

## Research Article

### An Assessment of Employee Turnover at Gold Fields Ghana Limited, Tarkwa Mine, Ghana

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**Abstract:** The study was aimed at examining the causes and effects of employee turnover at Gold Fields Ghana Limited. Gold Fields Ghana Limited spends huge sums of money attracting, motivating and training its employees. High labour turnover affects the company's ability to meet its corporate vision and the morale of remaining workers. A structured survey was carried out on the mine site of Gold Fields Ghana Limited, Tarkwa to identify the causes of employee turnover in the company. The data were collected through a questionnaire, which consisted of four sections: biographic data of respondents; causes of employee turnover at Gold Fields Ghana Limited; employee's assessment of Gold Fields retention strategy; and impact of turnover on the company and employees. The study revealed that employee turnover at Gold Fields Ghana Limited was caused by three main factors namely: the fear of contracting mine-borne diseases, lack of job security, excessive work pressure and stress on employees. The study also revealed that the average turnover trend in Gold Fields Ghana Limited from 2009 to 2011 was 8%. Based on these findings, it was recommended that the number of hours worked by employees had to be reduced, the existing retention strategies has to be reviewed and more resources needed to be committed to improve the health and safety of employees.

**Keywords:** Labour turnover, retention strategies

## INTRODUCTION

**Background to the study:** Labour turnover is a major problem facing industries all over the world. It is a critical human resource issue in all sectors of the economy which affects productivity, product and service quality and profitability. There is no doubt that employees are regarded as investments within any given company, more so in industries. This is because industries need to invest substantial portions of their time and finances in the process of recruiting employees, inducting them into the organisation, training them, maintaining them in their respective positions and also motivating them to produce more for the company (Hausknecht *et al.*, 2009).

Employee turnover is the number of permanent employees leaving the company within the reported period versus the number of actual active permanent employees on the last day of the previous reported period (Nobilis, 2008). The above definition specifically includes only natural turnover (resignations, termination and retirement); it does not reflect redundancies. Planned redundancies are reported and explained separately if relevant for employee turnover. According to Fapohunda (1980) employee

turnover is the flow of manpower into and out of an organisation. The inflow of manpower is referred to as accession and the outflow as separation (leaving). Separation may be in the form of quits, discharges, lay-offs, retirement, leaves of absence and even death.

The mining industry requires certain key competencies which compels most mining companies in Africa to invest heavily in training and developing their employees both in and out country. Training and development cost for Tarkwa Gold Mine for the 2009 financial year was US\$ 1,191,947.63 (Tarkwa Gold Mines, 2010). Unfortunately, employees for the company are targets in the open market for others who need similar skills. With Gold price now over 1,500 dollars an ounce, many mining companies are opening up and are now chasing the very few key skilled workers available. This feeds into the fact that to keep the few highly qualified, the company has to do some basic things right. The source of recruiting major skills in the mining industry is already challenged by the availability of few institutions that train people with skills required by mining companies.

To compensate for the shortage of skilled local employees, international mining companies in Ghana now resort to the employment of expatriates which is

not only expensive but have legal implications as per the Ghana Minerals Commission Regulations on expatriation, which require that expatriates with only critical unavailable skills are required to come into the country as trainers and leave after a maximum of three years.

This study seeks to examine the causes of employee turnover at Gold Fields Ghana Limited, its effect on the company and workers, what retention strategies are being employed to solve the problem and recommend solutions for resolving labour turnover.

**Statement of the problem:** Gold Fields Ghana Limited depends on the expertise of its human resources in meeting its daily production target. Labour turnover continues to deprive Gold Fields Ghana Limited of its most needed human resource that is central to the achievement of its annual target. The company forecasts for its human resource needs through proper human resource planning and makes every effort to balance its demand with supply. The company requires knowledgeable, experienced and skilful staff such as mine planners, mining engineers, metallurgists, environmental experts and instrument technicians to perform its operation. These skills are very scarce and difficult to attract, however they are all needed in adequate supply to achieve the daily operational targets.

Being mindful of this fact, the human resources department strives to source for the best skills possible and in the right quantities to ensure a continuous availability of labour. Like most companies, after recruiting its labour needs, the company prepares them by enrolling them in several in-house and external training.

Unfortunately, after spending huge sums of money going through this human resource cycle of attracting, developing, motivating and performance management, it is regrettable that the company is unable to retain its employees, as they leave for competing companies.

