UNIVERSITY OF CAPE COAST

REWARDS AND RECOGNITION ON STAFF RETENTION AT

KOFORIDUA POLYTECHNIC

PETER YAW KOSOE

2010

UNIVERSITY OF CAPE COAST

REWARDS AND RECOGNITION ON STAFF RETENTION AT

KOFORIDUA POLYTECHNIC

BY

PETER YAW KOSOE

DISSERTATION SUBMITTED TO THE INSTITUTE FOR

DEVELOPMENT STUDIES OF THE FACULTY OF SOCIAL SCIENCES,

UNIVERSITY OF CAPE COAST, IN PARTIAL FULFILMENT OF THE

REQUIREMENTS FOR AWARD OF MASTER OF ARTS DEGREE IN

HUMAN RESOURCE MANAGEMENT

FEBRUARY 2011

DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature:.................................... Date:...............................

Name: Peter Yaw Kosoe

Supervisor's Declaration

I hereby declare that the preparation and presentation of this dissertation was supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature:.................................... Date:...............................

Name: Mr. Frederick Koomson

ABSTRACT

Within the polytechnics, enormous strides are being made with some of the polytechnics striving to introduce more market driven programmes such as Bachelor of Technology (B.Tech). These emerging trends require that the Koforidua Polytechnic positions itself in all strategic human resources management, including recognition and rewards. This prompted the need to investigate current rewards and recognition and their potential effects on employee retention at the polytechnic.

The study employed descriptive cross–sectional survey approach to collect and analyse data. Both probability and non–probability sampling methods were used, in addition to proportional sampling allocation to the various academic schools in the polytechnic.

Findings from the study suggest that staff were not generally satisfied with salaries and compensations available even though the salaries and compensations appeared the most favoured reward mechanism of staff. The study also established that staff members were not very impressed with the basis of determining their salaries. Equally, the research further observed that between the next one to ten years, the majority of the surveyed people had intentions of retiring or leaving the polytechnic, despite their average ages pointing towards less than 40 years. It is therefore recommended that the polytechnic need to seriously address issues on rewards and recognition in the polytechnic to improve staff retention at the polytechnic.

DEDICATION

To my wife, Mrs. Kosoe

TABLE OF CONTENTS

Content	Page

LIST OF TABLES

LIST OF ACRONYMS

CIPD	Chartered Institute of Personnel Development
IDS	Institute for Development Studies
POTAG	Polytechnic Teachers Association of Ghana
SPSS	Statistical Package for Service Solution

CHAPTER ONE

INTRODUCTION

Background to the study

Academic staff members play an instrumental role in the development of tertiary institutions. There had been expansion of higher education in Ghana in the latter part of the 1990s. There has also been instrumental role of research and innovation in the global knowledge–economy. As a result, demand and competition for highly qualified academics have intensified. Growth in global mobility and shifting demographic profiles, means recruiting and retaining talented and knowledgeable lecturers and researchers is an ever–increasing challenge (Metcalf, Rolfe, Stevens, & Weale, 2005). These have engendered a more strategic approach to human resource management in the higher education sector.

Reward and recognition management is a strategic tool, used by management to implement policies and strategies that are aimed at recognising and rewarding the members of the organisation in a way that is consistent with the organisational goals. Furthermore, it also encompasses rewarding people fairly in relation to their contribution and the value they add to the organisation.

All organisations have their reward systems. Executives and managers might often see rewards as being only monetary compensation, but it entails more than just pay (Huff, 2006). Without these rewards, employees would not

join the organisation, be inclined to come to work, or perform in line with the mission or strategy of the organisation (Huff, 2006). A reward system is also a part of a larger human resource strategy, with the goal of strengthening employee loyalty, raising motivation and increasing job satisfaction (Tettey, 2006).

Rewards and recognition can be given to individuals based on their performance or to groups. It can also be linked to an organisation's pay and workforce strategy, workforce plan and over all human resource strategy to ensure that the organisation has the capability to deliver its overall corporate improvement plan (Armtrong & Stephens, 2004). In a wider context, this strategy enables change and progress by creating willingness in relation to the development of new skills and behaviours which are needed to deliver organisational improvements and staff retention.

The purpose of a reward strategy is that it defines what the organisation wants to pay for. The strategy provides specific direction on how an organisation will develop and design pay, benefits and related programmes to ensure that it rewards the behaviours and contributions that support the achievement of its corporate objectives. Cacioppe (1999) establishes that reward systems can make the team hold together, help team members to understand the organisation's strategies and visions, help to stimulate the effectiveness in the team and increase the learning and motivation process in the group as well as retaining talented employees.

Griffith et al (2000) observe that pay and pay–related variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person's performance and turnover. Martin

(2003) however, found an inverse relationship between relative wages and retention. That is, organisations with relatively high pay had higher retention rate. The link between reward and recognition systems and retention or voluntary turnover appears to be inconclusive (Yorke & Longden, 2007). A study conducted by Mobley et al cited in Lundmark (2007), concluded that results from studies on the role of pay in turnover were mixed but most often, there was no relationship between pay and turnover.

More recently, the divide between which parts of reward and recognition are best suited for recruitment retention and attraction have been merged. Individuals are attracted, retained and engaged by a wide range of financial and non–financial rewards and this may change over time (Lundmark, 2007). For instance, people at the beginning of their career may be more interested in getting access to training and career development, than those further on in their career who may be more interested in flexible working arrangements. It is essential for organisations to ensure that reward and recognition incentives are integrated and complement each other. It should also reward the values and behaviours, which are considered important within the particular organisation.

Currently, the Koforidua Polytechnic has well documented conditions of service policy. Within the context of the policy, there are specific rewards and recognition systems within the policy. The policy specifies certain conditions which staff members are entitled to. Some of the specifics include retirement and pension benefits, accommodation, leave (study, sabbatical, casual and annual), health and medical, transportation, and death benefits. Even though these benefits may exist, staff may leave when they compare

their qualifications with other colleagues at other establishments who earn higher recognition and rewards. But like every institution, the rewards vary by position or grade.

Statement of the problem

The key resource of an academic institution is its staff, and managing that resource is a central aspect of successfully managing the institution. One of the critical challenges for human resource management in the higher education sector is how to align the staffing needs with the strategic goals of the institution and contend with an environment of increased competition and growing demands in the tertiary educational sector.

According to Effah (2003), Ghanaian universities and polytechnics have staff vacancy rates of 40 percent and 60 percent respectively. Koforidua Polytechnic, like many other Polytechnics/Universities in Ghana, is saddled with the problem of high labour turnover. Not only are there direct financial costs of replacing staff but also other repercussions such as the potential loss of key skills, knowledge and experience, disruption to operations and the negative effect on employee morale. In addition, high labour turnover represents a considerable burden on both the Human Resource Department and the institution as a whole as they have to constantly recruit and train new staff. According to a president of the Polytechnic Teachers' Association of Ghana (POTAG), 63 lecturers left Sunyani Polytechnic between 2002 and 2007 to other tertiary institutions for better conditions of service with four personnel resigning from a single department (www.thinkghana.com, 2007. These trends are similar in other Polytechnics across the country. Table 1

4

shows the trends in turnover of senior members and senior staff from 1998 to the first quarter of 2010.

