and effective succession planning (Mello, 2007). Retaining employees would also improve investors' confidence, as they are concerned with organization's capacity to perform in such ways that would positively influence the value of their investment in the organization. In

view of the negative effects that employee turnover has over the performance of organizations, there is no question that uncontrolled employee turnover could damage the stability of an organization.

Sutherland (2004), contends that companies with high quality human resource perform better and deliver higher and more consistent returns to shareholders. In order for an organization to gain and sustain competitive advantage requires that the organization retain its valuable employees. Employees are organizational assets who help in providing innovative, advantageous and creative solutions to organizational problems. They are a precious commodity that forms a significant part of an organization's value.

Employee turnover is a global problem and companies in Ghana, including those in the telecommunications industries have not been spared (Kwenin *et al.* 2013). In the case of Vodafone, the acquisition of the erstwhile state-owned Ghana Telecom by Vodafone and the subsequent laying off some workers led to a sense of insecurity on the part of many employees, leading to employee disloyalty and labour turnover (Vodafone, 2011). According to a report in 2010 by the Ghana Statistical Service (GSS), the telecom industry accounted for 7% of investments in Ghana, 10% of government income, and 2% of Gross Domestic Product (Dowuona, 2011). Even though the industry has witnessed tremendous and remarkable growth over the last decade, according to (Africa ICT indicator, 2007), the growth is not as a result of employee productivity or performance but rather is fundamentally due to substantial growth in investment and expansion of the network access.

Frempong & Henten (2004), noted that the goals set by the government of Ghana have only partly been met, especially with respect to telecommunication development in the rural area. With the problem of increasing employee turnover in the telecommunication industry, as the case in Vodafone for example, one wonders if the goal of the Ghana government concerning the growth and expansion of the sector is going to be realized. It therefore calls for a greater action to be taken to find out how to retain the organization's valuable employees and the factors likely to affect them to remain in the industry to help achieve company objectives. This research study seeks to investigate the relationship between work environment, career development opportunities and employee retention in Vodafone Ghana Limited.

OVERVIEW OF LITERATURE

Numerous studies have attempted to explain work environment in various areas such as for example job satisfaction, job involvement and organizational commitment. Hay Group (2007), contends that work environment includes a friendly, well-designed, safe physical space, good equipment and effective communication, which will improve productivity. Well-designed and organized offices and work areas make significant differences to how people feel about their work. Working environment can give some depressing messages about how much the organization values employees and the standards it expects from them (Armstrong & Murlis, 2007). An independent study conducted by the Society for Human Resource Management, demonstrated that physical work environment contributes a major factor affecting the decision of employee's whether to stay or leave the job (Sutherland, 2004). Access to friendly and natural environment helps to reduce

job stress, depression and apprehension which are beneficial for health environment as well (Steel & Griffeth 2002).

The focus of organizations must be on how to provide better jobs with great work environment to retain employees (Sutherland, 2004). The key to retaining employees is to create an environment employees choose to work in and will stay given the availability of other job opportunities (Winterton, 2011). Organizations can create the necessary environment by meeting the needs of current and future employees. Communication and recognition to employees are essential factors in retaining employees. Organizations must be able to communicate their past, present, and future plans to employees so they are secure with the strength and stability of the organisation. Research shows that organizations that are transparent and involve their high performing employees in finding solutions will be able to retain these individuals during downturns in the economy (Ongori, 2008).

The Hay Group study on the work environment also mentioned job autonomy. Job autonomy is defined as the amount of discretion that an employee has in carrying out his work activities (Perez, 2008). The research study demonstrated that job autonomy constitute an aspect of work environment. When employees have some control over their jobs and its outcomes, they feel less stressful and more interested in an organization to stay. Armstrong (2010), identified job autonomy as the degree to which the job provides substantial freedom, independence, and discretion to the individual' in work content, the method for accomplishing the work, and the pace at which work is accomplished. Job autonomy emerged as an important dimension of job outcomes following deCharm's theory of personal causation, which asserted that individuals will cherish behaviour and results that they perceived as stemming from their own choice (Sutherland, 2004). When employees are given the chance to control their own work outcomes, they become owners of the decisions, feel more involved in the organization, and are thus more willing to stay.