The situation has become even more serious in recent times when the most critical and scarce employees who form the core of the employees are resigning at such an alarming rate. Unfortunately, the successors for these employees who leave are not ready to function fully by the time the incumbent leaves. The most unfortunate situation occurs when the employees who leave do not have successors coupled with the scarcity of such skills. Thus, the company losses such skills which eventually translate into associated costs. The problem of employee turnover facing Gold Fields Ghana Limited must therefore be investigated and recommendations made to address the problem.

**Objectives of the study:** The main objective of the study was to examine the causes and effects of employee turnover at Gold Fields Ghana Limited. Specifically the study sought to delve into the causes of labour turnover at Gold Fields Ghana Limited and draw

the attention of management to the implications of labour turnover on the Company and its employees and suggest retention packages that could help to retain employees.

## METHODOLOGY

Tarkwa Gold Mine of Gold Fields Ghana Limited (TGM) is a gold mining company situated in Tarkwa which is in the South-western part of Ghana, about 300 km by road from Accra, the capital of Ghana. Goldfields Ghana Limited employs approximately 2,000 permanent and fixed term employees and 3,000 contractors. Tarkwa mines controls exploration and mineral rights over a total area of 20,825 hectares. Gold Fields International acquired the mine from the then state Gold Mining Cooperation in 1993 and has been operating the mine to date. It is the largest single gold mining producer in Ghana and produces over seven hundred thousand ounces of gold annually (Gold Fields Limited, 2013). Gold Fields Ghana, Tarkwa Mine has twelve departments each with a head of department. The heads of departments report to a General Manager who also reports to an Executive Vice President. Directly below each Head of department are Unit Managers who oversee the day to day operations of respective departments. This is structured in this way to free the heads of departments to concentrate on the strategic direction of the company and provide direction to their respective departments.

The research adopted the cross sectional design. The target population for the study consisted of all workers of Gold Fields Ghana Limited, Tarkwa Gold Mine in July 2011. The total population for the study was quite large, consisting of 2,388. A simple random sampling technique was used to select a sample to represent the total population. A total of 164 out of the total population of 2,388 employees were selected from the three categories of employees and used as the sample size for the study. The primary data were gathered to find out what retention strategies were in place and their effectiveness in retaining employees. The primary data were collected using questionnaire administered by the researcher and his assistants. Secondary sources entailed the review of relevant literature on the topic from books, journals, periodicals, newspapers, magazines and the internet. Secondary data sources also included turnover information gathered by the HR department. The Statistical Package for Service Solutions (SPSS version 18) was used to process the data. Frequencies, percentages and tables were the basic descriptive tools employed in presenting the data for discussion (Table 1).

Table 1: Distribution of sample size by employee categories

| Employee Type | Number | Percentage | Sample Size |
|---------------|--------|------------|-------------|
| Junior staff  | 2,018  | 84.5       | 100         |
| Senior staff  | 317    | 13.3       | 80          |
| Exempt staff  | 53     | 2.2        | 20          |
| Total         | 2,388  | 100        | 200         |

Field work, 2011

**RESULTS AND DISCUSSION**

**Socio-demographic characteristics of respondents:** It is prudent to present the demographic characteristics of the workers who were involved in the study before highlighting the main findings. Among the socio-demographic variables that were heighten were age, gender, marital status, educational attainment and length of service (years). A detailed description of the profile helped to define and understand the characteristics of the staff of Gold Fields Ghana Limited-Tarkwa. Table 2 shows the socio-demographic features of the workers. The entire sample was made up of 129 (78.7%) males and 35(21.3%) females. The relatively large number of male workers in the sample supports the general notion that the mining industries attract more males than females. According to Abbasi and Hollman (2000), the gold mining industry is not attractive to females because of the cumbersome nature of the work done by the miners.

Table 3 indicates that more males (75%) had high propensity to quit than females (40%). Gold Fields

Ghana Limited like all other mining companies in Ghana is male dominated, comprising of those who hail from the catchment area of Wassaw and majority from other parts of Ghana. These employees moved to Tarkwa without their families and are more likely to relocate back home if they find other good opportunities back home. It is also easier for men to quit because they move to new locations without their children. The women on the other hand are more stable because they either hail from the catchment area or found themselves in Tarkwa due to marriage and happened to be employed in the mine.