Table 1: Turnover statistics in Koforidua Polytechnic from 1998–2010

Year	Senior Members	Senior Staff
1998–1999	2	12
2000–2003	19	18
2004–2006	10	17
2007–2009	14	13
First quarter 2010	–	2
Total	44	62

Source: Personnel Section, Koforidua Polytechnic, 2010

To curb the tide of high labour turnover in the Polytechnics, POTAG have impressed upon the Government to improve upon the reward and recognition system of their members to be at par with their colleagues in other public universities. This, according to the association is one of the main causes of labour turnover in the Polytechnics. The reward and recognition system does not make it possible for the Polytechnics to retain lecturers and other members of their staff. In spite of these statistics, the human resource literature does provide us with empirical evidence on the reasons why some staff members leave the polytechnic for reasons known to them. This study therefore attempts to explore the rewards and recognition system at Koforidua Polytechnic (Koforidua Polytechnic) and how these systems would impact on turnover.

Objectives of the study

The main objective of the study was to establish the degree to which reward and recognition practices of the Koforidua Polytechnic affect the retention of academic and non–academic staff. The specific objectives were to:

- Examine staff appraisal/assessment of rewards practices of Koforidua Polytechnic;

- profile Koforidua Polytechnic staffs' evaluation of current recognition traditions in the institution;

- examine how the recognition and rewards system affect actual and intended turnover at Koforidua Polytechnic; and

- recommend appropriate measures or actions that are likely to improve polytechnic staff's retention in Ghana.

Research questions

- How do Koforidua Polytechnic staff members appraise current rewards packages?

- Do current recognition facilities for recognition by Koforidua Polytechnic meet expectations of employees?

- How do the reward systems affect retention of employees at Koforidua Polytechnic?

Justification of the study

There are several reasons why this study was carried out. Studies on the extent to which reward influences organisations retention rates have been

inconclusive (Milkovich & Newman, 1999; Martins, 2003). Furthermore, the research settings of these studies are different and make cross–cultural comparison difficult, as the economic and social fundamentals are different. A study on the effect of reward on retention in Ghana is missing and this study therefore fills the knowledge gap. In practice, the findings would assist Rectors and human resource practitioners in Ghanaian polytechnics to identify the best mix of human resources policies and practices that best guarantees high level of employee retention. The study in addition aims at throwing more light on the issue of reward as a determinant of labour retention in an emerging economic environment such as Ghana.

Organisation of the study

The dissertation is structured in five different chapters. The first chapter is on the general overview of reward, recognition and employee retention. The section also discusses the research problem and reasons for the research, justification of the study, and organisation of the study. The second chapter reviews some aspects of literature on the topic. The third chapter focuses on the methodology. It specifically describes the type of design, the study sample and the instrument for data collection and data analysis. Chapter four presents the findings of the study. The data is analysed at this stage using descriptive statistical techniques. The final chapter summarises the findings of the study. The implications of the findings are also discussed. The study then draws conclusion and provide recommendations to the problems raised.

<center>**CHAPTER TWO**</center>

<center>**REVIEW OF LITERATURE**</center>

Introduction

The chapter reviews literature on reward and retention. The review consists of empirical evidence on reward and recognition strategies and their impacts on retention in organisations. The literature on the relationship between reward and retention is very sparse. Even where it exists, proper analysis of the relationship existing between the two entities is complex. The chapter focuses on rewards management, elements of total rewards programme, intrinsic verses extrinsic rewards, financial reward programmes–compensation and benefits, non–financial recognition programmes, types of recognition programmes, benefits of rewards programmes, retention strategies and performance–based rewards.

Rewards management

Every employee needs to be compensated for work done. According to Syedain (1995), two schools of thought explain reward systems to employees. One way to do that is to say "thank you" in a formal way through a badge, certificate or a written note, whilst another way could be to give a concrete reward to create an impact. Lawler (2003) contends that there are at least two factors that determine the attractiveness of a reward; one is how much of the reward is being offered and the second is how much the

<center>8</center>

individual values the type of reward that is being offered. He argues that the more the individual values the type of reward and the more of it is offered, the greater the motivational potential.

Beer, Spector, Lawrence, Mills and Walton (1984; p. 117) concisely argue that:

Organisations must reward employees because, in return, they are looking for certain kinds of behaviour. They need competent individuals who agree to work with a high level of performance and loyalty. Individual employees, in exchange for their commitment, expect certain extrinsic rewards in the form of promotions, salary, fringe benefits, bonuses, or stock options. Individuals also seek intrinsic rewards such as feelings of competence, achievement, responsibility, significance, influence, personal growth, and meaningful contribution. Employees will judge the adequacy of their exchange with the organisation by assessing both sets of rewards.

Reward management is defined as the process of developing and implementing strategies, policies and systems, which help an organisation to achieve its objectives by obtaining and keeping the people it needs, and by increasing their motivation and commitment (Beer et al., 1984). Deeprose (1994) expresses the view that effective reward management can help an organisation to achieve its business objectives by attracting and retaining competent people. It is concerned with intrinsic as well as extrinsic motivation, the non–financial as well as the financial rewards (Armstrong &

Stephens, 2004). The reward management system can therefore be seen as a set of relationships between the various reward management processes and the corporate strategy. Reward management strategy and policy is thus driven by corporate and human resource management strategies.

Elements of rewards programme

Armstrong and Stephens (2004) suggest four main areas that should be addressed in a reward management system. These are pay structures that combine the results of market surveys and job evaluation. Again, there are structures that define the levels of pay in the organisation. Another element is the description of employee benefits that satisfy the needs of employees for personal security and provide remuneration in forms other than pay. Non–financial rewards satisfy employees' needs for variety, challenge, responsibility, and influence in decision–making, recognition and career opportunities, and performance management. These provide basis for continuing as well as formal reviews of performance against targets and standards in organisations.

A performance management system usually leads to the development of training and development programmes that meet the need for growth and achievement. It also leads to the design of performance related pay systems that has an impact on bonus and incentive payments. Sarvadi (2005) proposes a strategic reward system that creates a balanced offering to employees. The author supports the fact that a reward system should address a variety of processes and likewise suggest at least four areas; namely compensation,

benefits, recognition and appreciation. Of the above factors, a reward system usually puts compensation at the top of the list, followed by benefits.

Martocchio (1998) maintains that compensation denotes both the intrinsic and extrinsic rewards, which employees receive for performing their jobs. Intrinsic compensation refers to the employee's psychological mindsets that result from performing tasks. It refers to the enjoyment and the sense of achievement that employees experience as a result of their work. Extrinsic compensation includes both monetary and non–monetary rewards. Non–monetary reward includes the benefits that employees receive apart from pay. Barton (2002) argues that formal reward programmes represent financial rewards such as salary, fringe benefits, bonuses, promotions and share options, which play a significant role. In addition to this, people expect their organisation to offer good benefits, including access to medical aid and pension funds. However, it appears that employees accept these as intrinsic factors to the job and that the offerings of such rewards are not the elements that motivate employees.