Career development involves creating opportunities for promotion within an organization and providing opportunity for training and skill development that allows employees to improve their employability on the internal and the external labour market (Meyer & Smith, 2003). Woodruff (1999), believes that an organization that wants to strengthen its relationship with its employees must invest in the development of its employees. He further argues that organizations will do a better retention job by spending more resources on training and development of employees. Employees who benefit from their organisations through training and educational facilities tend to be more committed and loyal to that organization. Moreover, educated and trained employees help in increased production and thus sustaining a competitive position for their organisations.

Ongori & Agolla (2009), contend that lack of personal growth in organizations results in career plateau which in turn leads to increased employee intention to quit. Many employees find themselves in jobs that offer them limited mobility opportunities in terms of upward movement in the organization. Career plateau is thus seen as a major contributing factor to employees to quit in organizations. Human Resource professionals thus have a greater responsibility of managing career plateau and hence minimize employee turnover. According to Lee (2003), plateau employees are likely to have higher labour turnover because they want to advance their careers elsewhere in the environment. Studies have shown that employees who have attained plateau have

a high degree of intention to quit due to reduced opportunity in the present organization (Yamamoto, 2006).

RESEARCH METHODOLOGY

Descriptive research design was employed in the study to determine the relationship between the dependent and the independent variables. Cross-sectional study was adopted since the variable of the study was assayed once and the relationship between them determined. The target population comprised all the 1,420 employees in Vodafone Ghana Limited with a sample size of 142 employees representing 10% of the target population. The study developed questionnaire which was administered to the target population through personal contact. Some of the questions required respondents to indicate their level of agreement or disagreement to the items in the research model. Items in the questionnaire were measured using a five-point Likert Scale, with 1 representing 'strongly disagree' and 5 representing 'strongly agree'. Pearson correlation coefficient was used to test the relationship between the variables. Many authors believe that this statistical method is very robust in assessing the strength of relationship between variables (Mugenda & Mugenda, 2003; Cooper & Schindler, 2006; Saunders *et al.*, 2009). Since the study sought to ascertain the relationship between work environment and career development opportunities with employee retention, the study found it appropriate to use this method in testing if such relationship exists.

DISCUSSION OF FINDING

Work Environment

Respondents were requested to indicate their level of agreement or disagreement with the quality of work environment where they operate. The figure below indicates their responses.

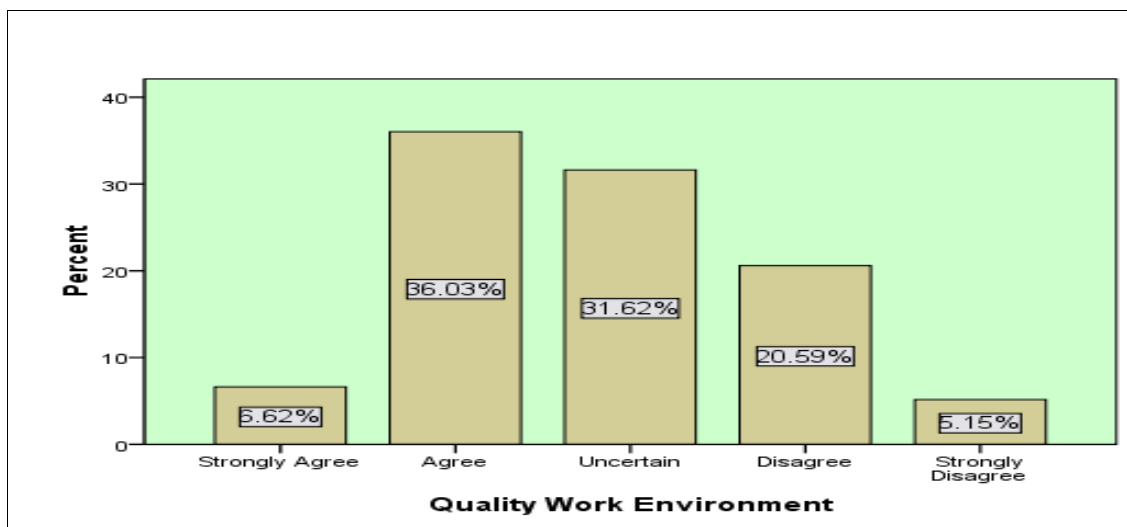


Figure 4.1 Quality Work Environment

Source: (Survey Data, 2012)

Small number of the respondents (5.2%) strongly disagreed that the quality of the work environment has an influence on their decisions to be with their current organisation. Those who

disagreed constituted 20.6% and those who were not certain accounted for 31.6%. Nevertheless, 36% of the respondents agreed and 6.6% strongly agreed that the quality of their work environment influence them to stay with their current organisations. This is a clear indication that quality work environment actually contributes to employee retention as has been reviewed in the literature.