The study revealed that younger adult employees (31-40 years) had significantly higher turnover intention (72.5%) than the younger employees (20-30) with 49% quit and older employees (41-60) with 21% intention to quit. This is in conformity to findings of Tan *et al.* (2000) who indicated that older employees are more likely to stay than younger employees. The younger employees with higher retention rate could be due to the fact that they have just completed school and

Table 2: Socio-demographic characteristics of respondents

| Individual characteristics | Frequency | Will quit (%) | Will stay (%) | Undecided (%) |
|----------------------------|-----------|---------------|---------------|---------------|
| Gender                     |           |               |               |               |
| Male                       | 129       | 75            | 20            | 5             |
| Female                     | 35        | 40            | 48            | 12            |
| Age (in years)             |           |               |               |               |
| 20-25                      | 40        | 53            | 41            | 6             |
| 26-30                      | 43        | 45            | 38            | 17            |
| 31-35                      | 45        | 70            | 25            | 5             |
| 36-40                      | 21        | 75            | 18            | 7             |
| 41-45                      | 7         | 20            | 57            | 23            |
| 46-60                      | 8         | 22            | 76            | 2             |
| Marital status             |           |               |               |               |
| Married                    | 61        | 34            | 56            | 10            |
| Unmarried                  | 103       | 67            | 25            | 8             |
| Educational attainment     |           |               |               |               |
| No formal education        | 1         | 30            | 66            | 4             |
| Middle school /J.SS        | 1         | 25            | 58            | 7             |
| Secondary                  | 27        | 45            | 42            | 13            |
| Tertiary                   | 123       | 85            | 10            | 5             |
| Post Graduate              | 12        | 71            | 12            | 7             |

Fields work, 2011

Table 3: Causes of high employee turnover at Gold Fields Ghana Limited

| Item                               | Exempt staff |    | Senior staff |    | Junior staff |    |
|------------------------------------|--------------|----|--------------|----|--------------|----|
|                                    | F            | %  | F            | %  | F            | %  |
| Prevalent health hazards           | 16           | 70 | 64           | 68 | 84           | 92 |
| Job security                       | 16           | 32 | 64           | 68 | 84           | 83 |
| Too much work pressure and stress  | 16           | 84 | 64           | 85 | 84           | 94 |
| Poor salary and conditions of work | 16           | 54 | 64           | 48 | 84           | 84 |
| Long working hours                 | 16           | 88 | 64           | 86 | 84           | 93 |
| Table 4 continued                  | 16           | 41 | 64           | 39 | 84           | 76 |
| Lack of opportunity for training   |              |    |              |    |              |    |
| Management dictatorship            | 16           | 22 | 64           | 53 | 84           | 54 |
| Length of service (years)          |              |    |              |    |              |    |
| 1 month-5 years                    | 70           | 20 | 70           | 10 |              |    |
| 6 years-10 years                   | 55           | 66 | 14           | 20 |              |    |
| 11 years-15 years                  | 25           | 35 | 51           | 14 |              |    |
| 16 years and above                 | 14           | 5  | 80           | 15 |              |    |

Field work, 2011

Table 4: Some retention strategies employed by GFGL

| Item   | Exempt staff |     | Senior staff |    | Junior staff |    |
|--|--------------|-----|--------------|----|--------------|----|
|  | F            | %   | F            | %  | F            | %  |
| Quarterly communication about ore reserves   | 16           | 56  | 64           | 38 | 84           | 43 |
| Showing commitment to workers safety         | 16           | 100 | 64           | 86 | 84           | 91 |
| Using 7 million dollars to brand the company | 16           | 45  | 64           | 40 | 84           | 32 |
| Payment of health and utility bills          | 16           | 78  | 64           | 50 | 84           | 84 |
| Payment of bonus based on production         | 16           | 88  | 64           | 86 | 84           | 93 |
| Prompt payment of salaries                   | 16           | 77  | 64           | 80 | 84           | 72 |
| Provision of in-service training             | 16           | 75  | 64           | 66 | 84           | 46 |
| Provision of accommodation facilities        | 16           | 99  | 64           | 90 | 84           | 94 |

Field work, 2011

gained employment, hence do not have enough on-the-job experience to be hired by another company seeking for more experienced people. Those in the younger adult group with high scores to quit are assumed to be the most experienced whose skills are required by other companies for higher reward and are therefore more likely to quit.