Incentive programmes that involve cash payments are expensive to maintain and have several drawbacks (Stephenson, 1995). Despite evidence to the contrary, human resources professionals still dismiss awards, recognition and incentive programmes. Evidence suggests that there exists a strong link between non–cash awards and incentives and improved job performance (Wiscombe, 2002). Sarvadi (2005) argues that most organisation miss the important components of recognition and or appreciation, which are the low–cost, high–return ingredients to a well–balanced reward system.

Wilson (1994) argues that a reward system needs to have a positive impact on behaviour. To accomplish this, rewards need to be contingent on achieving desired performance levels rather than on merely doing certain tasks. Also, rewards should be meaningful and valuable to the individual, based on objective and attainable goals. Rewards should be opened to all, and not based on competitive struggles within the workplace. Again rewards have to be balanced between conditions in the workplace (extrinsic) and fulfilment of individual needs and wants (intrinsic). According to Lawler (2003), a truly motivational reward system must be designed with a few parameters in mind: it must motivate employees to perform through valued and truly sufficient rewards, provide them with a clear line of sight, give them the power to influence their performance, and deliver on its promise.

Lawler (2003) maintains that the magnitude of rewards must satisfy the basic human needs of survival and security. Organisations must choose relevant rewards over which they have the potential capability to provide and manipulate. The distribution of rewards must be perceived as being done in a fair and equitable manner and organisational members must perceive a link between their job performance and the rewards they receive. The individual members of that organisation must also value the rewards used by an organisation. In the absence of these factors the rewards programme will not motivate in the long term and will discourage risk–taking behaviour (Lawler, 2003).

In their drive to stay competitive, organisations increasingly reward and recognise employees as part of their total quality programme. Such programmes provide a range of monetary and non–monetary rewards and are

planned and implemented either in–house or using the help of consultants. People feel appreciated by this and employees identify with the organisation and are more willing to give their best to the job (Armstrong & Stephens, 2004).

Intrinsic versus extrinsic rewards

The discussion of rewards leads us to tread into the domains of intrinsic versus extrinsic rewards and the impact that they could potentially have on reward programmes. Individuals engage in work–related activities to attain some variety and magnitude of rewards. Certain rewards, including pay, promotions, and company status are extrinsic since they are provided by the organisation. Others such as feelings of achievement, accomplishment and self–satisfaction are intrinsic (Arnold & Feldman, 1986).

The types of rewards available to employees and the manner of their distribution can have a striking impact on both employee satisfaction and organisational effectiveness. Although a variety of purposes may potentially be served, rewards are most typically used to motivate employees or induce some desired action or behaviour (Arnold & Feldman, 1986).

Intrinsic rewards stem from Maslow's higher–level needs. It proposes that people can give themselves rewards in the form of self–esteem as well as in feelings of achievement and growth. Individuals can literally reward themselves by accomplishing something worthy such as excelling in a difficult intellectual (academic) or physical (sports) activity. The greatest amount of motivation is present when people perform tasks that are rewarding, both intrinsically and extrinsically (Lawler, 2003).

13

Financial reward programmes–compensation and benefits

According to Sethi and Pinzon (1998), one of the major criteria for the quality of work life is adequate and fair compensation. Compensation broadly refers to all the ways in which an organisation may reward employees for the services that they render. These rewards could include wage and salary payments, fringe benefits, such as vacations, pensions, and medical aid, status symbols, promotion and security. Lawler (2003) views compensation as the primary inducement offered to employees in exchange for the contributions of labour services in the employment contract. Compensation management methods and techniques can significantly affect the relationship between an organisation and its employees. Sethi and Pinzon (1998) explain that such methods and/or techniques should not create fixed cost patterns and operational constraints but should be managed as a variable linked to the strategy and success of the organisation. Compensation should be managed in a way that reflects and is consistent with the culture of the organisation. The rewards offered to employees, and the occasions for these rewards, are amongst the most visible and potent manifestations of the organisation's culture.

Schuster and Zingheim (1992) advise that compensation system should be designed to drive, reinforce and sometimes alter the culture in such a way that the organisation's goals will be supported. There are many different types of pay systems. These include piecework with a wide variety of formulae, measured day–work and high–rate systems, plant–wide incentives and framework processes which affect pay. In various ways all these systems try to

relate performance to pay, whether it is individually or through small or large groups.

"Flexible compensation" is another development in the compensation management arena. According to Martocchio (1998), flexible remuneration is a relatively simple concept, which caters for the differing needs of employees. The total cost of employment is established for a particular position and from this is deducted the cost to the employer for providing certain compulsory benefits such as pension, group life and disability assurance and medical aid. The employees then select from the range of benefits that the employer is prepared to provide those that are relevant to their specific needs and requirements. The major advantages of this system are that there are no additional costs to the employer and the employees have the facility to structure a remuneration package that meets their individual needs. The idea behind flexible benefits is that it reflects the belief that each individual should have the ability to choose the benefits that are most meaningful.

Martocchio (1998) proposes that culture determines and creates the context for money to motivate individuals in different countries. According to Martocchio (1998), employees strive for high levels of performance if they believe that better performance will result in greater pay. Martocchio (1998) has indicated the following list, based on surveys conducted to determine what money means to people. These are:

- reward for work well done;

- a means to support oneself and one's family;

- a status symbol – the more you make, the more status you have in the organisation and in society and payment for doing a job – never as much as deserved.

- a trap – the more you make, the more you spend, so the more you need;

- a symbol of professional achievement;

- payment for doing a job regardless of how well the job was done;

- a means of classifying people (as low–income, middle–income, or high–income earners); and

- a company's obligation to employees (p.123).

From the above list, it is obvious to conclude that money represents different things to different people. The question, however, is whether money motivates employees? According to Mol (1992), money does not motivate, but rather moves a person to achieve a goal in order to obtain the reward. Nel et al. (2001) postulate that whether individuals perceive money as a motivator or not depend on what they perceive as motivation. Most motivation theories mentioned previously, propose that motivation is an internally driven desire to achieve a primary goal. Employees exert high effort to accomplish goals that will make them feel good.

Herzberg's hygiene–motivator theory states that extrinsic rewards, such as pay, benefits, working conditions, or company policies do not motivate. They merely ensure that performance is at an acceptable level (Nel et al., 2001). Motivated people perform at levels that are higher than the acceptable standard. Intrinsic rewards, such as responsibility, growth,

feedback or recognition and opportunities motivate employees to high levels of performance, than simply earning a good salary.

Lawler (1990) argues that if money as a reward can cause dysfunctional behaviour, it influences behaviour, and therefore performance. According to Lawler, the effect of money as a motivator largely depends on the pay system applied in the organisation. He further states that when pay systems are not designed well, they either do not motivate, or motivate the wrong behaviour.

According to Nel et al. (2001), the critical factor that organisations should bear in mind is from Maslow's theory of needs. This theory points to the fact that human beings are motivated by internal feelings of accomplishment, capability, and competence, and not just by extrinsic rewards such as food, water, acceptance, and financial well–being.