Career Development Opportunities

The other objective of the research study was to establish the relationship between career development opportunities and employee retention. Respondents were inquired to indicate their levels of agreement or disagreement on their perception on their career growth.

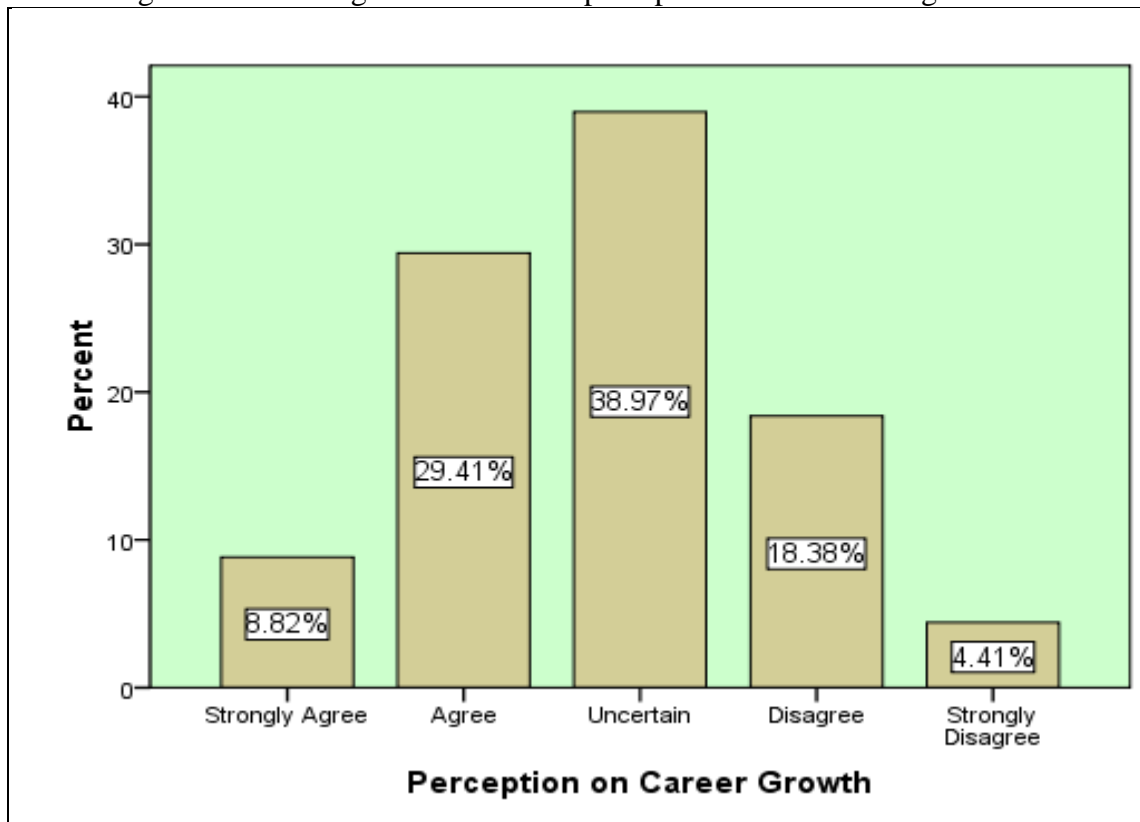


Figure 4.2 Perception on career growth

Source: (Survey Data, 2012)

It can be noted that 8.8% of the respondents strongly agreed that their careers were growing with their current organisations, with 29.4% agreeing to the statement. However, 39% were not aware whether their career was growing or not, with 18.4% disagreeing and 4.4%, strongly disagreeing that their career is growing with their organisation. Ongori & Agolla (2009), asserts that lack of personal growth in organisation results in career plateau which leads to increased employee intentions to leave. Prince (2005), advises that organisations should support employees to make long-term commitment to them through increased training and development programs.