Gold Fields has majority of its employees within the higher education bracket. This is seen where 123 (75%) of its workers hold tertiary qualification and 12 (7%) hold post graduate qualification. The result in Table 3 reveals that employees with higher qualification (82%) are more likely to quit than those with lower levels of education. Just like the younger adult employees, those with higher qualification are mostly sought after by other mining companies due to the scarcity of mining related qualifications available. In Ghana, only University of Mines and Technology situated at Tarkwa offers degree and other programmes required by the mining industry. These same skills are also needed by companies in other African countries, thus making it scarce and expensive. One of the reasons for which workers leave or quit a company as given by Griffith *et al.* (2000) is competition among employers for skilled and experienced workers. This revelation from the study confirms the Human Resources department 2011 annual report indicating that mining engineers are very scarce on the market and must be well motivated to stay.

Table 3 further indicates that 103 (63%) of the workers were married whilst 61 (37%) of them were unmarried. At the same time, 67% of those not married were ready to quit at any time whilst only 34% of the married responded they were ready to quit. Just like female employees who had a lower propensity to quit, married employees also showed similar characteristics. This could be due to their commitment to the family, the challenges that is involved in relocating with family and personal belongings, the fear of distorting children education and many other reasons that makes them more stable than their unmarried counterparts.

It was further established from the study that 70 (43%) of the workers surveyed had worked with the company for less than six years, 34% had worked for less than eleven years, 15% had worked between eleven

to fifteen years, whilst only 9% had worked with the company from sixteen years and above. This finding suggests that majority of employees in Gold Fields Ghana, Limited, Tarkwa had longer working years and are likely to be within the younger age brackets. These are the categories of employees who have the higher propensity to quit for newer jobs with better working conditions and opportunity for growth. This group therefore need to be motivated enough to stay with the company as they form the future leaders of the company. It is imperative that the 43% employees who have spent more than six years be motivated to stay because this group possesses the experience and organisational knowledge required to train those in the younger age bracket. In the words of Fessler and Christensen (1992) such “inexperienced” workers should always be trained or tutored so as to make them more efficient.

**Causes of employee turnover in gold fields Ghana limited:** Many factors account for workers’ quest to quit a given company. Table 3 presents the responses expressed by employees of Gold Fields Ghana Limited, Tarkwa in relation to the causes of high turnover in the company. From Table 4, prevalent health hazards, lack of job security, too much work pressure and stress, poor conditions of work, lack of opportunity for training and dictatorship on the part of the company’s management were identified as the fundamental causes of labour turnover in Gold Fields Ghana Limited. These findings however differed among the three employee categories.

Majority of the junior staff (92%) saw the prevalent of health hazards as a cause of employee turnover. This was followed by the Exempt staff of whom (70%) saw this as a problem. Apart from too much work pressure and stress (84%), resulting from long working hours (88%) which was the highest cited cause of turnover by the exempt staff, prevalent of health hazards was also a major cause. This is worrying especially when it is the view of exempt staff that is assumed to be more educated and enlightened. In the same vein, 68% of senior staff also saw health hazards as a problem. Ramphumenzi (2009) stated that workers in the mines are often demoralised when they are informed by management that mineral resources in the

Table 5: Retention strategies suggested by employees of Gold Fields Ghana Limited

| Items   | Exempt staff |     | Senior staff |     | Junior staff |     |
|---|--------------|-----|--------------|-----|--------------|-----|
|   | F            | %   | F            | %   | F            | %   |
| The company must review salaries Annually               | 16           | 100 | 64           | 100 | 84           | 100 |
| The company should comply with labour laws              | 16           | 99  | 64           | 100 | 84           | 87  |
| The company should employ only required number          | 16           | 60  | 64           | 87  | 84           | 90  |
| The company and workers must have contractual agreement | 16           | 20  | 64           | 77  | 84           | 59  |

Source: Field work, 2011

mines are exhausted. This is because such a situation is often accompanied by compulsory retrenchment, a practice of compulsory retirement among mine workers due to exhaustion of mineral deposits in the mine sometimes affecting the morale of workers negatively and even deterring them from working with the company for longer years. This was in agreement with the views of employees of GFGL as 83 and 68% of the junior staff and senior staff respectively saw this as a cause of turnover. However, only 32% of the exempt staff saw this as a problem which could be due to the fact that they had expertise and skills which could not be easily dispensed with by the company.