Although money can be seen as a motivator, it is not the only or most powerful source of motivation. Therefore, organisational designs, especially compensation designs, that focus primarily on pay and which do not emphasise the role of intrinsic rewards, fail to tap a very powerful source of motivation that can lead individuals to perform at extraordinary levels.

Non–financial recognition programmes

Compensation or pay and benefits play a critical role in the total reward management system. It does appear, however, that an effective reward management system requires both financial and non–financial reward. Given the above, Nelson (1995) argues that the value of informal rewards, which consists of spontaneous, non–monetary forms of recognition are increasing for

two reasons. The first reason is that formal rewards such as compensation, benefits and promotions are less effective in motivating employees. Secondly, informal rewards are increasingly more effective and highly desired by today's employees. Howard (1997) proposes that employees should be considered as an asset, rather than as liabilities in need of attention and value enhancement. In a study on 1500 university employees, Howard (1997) found that the most powerful motivator is having a supervisor personally congratulate individuals on a job well done. Despite this finding, only 42 percent of the study's respondents said that their organisation recognised them in this way.

Jeffries (1997) states that organisations can retain their best employees by recognising their contributions to the organisation's goals. Recognition, she argues, motivates employees, as it involves the acknowledgement of the efforts, creativity and willingness of employees to put in extra effort. The author reports on a survey that was conducted by the Performance Enhancement Group that shows that employees favour daily recognition over bonus or higher pay. The study also revealed that employees who are recognised demonstrate their best efforts in their work. Sarvadi (2005) contends that organisations cannot achieve any motivational impact without appealing to the emotions of their employees. Successful employee–recognition programmes that offer tangible rewards that people can imagine receiving and enjoying, more easily motivate people to their highest level of performance. This can be done at a much lower cost than monetary rewards.

Jeffries (1997), in supporting Nelson (1994), argues that recognition does not have to be expensive, but must be consistent, and perceived as a long–term commitment by the organisation. Recognition programmes have the

purpose of keeping employees motivated and productive and are seen to be effective methods of reinforcing company expectations and goals. A report on salary survey conducted in the USA by the Institute of Management and Administration (2003) provides some noteworthy statistics on recognition programmes. It was found out that recognition programmes were becoming more widespread, with 84 percent of organisations having one in place, and 54 percent of those without any programmes reporting that they may implement one in the next 12 months.

The number one reason for implementing a recognition programme is to create a positive work environment, followed by reinforcing positive behaviours and motivating high performance. Most of these programmes offered both formal and informal types of recognition. Informal programmes might include spontaneous gestures of appreciation, such as a small gift, while a more formal programme would reward years of service, performance and going 'above and beyond. The item most widely used as a reward is gift certificates, cash, office accessories, and jewellery.

The success of recognition programmes is measured mainly through employee satisfaction surveys. Forty–seven percent gauge it by the number of nominations, and 40 percent go by usage or participation rates. Information about recognition programmes are communicated through the intranet, company newsletter, employee orientation, and in employee handbook. Three quarters of organisations conduct training sessions with their managers to teach them about the recognition programmes, 42% use a handbook, while 34 percent rely on on–line education (Report on Salary Survey, 2003).

The above statistics provide some interesting insights and guidelines for the establishment of a recognition programme. Private and public recognition are two of the most commonly used forms of recognition. Private recognition refers to a quiet thank you or a pat on the back, whilst public recognition is the more formal of the two. Public recognition inspires loyalty and commitment and encourages better standards of performance (Syedain, 1995). Public recognition is an important part of the reward as the performance of the individual affects more than just one employee. Stating publicly why the person received the recognition and how it links to the organisation goals, could act as a motivator to other employees (Wiscombe, 2002).

According to Jeffries (1997), it is possible for organisations to reap the benefits that result from a motivated, enthusiastic workforce that looks forward to making a difference for the organisation. Sometimes all it takes is a simple genuine spoken 'thank you'. Romano (2003) encourages managers to use recognition as the factor that will strengthen the bond between people and the organisation. The author believes that companies who authentically tap into people's feelings and harness this emotional power wisely are those that hold the competitive advantage in the market. A fundamental part of making an employee feel rewarded and motivated is genuine recognition from their employer.

Based on the above, it is evident that informal recognition programmes are becoming increasingly popular. This movement in employee motivation is much different from the more traditional and formal programmes of

recognition, such as employee of the month and annual service awards that are highly structured and implemented by a timetable.

Wallsten (1998) argues that the focus of informal recognition is on spontaneous, sincere and personal appreciation of employee efforts. The essential aspect of such programmes is that they successfully recognise employees and the jobs they do, while usually requiring little or no funding to implement and maintain. Seemingly, a small 'thank you' can enhance a company's work, culture and profit margin and can even help organisations to grow.

Non–financial recognition systems or programmes have some noteworthy features. Wilson (1994) makes the following suggestions for conditions that stimulate the same or related behaviours in the future:

- Specific: employees must know what they did to earn the recognition, and therefore they need to continue doing it. Performance measurement and feedback are essential for consequences to be effective in shaping desired behaviours.

- Personalised: recognition has to be meaningful to the employee. Thus, the method of delivery and the source of the reward are often as important as the item, comment or activity.

- Contingent: recognition has to be earned so that employees feel that they have truly achieved some action or result. Further, for a reward to be effective, the desired behaviour/ performance needs to be within the employee's ability and control (or influence).

- Sincerity: recognition has to be given in a manner that is honest, sincere and from the heart.

21

- Immediate: recognition must be provided soon after an achievement or contribution. Waiting for approval, deadlines or completion may reduce the impact of the reward (p.176).

The trend to add informal recognition systems to complement formal rewards programmes have emerged as companies struggle to retain the best employees. In their efforts, they have discovered that employee motivation is highly individualised. If the intention of a recognition programme is to motivate, then the impact of such recognition should be individualised as well. Formal programmes, although successfully meet specific organisational goals, do not achieve this. They tend to be impersonal and infrequent, usually once a year or quarterly. The same incentives used repeatedly also tend to lose its effectiveness (Wallsten, 1998).

Types of recognition programmes

Romano (2003) recommends that those responsible for creating reward and recognition programmes should start by thinking about what makes people's chest swell with pride, and then to creatively translate these good feelings to the working context. Table 2 describes the various types of employee recognition programmes that may exist in organisations.

Table 2: Employee recognition programmes

Type	Description	Examples
Cash awards	Programmes that provide either a fixed cash award or are based on a percentage of the employee's pay	Lump–sum bonus Cash incentive Additional paid time off Paid trips Gift certificates Specialised training Prize programme tied to earning points
Spot programmes	Recognition programmes that have low or minimal cost and do not require a formal plan document or extensive administration	Movie tickets Paid meals Flowers Tickets to special events
Symbolic awards	Recognition programmes designed to provide a tangible award or memento	Service award Quality award Recognition certificates Plaques and trophies
Verbal recognition	This approach provides praise directly to the individual or team	Thank you card Testimonies from senior leadership Customer feedback Written congratulations Public recognition

Source: Romano (2003; p35)

Romano (2003) suggests that managers should make an effort to get to know their employees, and then to tie the rewards and recognition to what they know the employee will appreciate and value. According to Romano (2003) the best way to know how to meet employees' needs is by asking them how they want to be rewarded and recognised.