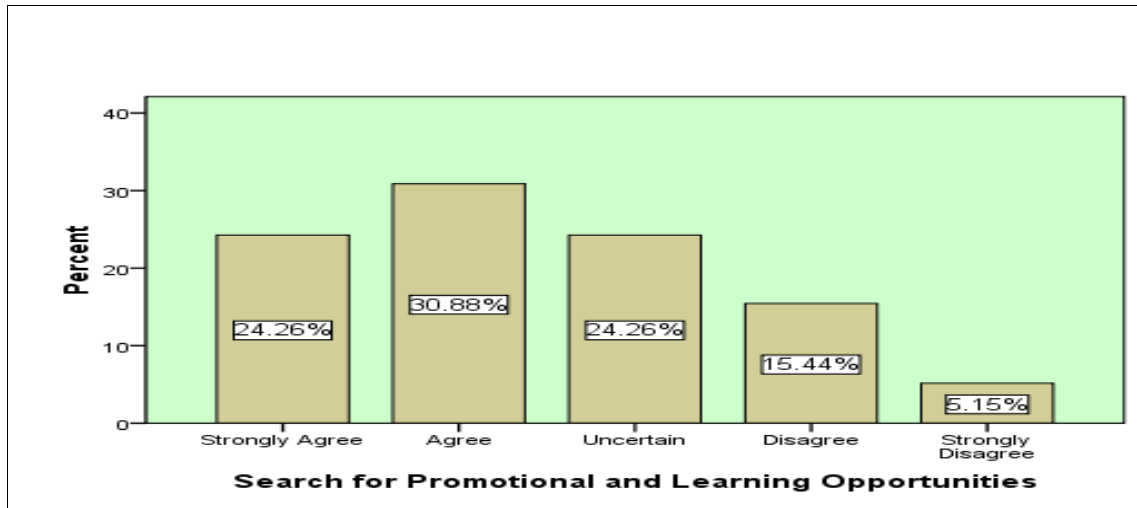


Figure 4.3 Search for Promotional and Learning Opportunities

Source: (Survey Data, 2012).

When the study tested the number of respondents who will leave to search for promotional and learning opportunities, it was amazing that 24.3% of respondents strongly agreed, with 30.9% agreeing that they would leave if they find promotional and learning opportunities somewhere. Only 5.2% strongly disagreed and 15.4, disagreeing that they will leave. However, 24.3% of the respondents were not certain that they would leave primarily because of the availability of promotional and learning opportunities elsewhere. This result portrays that employees place much importance to personal growth and development as suggested by (Ongori & Agolla, 2009).

The figure below shows the agreement and disagreement levels of on the job training.

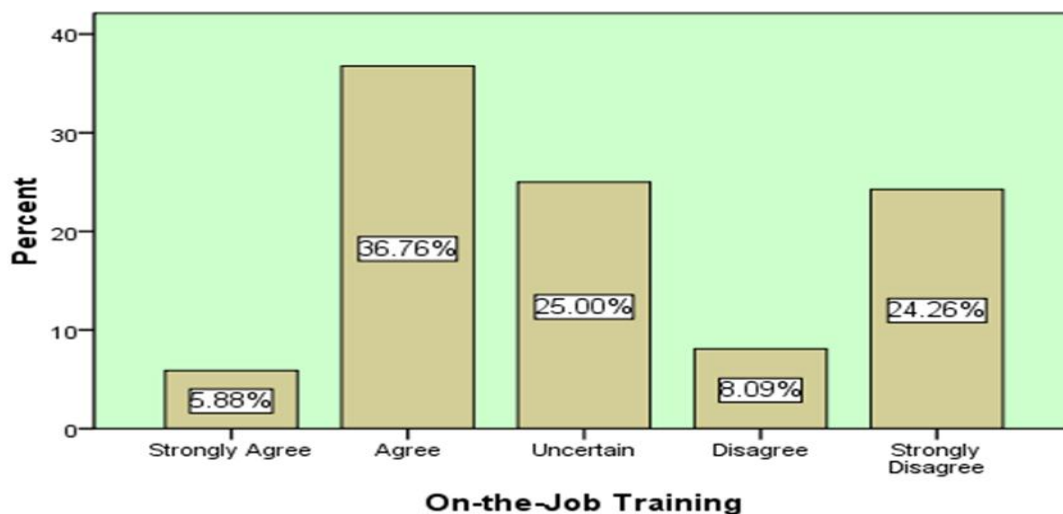


Figure 4.4 On-the-Job Training

Source: (Survey Data, 2012)