There seem to be a linkage between too much work pressure and stress and long working hours. This is because in all the three employee categories, the percentages cited for too much work pressure and stress (84, 85 and 94%) were almost the same as those cited for long working hours (88, 86 and 93%). This finding confirms the company's 2011 Annual Human Resource Report that many of the workers have requested that the company reduces its operation hours from twelve hours to ten hours. These findings also support observations made by Abbasi and Hollman (2000) and Martin (2003) that long hours of work is a major cause of employees' willingness to quit. According to De Vos and Meganck (2009), too long working hours make workers feel bored and over burdened by repetitive daily routines.

These findings show that any organisation in which workers work under too much pressure and are prone to dangerous health hazards is not able to retain its workers. Workers who are concerned about their health may voluntarily quit from the company and this can cause high labour turnover. The research however revealed that management dictatorship was not viewed as a major cause of labour turnover as indicated by 22% for Exempt staff, 53% for senior staff and 54% for junior.

**Workers' view of gold fields Ghana limited retention strategies:** The third focus of the study was centred on how to deal with labour turnover and its attendant problems in Gold Fields Ghana Limited. Research question 3 was thus posed "What retention strategies can be used to solve the problems of employee turnover in Gold Fields Ghana Limited?" To help find answers to this research questions, the section was categorised into two. The first part dealt with workers' views of the existing retention strategies employed by Gold Fields Ghana Limited and the extent to which the employees

support or oppose such strategies. The second phase looked at what the employees considered to be appropriate retention strategies for retaining the workers. Results are captured in Table 4 and 5.

Understanding the retention strategies employed by Gold Fields Ghana is essential in determining workers view of how these retention strategies could help solve the problem of employee turnover. After discussion with the Human Resources Manager of Gold Fields, Tarkwa Mine it became apparent that what Gold Fields has in terms of retention, was a retention programme and not a strategy. He mentioned that since there has not been any major strategic planning in investigation into what will make people stay, the programme in place is an adapted one from their South African operations. He however admitted that there have been some adjustments to make it relevant to the Ghanaian environment. Below is the existing retention strategy for Gold Fields Ghana Limited.

Table 4 presents some retention strategies the company uses to control employee turnover. Respondents were required to indicate which of such retention strategies in their own estimation help to minimise labour turnover in Gold Fields Ghana Limited. Quarterly communication about ore reserve was not enough motivation for the employees to stay and thus cannot be considered as a good strategy for retention. This is because it was only 56% of exempt staff, 38% of senior staff and 43% of the junior staff who claimed that this was a good retention strategy.

Another issue worth looking into was the commitment of the company towards the safety of workers which was found to be very crucial to the employees. All the exempt staff viewed this as an excellent strategy. Likely, 86% and 91 % of the senior staff and junior staff respectively were also of the same view. This finding conforms to Armstrong's (2007) view on importance of safety to employees. According to him, the physical working environment refers basically to the attractiveness of the office building, the safety of building, the quality of working tools, logistics and facilities. These are able to impart positively or negatively on employees performance. He further states that, most employees respond negatively to extreme environmental conditions such as extreme temperatures, poor lighting and poor sanitation.

Gold Fields Ghana Limited spends seven million dollars annually to sponsor various events including Ghana Black Star and the Miss Ghana Show in a bid to brand the company. The company has used this strategy

for over three years and still considers this as important. However, the findings from this survey indicate that the workers do not agree that this is a good strategy as indicated by only 45% of exempt staff, 40% of senior staff and 32% of junior staff. The workers negative view on this strategy could be due to the huge sums of money spent in sponsoring such programmes which according to them could be used to increase their salaries or used to expand the mine.

Gold Fields Ghana Limited competes with other mining companies for scarce human resources. In order to be able to attract this scarce resource, the company pays the health and utility bills of employees and their dependants as part of strategy to attract and retain them. To the exempt staff and junior staff (78% and 84%), this is a very important motivational tool. However, the senior staffs (50%) were divided on this strategy. Even though the company pays for the health and utility bills of the workers, there is a limitation as to the amount of health and utility bills the company pays and this could explain the reason for the split in the official employee's response to this strategy. Employee incentives and compensation have become an important strategy that cannot be ignored if a company wishes to retain its employees. According to Armstrong (2007), compensation is generally of three forms; pay incentives and benefits. There may be situations where salaries are good but incentives and benefits are not satisfactory and this could be a major source of dissatisfaction to cause employees to quit.