Although, compensation is a key factor in retention, it is not justifiably the most important factor. Pollock (1995) argues that leaders who recognise the power of the emotional appeal of informal forms of recognition can more easily motivate employees to higher levels of performance, often for much lower costs than monetary rewards. Lack of recognition has been cited as one of the primary reasons for top managerial level employees to leave an organisation (Sethi & Pinzon, 1998). The challenge of informal rewards is to find the right match between the individual and the recognition given, as the psychic income of being openly acknowledged and appreciated equals or exceeds the material or monetary income.

According to Nelson (1994), individuals tend to be more strongly motivated by the potential to earn rewards than by the fear of punishment. This suggests that management control systems would be more effective if they are reward oriented. In order to make rewards meaningful to employees, Nelson (1994) suggests the following guidelines for making rewards and recognition programmes relevant.

- First, employers must link the rewards and recognition to organisational goals. Informal rewards should support and encourage behaviour that results in the attainment of company goals.

- Secondly, granting of rewards and recognition should be as far as possible related clearly and explicitly to desire performance as reflected by the standards or controls that are put in place by the organisation.

- In addition, employers have to clearly define the parameters in which the organisation wishes to reinforce the behaviour, and then identify the specific rewards and recognition system that achieve such goal. The reason for awarding the recognition must be clear and understood by all.

- Again, employers must ensure that commitment and support and employee involvement in the programme from the start. It is important to communicate the programme in a manner that elicits interest and as a fun activity that will benefit the company as well as its employees.

- There should also be monitoring of the effectiveness of the programme. Programmes must be monitored to ensure that they are creating the desired impact. Even the most effective programmes must be constantly revamped to ensure that they continue to deliver the desired effect.

- Finally, employers have to link formal and informal reward programmes. It is important to ensure that informal recognition is in line with the company's more formal reward programme (p.32).

Performance–based rewards

A research by Murnane and Cohen (1986) show that in the teaching sector, performance–based systems evaluate teachers more harshly than they would have if non–performance–based system were used. Hoerr (1998) argues that performance–based pay schemes improve the administration of schools. Under a performance–based pay scheme, principals must know the quality of teachers in all classrooms. This type of evaluation, it is argued, means principals must summatively evaluate teachers, rather than evaluating formatively and so more objective decisions about teacher quality can be made. As a safety precaution, Solomon and Podgursky (2001) advocate principals becoming recipients of school wide performance–based rewards, to ensure they remain objective in their evaluation.

Kelley (1999) claims that a movement to school–based rewards can increase the precision of resource allocation by encouraging resource alignment from to top down, by setting organisational goals, and from the bottom up, as teachers are gaining feedback, and benefiting from better resource allocation and policy coherence. This can occur because school goals are clarified in a performance–based reward system, and teachers have an increased incentive to share information with administrators since they benefit from improved outcomes.

One of the largest benefits reported by proponents of performance–based rewards is an increase in the motivation of teachers. It is argued that performance–based pay will increase teacher motivation by adequately rewarding productivity gains. This perspective links the attitude of teachers to student

outcomes, by arguing that once the motivation and skill of the teacher determine salaries, teacher quality will be improved (Solomon & Podgursky, 2001).

Tomlinson (2000) argues that performance–based pay is about motivating people, and developing performance–oriented cultures. Teachers, who are not motivated by financial rewards, can be encouraged with non–financial rewards. These rewards can include, for example: satisfaction from high student achievement, recognition, influence, learning new skills, and personal growth (Tomlinson, 2000). As Odden and Kelley (2002) argue, school–based rewards are a means of providing motivation by introducing clear goals to the whole school, and facilitating student achievement.

While it is argued that teachers are not motivated by money alone, financial reward must have some influence on career choices for at least some teachers (Richardson, 1999). It is also argued that performance–based policies which involve a monetary component would attract teaching talent by providing rewards that motivate a large range of people. A further benefit may occur through a rise in the socio–economic status of teachers, which should also attract and motivate talent (Solomon & Podgursky, 2001). However, for this to be feasible, more revenue would be required for teacher salaries. Solomon and Podgursky (2001) hold the view that when teaching is rewarded, based on outcomes, quality teachers can be moved to areas of low socio–economic status since these areas can be specifically rewarded. Different criteria can be used to determine rewards for different areas based on the socioeconomic, racial and gender demographics of the student population. However, some past researches

suggest that money has an influence on teachers' motivation, and others argue money is one motivator among many (e.g. Odden & Kelley, 2002).

McCollum (2001) also opines that performance–based reward systems can increase collegiality by rewarding cooperation between teachers, especially through administering group–based pay. This kind of management technique can redesign the work of teachers so they are interdependent in ways that and acknowledge their interdependence. Even some opponents of performance–based rewards maintain that there is some evidence of increased collegiality when group performance rewards are employed.

Benefits of rewards programmes

Wallsten (1998) argues that giving money would not generate the benefits that organisations could achieve if they were to give more thought and consideration to recognition that is tailored to meet needs of the individual. Romano (2003), however, maintains that reward and recognition make people feel and look good and therefore are motivated to achieve more. Organisations therefore need to look beyond rewards alone as predictors of motivation. Rewards have to move in conjunction with recognition. Nevertheless, organisations usually consider cash as the first option when considering how to reward employees.

Organisations that have implemented informal recognition programmes have witnessed many valuable benefits. One of the most tangible benefits mentioned by organisations relates to employee morale. It has been found that using informal recognition can reduce this pessimism, which hinders performance

and productivity. Informal recognition, according to Curran (2004), can lift employee motivation and improve overall organisational morale.

Nelson (1995) suggests that there are at least three trends favouring the increasing use of informal recognition today and in the future. Croce (2004) adds that managers should seek reasons and moments to recognise employees for increased effort, persistent positive attitude and peak performance. These trends identified by Nelson (1995) are that:

- The trend towards fixed compensation where employee compensation programmes move toward fixed compensation systems in which salaries are frozen and merit increases paid on a bonus basis. This change puts pressure on organisations to find alternative ways in which to reinforce desired behaviour. Informal rewards can help accommodate this need for new reinforcers.

- The trends toward empowered employees where empowered employees have increased responsibility and autonomy to act in the best interest of the company. Management's challenge is thus to build adaptability into the controls of the organisation, thus providing employees with more flexibility and freedom to be innovative whilst directing their activities towards the common purpose of the organisation. The use of informal rewards can help influence desired employee behaviours in effective, yet non–directive ways.

- The trend toward increased uncertainty where organisations face rapid change and operate in a dynamic, changing environment, where it must be

Hence, Nelson (1995) maintains that informal recognition also has potential for institutional managers to compensate employees for their unmet financial needs. While additional bonus may play a role, personal incentives, such as recognition or achievement, become more important.