A greater number of respondents (36.8%) agreed that the organisation provides on-the-job training to them, with 5.9% strongly agreeing to the statement. Nonetheless, 25% of the respondents were not aware if such training programs exist. With 8% of respondents disagreeing and 24.3% strongly disagreeing that there is on-the-job training programs in their organisation, probably due to their individual job roles. Cho, Johanson & Guchait (2009), believes that an organization that wants to strengthen its relationship with its employees must invest in the development of its employees. It is also important to note that in order to keep employees, organisations need to run training and development programs for them with special reference to on-the-job training. Sutherland (2004) identifies that when employees are given training which does not directly relate to their job roles, they tend to leave for other jobs where they can explore those acquired knowledge.

Test of Hypotheses.

4.3.1 The Null and Alternate hypothesis

- H₀:** The work environment has no statistically significant relationship with employee retention in Vodafone Ghana Limited.
- H₁:** The work environment has a statistically significant relationship with employee retention in Vodafone Ghana Limited.
- H₀:** Career Development opportunities do not significantly relate to employee retention in Vodafone Ghana Limited.
- H₁:** Career Development opportunities significantly relate employee retention in Vodafone Ghana Limited.

Table 1. Correlations

		Employee Retention	Work Environment	Career Development Opportunities
Employee Retention	Pearson Correlation	1	.281**	.387**
	Sig. (2-tailed)		.001	.000
	N	136	136	136
Work environment	Pearson Correlation	.281**	1	.536**
	Sig. (2-tailed)	.001		.000
	N	136	136	136
Career Development Opportunities	Pearson Correlation	.387**	.536**	1
	Sig. (2-tailed)	.000	.000	
	N	136	136	136

** . Correlation is significant at the 0.01 level (2-tailed).

Source: (Survey Data, 2012)

The correlation matrix above shows the relationship between work environment, career development opportunities and employee retention. The results indicate that employee retention is highly correlated with work environment ($r = 0.281^*$) at a significant level of 0.001^* . Career

development opportunities also showed strong correlation with employee retention ($r = 0.387^*$) with a significant level of 0.000^* which also means that these two variables significantly affect retention. This led to rejecting the null hypothesis and accepting the alternate hypothesis, that work environment has a significant relationship with retention and that career development opportunities significantly relate to employee retention in Vodafone Ghana Limited. These findings are in conformity with the findings of other empirical studies (Woodruff, 1999; DiPietro & Milman, 2004; Shoaib *et al*, 2009; Memon *et al*, 2010; Muhammad & Muhammad, 2011).

CONCLUSION AND IMPLICATIONS

The purpose of the study was to investigate the relationship between work environment, career development opportunities and employee retention in Vodafone Ghana Limited. Review of literature provided a strong evidence of the relationship between the study variables. Empirical review showed that in order for organisations to do a better work in retaining employees they should understand the factors that motivate employees to stay and to facilitate measures in keeping valuable employees because of the huge cost associated with employee turnover. The study used a sample population of one hundred and forty-two employees, constituting 10% of the target population.

The study found that work environment and career development opportunities significantly affect employee retention in Vodafone Ghana Limited. Therefore, it is recommended that management of Vodafone Ghana Limited should as much as possible provide attractive work environment for employees to boost their decisions to stay with the organisation. Moreover, it was identified that career development opportunities also indicated a strong signal for retention. Consequently, it is recommended that management of the organisation provide development opportunities to increase employees' career growth and to make them satisfied to remain in the organisation.

Finally, the study again recommends that future studies should be directed towards investigating how variables like work/life balance, organisational commitment, supervisor support, financial reward and job satisfaction can influence employee retention and to expand the scope to cover other telecommunication industries like MTN, TIGO, EXPRESO and AIRTELL. It is also recommended that future research studies be conducted on a larger scale in order to allow for more generalization of the findings.

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