Perhaps one of the major strategies employed by Gold Fields Ghana Limited is the payment of monthly and annual bonuses to employees. Annually, the company pays an average of five months of employee's basic salary as bonus based on the achievement of set production targets. The research shows that an average of 86% of employees surveyed responded this was a good strategy. Specifically, 88% of senior staff, 86% of senior staff and 93% of junior staff responded positively to this strategy. The findings from the study are consistent with Herzberg as cited in Daft (2006). It argues that when motivators are absent, workers are neutral towards work, but when motivators are present, workers are highly motivated and satisfied.

About 77% of exempt staff, 80% of senior staff and 82% of junior staff saw prompt payment of salaries as a good strategy to retain employees. Gold Fields Ghana pays workers salaries by the 25<sup>th</sup> day of the month as against the last day of the month by most mining companies. Workers thus have faith in the company with regards to the payment of their salaries and would normally wish to stay with the company. Companies which determine to retain their employees spend huge sums of money to provide in-service training to equip them and also as a form of motivation. GFGL have

included this in its retention strategy which was viewed by the exempt staff and official employees as a good strategy indicated by 75 and 66%, respectively. Contrary to this view, only 46% of the junior staff saw this as a good strategy probably because majority of them do not get the benefit of being provided with any or little training.

GFGL intends to provide accommodation to all categories of employees as a strategy to retain them. However, the company is able to accommodate only 99%, 66% and 27% of exempt staff, senior staff and junior staff (Gold Fields Limited, 2013). 94 % of the respondents supported this strategy of providing accommodation and associated facilities to staff. The finding explains why Daft (2006) made a clarion call to all business organisations on the need to provide accommodation to their workers.

**Retention strategies suggested by workers of gold fields Ghana limited:** The research also sought to find out other retention strategies workers believe Gold Fields Ghana Limited could use to minimise labour turnover in the company. An open ended question was posed to solicit respondent's suggestion on which other retention strategies they believe could help solve the problem of high labour turnover at Gold Fields Ghana Limited. Table 5 presents these findings. The suggestions made by the workers primarily centred on the need to have a contractual agreement, review salary of workers annually, complying with labour laws and employing the required number of employees. The review of salaries annually was the core strategy suggested by employees.

All the respondents indicated that staff of GFGL could be retained if their salaries were increased and other conditions of services improved. This is in line with Abdulai's (2000) suggestion that if management could keep all employees happy, good performance could automatically follow and they are more likely to stay on. When a job is designed such that the needs of the employees can be fulfilled, then the employees will perform to a high standard because they are satisfied. However, when people are dissatisfied, frustration may be experienced leading to negative attitude towards employment. About 95% of the respondents suggested that complying with provisions in the labour laws could be an effective way of solving labour turnover. This is because the labour law governs the employment relationship between employees and their employers.

The results also suggest that workers agreed that labour turnover increased the company's training cost, reduced productivity and profit and gave the company a gloomy international image. This finding confirms De Vos and Meganck's (2009) conclusion on the impacts of high labour turnover. According to them, labour turnover often results in loss of experienced workers who out of their long time engagement with an

Table 6: Negative effects of labour turnover on Gold Field Ghana Limited

| Items  | Exempt staff |     | Senior staff |    | Junior staff |     |
|--|--------------|-----|--------------|----|--------------|-----|
|  | F            | %   | F            | %  | F            | %   |
| Loss of experienced workers                      | 16           | 65  | 64           | 87 | 84           | 50  |
| More money is spent on training                  | 16           | 100 | 64           | 90 | 84           | 94  |
| Reduction in company profit                      | 16           | 45  | 64           | 56 | 84           | 68  |
| Reduction in productivity                        | 16           | 80  | 64           | 69 | 84           | 57  |
| Gloomy company image locally and internationally | 16           | 78  | 64           | 80 | 84           | 100 |

Field work, 2011

Table 7: Negative effects of labour turnover on employees of Gold Field Ghana Limited

| Items  | Exempt staff |    | Senior staff |     | Junior staff |     |
|--|--------------|----|--------------|-----|--------------|-----|
|  | F            | %  | F            | %   | F            | %   |
| Labour turnover makes employees think about job security | 16           | 76 | 64           | 90  | 84           | 95  |
| Reduction in employee morale                             | 16           | 65 | 64           | 90  | 84           | 52  |
| Loss of experienced people to impart knowledge           | 16           | 90 | 64           | 89  | 84           | 100 |
| Difficulty in adjusting to the new environment           | 16           | 77 | 64           | 68  | 84           | 40  |
| Gloomy company image locally and internationally         | 16           | 98 | 64           | 100 | 84           | 100 |
| Reduction in employee output                             | 16           | 68 | 64           | 78  | 84           | 88  |