Barton (2002) also argues that reward involves giving something of value to recognise positive work results. Reward therefore is integral to recognising employees' contributions, but should not be the sole focus of recognition. Barton (2002) refers to Herzberg's discussion of satisfiers versus dissatisfiers in the workplace, which clearly establishes recognition as a satisfier or motivational factor. According to Herzberg's theory, the extrinsic factors such as salary, supervision, working conditions and other work factors that are perceived by the employee to be offered by the company, will at best prevent employees from being dissatisfied. These factors focus largely on working conditions and working environments, which are largely guided by legislation. Herzberg identified recognition as that which is received by an individual with the accomplishment of a task or job, and this could entail noticing and praising.

Strategies for reducing turnover

Lake (2000) suggests that differentiating avoidable and unavoidable turnover (from the organisation's point of view) can help organisations to

understand voluntary turnover more fully. Avoidable reasons include employees leaving to find better pay or working conditions elsewhere, problems with management or leaving for better career opportunities. On the one hand, unavoidable reasons – which are beyond the organisation's control – include, for example, an employee having to move because of relocation by a spouse or leaving to fulfil family or caring responsibilities. If an organisation can identify that many of its voluntary turnovers are unavoidable, it could profit from initiatives that seek to manage turnover after the event rather than expend resources on implementing preventative measures. On the other hand, if the bulk of turnover is avoidable this offers the potential for targeted intervention. However, if managers assume the turnover problem to be largely unavoidable, they may fail to recognise turnover as a symptom of underlying problems within the organisation.

Another step towards understanding turnover within an organisation is to determine whether retention difficulties are caused by internal or external factors. According to Institute of Development Studies [IDS] (2000), while the role of labour market conditions in causing turnover may preclude the use of targeted human resource strategies, this information may be useful in analysing the extent to which turnover is due to outside factors. However, although tight labour markets affect an employer's ability to attract and retain staff, looking outwards at the local labour market cannot be a substitute for understanding what is going on within the organisation.

IDS (2004) suggests that in order to gain an accurate perspective of internal causes of turnover, it is useful to look at both quantitative and qualitative information. The Chartered Institute of Personnel and Development (CIPD), UK suggests that it is important for employers to have an understanding of the rate of labour turnover in the institutions and the effect on organisational effectiveness (CIPD, 2004). Depending on the size of the business, understanding the levels of turnover across occupations, locations and particular groups of employees (such as identified high performers) can help inform a comprehensive retention strategy. By understanding the nature of the turnover problem, an organisation can decide whether to adopt targeted retention initiatives, for example at particular sites or groups of employees, or to manage overall levels so that there is sufficient labour (Morrell, Loan–Clarke, & Wilkinson, 2004).

Another strategy for reducing turnover is the application of crude wastage rate for measuring turnover. This is done by the number of leavers in a given period as a percentage of the average number of employees during the same period. To calculate the average number of employees during a given period, organisations often add together the number of employees at the beginning of the period with those employed at the end of the period and divide it by two. The simplicity of this measure means there is less risk of different parts of the organisation supplying inconsistent data. However, the crude wastage rate has its limitation because it includes all types of leavers – both voluntary and involuntary leavers (Barton, 2002).

Morrell (2004) holds the view that a single measure of turnover that does not distinguish between cases where people left because they were dissatisfied and where people left because of ill–health or retirement will be inadequate because it treats leavers as a homogeneous group. Furthermore, when calculating replacement figures it may be misleading to base them on crude wastage rates which include employees that do not need replacing (IDS, 2004). The crude wastage rate also makes no distinction between functional (i.e. beneficial) and dysfunctional turnover.

IDS (2004) explains that another way of measuring turnover is to base turnover rates on voluntary leavers or resignation rates only, thus excluding employees who have left for other reasons such as retirement, redundancy, dismissal or redeployment to another part of the organisation. However, basing turnover rates on voluntary leavers can also have its drawbacks because it does not indicate how many staff employees need to be recruited to cover those employees who have left because of retirement or voluntary internal transfers. One solution is to record separate turnover rates for voluntary and involuntary leavers.

Another approach is evaluating vacancy rates as a means of placing greater emphasis on the number of vacancies that need to be filled. The vacancy rate is based on the number of positions an organisation actively wishes to recruit as a percentage of the number of overall employees (Barton, 2002).

In addition, stability index (IDS, 2004) provides another strategy of discussing turnover. This measure gives an indication of the extent to which

experienced employees are being retained. It can be used to calculate the stability of the whole organisation or of a particular group of employees. It is usually calculated as the number of employees with one year's service or more as a percentage of the number of people employed a year ago. This formula can be varied according to particular circumstances (e.g. basing it on a longer period of service). A rise in the stability index indicates the company is improving retention of more experienced staff. Normally, a wastage rate would be expected alongside a low level of stability. If both percentages are high, this indicates the organisation is experiencing problems with a small number of high turnover jobs (IDS, 2004).

Cohort analysis enables an organisation to understand service–related leaving patterns by taking the leaving rates of a (usually homogeneous) group of employees who joined at the same time. The resulting leaving rates can be plotted on a wastage or survival curve. Cohort analysis is a useful tool for organisations concerned about turnover costs due to high expenditure on recruitment, induction and training (Romano, 2003).

Wastage and survival curves are techniques of plotting the number of leavers against their length of service on leaving. A characteristic turnover pattern shows a high level for new starters, which then decreases with length of service. Alternatively, survival curves represent the number of people who stay against length of service, providing a measure of retention instead of turnover (Romano, 2003).

Similarly, some organisations employ exit interviews and surveys to obtain qualitative information on turnover. However, it is important to appreciate that the reasons people give for their resignations are frequently untrue or only partially true (CIPD, 2004). The use of exit interviews is widespread yet they can be unreliable, particularly when conducted by someone who may later be asked to write a reference for the departing employee. According to CIPD (2004), where exit interviews are used, it is best to conduct them a short time after the employee hands in their notice. The interviewer should be someone who has not had direct responsibility for the individual (i.e. as their line manager) and who will not be involved in future reference writing. Confidentiality should be assured and the purpose of the interview explained. Alternative approaches involve the use of confidential attitude surveys, which include questions about intention to leave, and questionnaires sent to former employees on a confidential basis about six months after their departure.

Costing turnover is another strategy that employers use to measure extent of turnover on an organisation. The more complex approaches to costing turnover give a more accurate and higher estimate of the costs. Such approaches often take into account the costs associated with lost productivity (i.e. the productivity of a new employee during their first few weeks or months in the role and that of resignees during the notice period) and the effect on morale of the remaining workforce. One such analytical framework is that proposed by Tziner and Birati (1996). The authors demonstrate how their conceptual framework can be translated into a formula and applied in practice. The Tziner and Birati framework

include direct costs incurred in the replacement process (recruiting, hiring, training and socialising new employees, including the extra effort by supervisors and co–workers to integrate them. Indirect costs and losses relating to interruptions in production, sales and the delivery of goods to customers and financial value of the estimated effect on performance as a result of the drop in morale of the remaining workforce following dysfunctional turnover.