Field work, 2011

organisation have gained experience and quality skills, leaving the organisation. The results also support the position by De Vos and Meganck (2009) that most serves to protect employees from arbitrary treatment by employers. To Gold Fields Ghana, Tarkwa employees, complying with provisions in the Ghana Labour Act by the company means protecting their job security. 60% exempt staff, 87% senior staff and 90% of junior staff were also of the view that employing the required number of employees will avoid situations where workers are severed in situations of decreasing ore reserves. 77% of senior staff and 59% junior staff suggested that the company should have a contractual agreement with the employees whilst only 20% exempt staff supported this. This finding suggests that the existing conditions of service or agreement should be improved or some of the employees are not aware of the existing agreement.

**Impacts of labour turnover on Gold fields Ghana limited:** Labour turnover like all other social science phenomena has negative and positive impacts on the individual workers in a company and the organisation in which they work. The fourth objective of the study was to determine the negative impacts of labour turnover on Gold Fields Ghana Limited and its workers. Workers were required to indicate the extent of their agreement or disagreement to each of the negative effects of labour turnover on Gold Fields Ghana Limited and its workers. Table 6 presents respondents' views on some of the negative impacts of labour turnover on Gold Fields Ghana Limited and individual workers respectively. Table 6 reveals that workers in Gold Fields Ghana Limited had a conviction that labour turnover has negative effects and implications on the activities and growth of the company. With the exception of 55% of the exempt staff who indicated that labour turnover did not have negative impact on the company's profit, almost all the workers admitted that

it had negative impact on the company's profit. For example, 100% of exempt staff, 90% of the senior staff and 94% junior staff indicated that labour turnover had serious negative impact on the company through the provision of training for both old and new employees. Workers were in agreement that high labour turnover companies spend much resources and money to replace out gone employees, hire new ones and train them to become qualified. Literature reviewed on Gold Fields Ghana Limited's Turnover Trend from 2007 to 2010 point to the fact that the company had lost some skilled personnel and this has in many ways affected the company's productivity. Closely related to the impact of labour turnover on the organisation are the direct effects on employees.

Employees were requested to indicate their agreement or disagreement to each of the negative effects of labour turnover on them. Table 7 present the findings of this question. The result in Table 7 shows that workers of Gold Fields Ghana Limited held the opinion that labour turnover had negative effects on them. This is seen where between 60 to 100% of all employee categories surveyed responded to all the questions that labour turnover had negative impacts on them.

The junior staff employees held the strongest opinion that they were adversely affected by labour turnover. However, majority of them (60%) did not believe that high labour turnover made it difficult for new employees to adjust to the new environment. This could be due to the fact that the nature of their job required that one possessed wide experience before joining the company, coupled with the fact that the equipment being used could be found in all other mining companies, thus making it easier for new employees to fit into the new environment easily. Additionally, about half (48%) of the junior staff did not see labour turnover as having effect on their morale.

## **CONCLUSION AND RECOMMENDATIONS**

**Summary:** The main objective of the study was to examine the causes and effects of employee turnover on Gold Fields Ghana Limited. The specific objectives were to identify the causes of labour turnover at Gold Fields Ghana Limited; find out workers views about the retention strategies that Gold Fields employs to address labour turnover issues; assess the impacts of labour turnover on the company and its employees. A total of 164 out of 2388 employees were randomly selected from the three employee categories. Sixteen exempt staff, 64 senior staff and 84 junior staffs were used as the sample size. Simple random sampling technique was used to select the respondents from each selected employee category. A total of 164 valid questionnaires were used for analysis.

The study found out that labour turnover in Gold Fields Ghana Limited is caused by three main factors. These were prevalent health hazards, lack of job security and excessive pressure and stress of the work on workers. Some of the workers primarily quit the company because they cannot withstand the excessive pressure and stress associated with their work, whilst others left because they were exposed to health risk by virtue of where they worked.

The study also identified lack of proper channels of communication, minimal access to enough leave days and lack of staff participation in the decision making process of the company as some other factors that caused labour turnover at Gold Fields Ghana Limited. The study further revealed that generally workers did not consider poor salary, lack of opportunity for training and dictatorship on the part of the company's management as major causes of labour turnover in Gold Fields Ghana Limited.

It was also revealed that majority of the employees were in support of the retention strategies employed by the company in addressing the problem of labour turnover. Respondents also supported all the retention items with the exception of the company spending 8 million dollars annually to brand the company.

Workers also considered the payment of health and utility bills of workers, full payment of monthly salaries, provision of accommodation facilities to staff, payment of bonus and periodic in-service training as the major working conditions that makes the company very attractive to them. The study also revealed that workers opined the use of huge chunk of money to brand the company in order to enhance its image is a misplaced priority.

The study further revealed that apart from the retention strategies employed by the company in addressing high labour turnover, the workers had other suggestions which in their opinion could help reduce labour turnover. These include a binding contractual agreement between the company and its employees, which in their view will prevent management from arbitrary dismissing employees. They also suggest

upward adjustment in their salary to commensurate with the work they do. Additionally, the workers also suggest full compliance with all labour laws of Ghana and conclude that the company should employ only the required number of employees to reduce the risk of terminating the appointment of workers in event of reduced ore reserves.

Finally, the study revealed that labour turnover had negative impacts on Gold Fields Ghana Limited and its employees. These are found in areas of reduced productivity and profitability, high cost of training new employees, lost of experienced workers and gloomy company image. On the part of the workers, high labour turnover negatively affect them in four main ways. High labour turnover put a lot of psychological pressure on them i.e., forcing them to brood over their job security, reduced morale of workers, lack of experienced workers to learn from and reduced output of workers.

The study concluded that if Gold Fields Ghana Limited did not tackle the high labour turnover primarily caused by existence of health hazards in the company, lack of job security and excessive pressure and stress on workers, it could have a more serious impact on its operations and reduce its profitability. Also, although most of the workers do not consider the salary and allowances paid to them as the driving force of their quest to quit the company, it is important that management of Gold Fields Ghana Limited continue the practice of annual salary review since any stoppage could cause labour turnover.

The study again, concluded that Gold Fields Ghana Limited should adopt more pragmatic measures such as the use of a binding contractual agreement, compliance with labour laws and recruitment of required number of workers whose services are needed by the company. In the absence of these, the employees believe solving the problem of labour turnover will be difficult to achieve by the company.

Another conclusion drawn was that although the company pays the health care and utility bills of its workers and provide them with accommodation; the workers are still demoralised by certain factors such as long hours of work, lack of proper channels of communication, minimal access to leave permit and lack of participation in decisions making which make Gold Fields Ghana Limited unattractive to its workers.

The study further concluded that labour turnover had negative impacts on the company and its workers. The company's productivity and profit reduces with increased labour turnover as more money is spent on attracting, training and developing new employees. With high labour turnover, the company loses experienced workers who otherwise would be expected to train new ones who join the company. High labour turnover at Gold Fields Ghana also reduces the morale and output of workers, denies them the opportunity to learn from experienced workers, thus losing institutional knowledge and finally makes it difficult for new employees to adjust to the new work environment.



## RECOMMENDATIONS

Based on the findings and conclusions outlined, the following recommendations were made:

- Management of Gold Fields Ghana Limited should commit more resources to improve safety and health conditions in the company and continue to do annual review of the salary and allowances paid to workers. This will motivate the employees to stay with the company.
- The company should also consider reviewing the working hours to include more off days, as well as consider introducing flexible working hours. Workers should also be allowed to take their annual leave to reduce the fatigue associated with their work. Mining work is stressful and tedious and requires that workers are given more time to rest.
- Management of the company should engage workers in the company's decision making processes. This will enable the workers to have confidence and trust in the management team as well as encourage them to give off their best. Effective communication channel should be instituted to ensure that employees are well informed about the operations of the company.
- Management of Gold Fields Ghana Limited should see to it that the company complies with all labour laws in Ghana.
- Apart from the existing strategies employed to attract and retain employees, the company should endeavour to consider the strategies suggested by the employees and others which will meet current labour trends. The retention strategies should also be communicated to employees as most of them who the researcher interacted with seem not to know about the existence of the retention strategies of the company. It is also recommended that management should see to the full implementation of all the items in the retention programme.

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