While such approaches are, arguably accurate, and may cover all the costs associated with turnover, in practice these can prove too complex and time consuming for many organisations. The Chartered Institute of Personnel and Development (CIPD, 2004) suggests that because of the difficulties involved in estimating and quantifying some of the indirect costs many organisations prefer to take a 'not less than' approach in attempting to cost turnover. According to the CIPD (2004), it is possible to compute a 'not less than' figure by working out what it costs on average to replace a leaver with a new starter in each major employment category. This figure can be multiplied by the crude turnover rate for that employee group to calculate the total annual costs of turnover. The CIPD suggests that the major turnover costs are administration of the resignation (including exit interviews), recruitment costs (including advertising), selection costs, costs of cover (temporary employees or overtime) during the vacancy period, administration of recruitment and selection processes and induction training for new employees.

CHAPTER THREE

METHODOLOGY

Introduction

This chapter looks at research design, study population, sample size, sampling procedure, sources of data and data collection, pre–test, data collection and methods of data analysis and presentation of results.

Research setting – Koforidua Polytechnic

Koforidua Polytechnic was established in 1997, in pursuance of the policy of government for Polytechnics to offer tertiary education to train middle–level manpower for the country. The Polytechnic takes its legal backing from the Polytechnics Acts, 2007 (Act 745), and all its activities and the activities of members of staff are regulated by the Act and other statutory enactment such as the Labour Acts, 2003 (Act 651), the Statutes of the Polytechnic and the Conditions of Services.

In the initial stages, Koforidua Polytechnic paired with Koforidua Technical Institute (KOTECH), and shared its resources such as infrastructure, administrative; accounting; medical and library staff. The Principal, who was also head of the Technical Institute, was placed under the Principal of Ho Polytechnic and later Accra Polytechnic Principal as supervising Principals. The

Polytechnic however, recruited its own staff in 1999 but continued to share the classrooms and other infrastructural facilities with KOTECH until December 2001 when the last batch of KOTECH's students was transferred to its present site.

The Polytechnic currently has three schools or faculties; the School of Business and Management Studies (SBMS), School of Applied Science and Technology (SAST) and School of Engineering (SoE). Thirteen (13) HND programmes as well as seventeen (17) non–HND programmes are run by the Polytechnic.

The SBMS runs the following Higher National Diploma (HND) programmes: Accounting, Marketing, Purchasing and Supply, while the SAST runs HND programmes in Statistics, Computer Science, Networking Management and Hospitality Management. The School of Engineering runs HND Engineering in Energy Systems Engineering, Automotive Engineering, Electrical/Electronic Engineering, Mechanical Engineering and Building Technology.

Research design

The study adopted the cross–sectional survey method. As noted by Yin (1994), survey is a systematic method for gathering information from a sample of individuals for the purposes of describing the attributes of the larger population of which the individuals are members. The chosen method is cross–sectional because the research problem takes only a single snap shot approach in investigating the main research questions. This method was considered useful

because the problem of study cannot be directly observed. The survey method makes use of questionnaire composed of structured and standardised questions, which were intended to reduce biases and ensure reliability, generalisability and validity of the data/ information collected. The approach also ensures the use of in–house primary information, which is original and could not be feasible if the experimental approach is employed.

Target population

The targeted population for the study consisted of all teaching and non–teaching staff of the polytechnic. The institution presently has one hundred and thirty (130) teaching staff and two–hundred and fifty (250) non–teaching staff, totalling 380 staff.

Sample size for the study

In other to get a sample size for the study, the Fisher, Laing, Stoeckel and Townsend (1998) formula for determining sample size was employed: $n = z^2 pq/d^2$
Where:

n= the desired sample size

z= the standard normal deviation, usually set at 1.96 which corresponds to 95 percent confidence level;

p= the proportion of the target population that have particular characteristics;

q= 1.0–p; and

d= the degree of accuracy desired, this is usually set at 0.05

With (z) statistic being 1.96, degree of accuracy (d) set at 0.05 percent and the proportion of the target population with similar characteristic (p) at 95 percent which is equivalent to 0.95, then "n" is:

n= $\underline{(1.96)^2 (0.95) (0.05)}$ =72

0.05^2

Following this calculation, a sample of 80 respondents was selected to make adjustments for non–response. Seventy nine of these responded, resulting in 98.7% response rate.

Sampling procedure

Both probability and non–probability sampling methods were employed to select respondents for the study. Out of the total number of teaching staff, 34% of them, representing forty–one (41) respondents were selected to respond to the questionnaire. In order to make the distribution a true reflection of the academic make–up of the polytechnic, a proportion of the forty–one was allocated to each of the schools/faculties in the institution. These schools/faculties are applied sciences (9 of the total teaching staff), business (19 of the teaching staff) and management (13 of teaching staff). The individual academic staff respondents were randomly selected from the various departments, bearing in mind the need to have a respondent from each department within the various schools/faculties. The allocation of the sample population is captured in Table 3.

Table 3: Academic staff distribution at Koforidua Polytechnic

Department	Total staff	Proportion (%)	Sample
Applied Sciences	29	22	9
Business	60	46	19
Management	41	32	13
Total	130	100	41

Source: Koforidua Polytechnic (2009)

For the non–teaching staff, a relatively smaller proportion of approximately 12 percent was selected, compared to the teaching staff. The lower number of non–teaching staff was decided based on two premises. First, from the researcher's personal experience of working in the polytechnic, the extent of turnover among the teaching staff is comparatively higher than the non–teaching staff. Secondly, due to the relatively lower academic qualifications among the non–teaching staff, the teaching staffs wield more collective bargaining power than the non–teaching staff. Nonetheless, the non–teaching staff members were considered important as their views and opinions would situate the findings of the study in a broader perspective. The non–teaching staff respondents were randomly selected based on administrative and non–administrative categories.

Sources of data and data collection

The study relied on two main sources of data namely, primary and secondary data. The primary data, which addressed the research questions and objectives, were collected through self–administered questionnaire. The study

also made use of secondary information in the form of the Polytechnics human resource policies and procedures, which spell out the institutions reward and recognition policies.

According to Leary (2004), the major advantages of questionnaires are that they can be administered to groups of people simultaneously, and they are less costly and less time consuming than other measuring instruments. The data gathering instrument contained a section on socio–demographic characteristics of respondents (age, sex, years of employment, job designation), issues on employees assessment of rewards and recognition as well as issues on turnover. The questionnaire was chosen for the study to allow quantification of results. Similarly, the study participants are capable of providing responses without being assisted and a questionnaire was considered a convenient instrument for soliciting the views of employees on the issues under investigation.

Pre–test

A pre–test of the instrument for data collection was conducted among some employees of Cape Coast Polytechnic. Cape Coast Polytechnic was chosen on the assumption that both academic staff members and non–academic members share similarities. For instance, senior members in the two institutions are members of Polytechnic Teachers Association of Ghana (POTAG). The pre–test was conducted between 22nd and 24th January 2010. After the pre–test, some of the ambiguities identified were clarified to make the questions coherent. The essence of the test was to identify inconsistent that could have occurred in the

development of the instrument. After the pre–test, the ambiguities and unclear questions were re–phrased to elicit the required responses.

Data collection and field challenges

This section describes how the researcher gathered the relevant data for this study. To make the primary data gathering easy, maximum cooperation of the human resources registrar of the polytechnic was sought. This was because the human resource manager has direct contacts with the study population and his influence is expected to provide some sense of urgency among the respondents to complete the questionnaires. Data collection took place from 23rd March to 10th April 2010. A cover letter was incorporated into the questionnaire as part of the introduction process. This included, among other things, reasons for the study. There were some few resistances from respondents at the initial stages of the data collection process. Some employees erroneously perceived the researcher as insider could therefore use the information gathered to victimise respondents. However, after conscientiously indicating to potential respondents the academic nature of the study, all those approached willingly accepted to be part of the study.

Methods of data analysis and presentation

The statistical programme that was used for the analyses and presentation of data was the Statistical Product and Service Solutions (SPSS) software version

16.0. Descriptive statistics in the form of frequencies and percentages in tables were used to present the findings.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

The focus of this chapter is to highlight important findings resulting from the objectives. Issues outline in the chapter are background characteristics of respondents, rewards appraisal by staff, staff assessment of recognition at Koforidua Polytechnic and retention issues at Koforidua Polytechnic. In all, 79 of the targeted 80 employees responded to the instrument. In the presentation of the results, only valid responses are reported which means that in some cases, the responses will not correspond with the response rate.

Background characteristics of respondents

Background information of respondents is very important for situating studies into proper socio–economic perspectives and how these could have influenced specific responses. Some definite characteristics considered in this study include age, years of service with the institution, gender/sex, and employment status. These background variables are presented in Table 4. Ages of respondents were collected at the ratio scale level. Therefore, they are described in measures of central tendency and dispersions. The average age of respondents was approximately 33 years with a median age of 34 years while the modal age

was 35 years. Relatively, the ages were clustered with a standard deviation of about six years. The range between the highest and lowest ages was 26 years.

A higher proportion of the workers had worked for just about three years. In addition, the mean number of years worked by respondents was more or less 4.3 years whereas the standard deviation of roughly 2.8 years projects the study population to be fairly homogenous. The difference between minimum and maximum number of years staff have been engaged was 11 years.

In all 64.8 percent of staff were males with the remaining 35.2 percent being females. With respect to grades of salary scale, the prevalent grade was two (2), mean grade of almost four (4) and standard deviation of about two (2).

Table 4: Central and dispersion measures of age and years of service

Index	Age	Yrs. of service
Mean	33.1	4.3
Median	34.0	3.0
Mode	35.0	3.0
Std. Deviation	6.2	2.8
Range	26	11.0

Source: Fieldwork, 2010

In relation to designation of respondents, about 13 percent of the respondents did not indicate their status. The remaining respondents had diverse designations. However, they were categorised into three distinct categories as

applicable in tertiary institutions in Ghana. These groupings are junior, senior staffs and senior members. Put together, junior staff employees constituted about 14 (Table 5); senior members were 51.9% while employees of senior status were 21.5%. This did not truly reflect the proposed representation of the various staff categories in the polytechnic. The reasons were principally two; non response and non–statement of designation.

Table 5: Designation of respondents

Response	Frequency	Percentage
Not stated	10	12.7
Junior Staff	11	13.9
Senior	17	21.5
Senior member	41	51.9
Total	79	100.0

Source: Fieldwork, 2010

Rewards appraisal by respondents

One of the recognised approaches of rewarding staff is through wages and salaries. To validate how staff assesses their salaries as a means of reward, a question was posed to find out whether their salaries were considered satisfactorily. As shown in Table 6, about 2.5 percent stated their salaries were satisfactory. Some were also not sure and this constituted about 29 percent. The

47

majority (68.4%) indicated that their salaries were below satisfaction. A mean of approximately (2.7≈3) 3 confirms these results. Again, a standard deviation of 0.53 points to a population that is very homogenous (a standard deviation very close to zero, compared to a mean of ≈3).

As Beer and colleagues (1984) note, employers have an obligation to reward their employees since they expect the best from them. Since this becomes an informal contract between the parties, employees also have a responsibility to work to reflect the rewards given by their employers. The two main approaches of doing this as suggested in the literature comprise either saying a thank you or presenting a tangible object. The attractiveness of these rewards could be determined by how much of the reward item or the extent to which the individual values the reward package. Among some of the issues this objective addresses include the relationships between salaries and performance, comparison of salaries to people in related jobs, acceptability of basis of salaries, fairness and preferred benefits among the employees.

Table 6: Assessment of salary in relation to performance

Salaries and performance	Frequency	Percentage
Satisfied	2	2.5
Declined to comment	23	29.1
Unsatisfied	54	68.4
Total	79	100.0

Source: Fieldwork, 2010

Attractions are almost with humans everywhere. The extent and magnitude are, however, the deciding factors that prompt people to decide or become attracted to such environments. An old Ghanaian saying has it that "comparison makes prisoners hopeful/cheerful". This applies in the world of work and the financial considerations thereof. If after careful considerations, workers feel that "nowhere is better", the chances are that they would stay with current employers. Earlier, respondents had generally indicated an absence of satisfaction with their current salaries. Further attempts were made to discover whether this wide–ranging lack of satisfaction could possibly be related to workers comparisons with other workers else, probably in similar institutions but earning more than they do. The responses here were similar to those stated about satisfactorily salaries; the majority (68.4%) (depicted in Table 7) were of the view that other colleagues in similar institutions as theirs were far better–off than they were. Some too were unsure and they constituted about 30.4 percent.

Table 7: Comparison of salary to people in similar jobs

Salaries comparison	Frequency	Percent
Acceptable	1	1.3
Undecided	24	30.4
Not acceptable	54	68.4
Total	79	100.0

Source: Fieldwork, 2010

Most likely, it could be that they have not really considered salaries and benefits of others elsewhere. Factors that influence employees rating of rewards (a component of motivation) are underscored by many complex but interrelated variables.

Gender, age, qualification, marital status and several other socio–economic and demographic features play a role in delineating what motivates people. Armstrong and Stephens (1994) concede that human resource managers need to consider reward management as a critical area of organisation management. Pay structures of organisations is one such area. Competitive organisations sometimes conduct market surveys to compare their rates with similar competing establishments and adjust, where need be, their pay structures. Martocchio (1998) adds that employees go all–out for better performance if they perceive that higher performance will lead to greater pay. Abassi and Holman (2000) note with concern how lack of competitive compensations can influence or affect employee turnover. Abassi and Holman (2000) go on to argue that employees who are not satisfied with their current compensation levels are likely to seek information about other organisations and if they are satisfied or at least, consider current rates as lower than others, holding all other things constant, turnover will possibly shoot up. Given what the current evidence and those from the literature posits, it will not appear out of the ordinary if some staff members of the institution leave for better options elsewhere.

The effects of salaries on performance and salaries are inextricably linked. Each has a potential of influencing the other. In a similar context, the basis of

paying employees could underscore how workers accept or consider their compensations. In most of the developed countries of Europe and America, workers salaries are usually calculated on hourly basis. This approach, in most instances, is considered to be fair–neither the employer nor employee is considered as being a cheat over the other. Generally, salaries in Ghana are pad on monthly basis. While some may consider this as unfair, others may not. Respondents' views were sought on whether the current system being used as basis of their salaries was acceptable. Less than one–tenth (5.1%) [Table 8] considered the basis of their salaries as acceptable. Twenty–six of the employees were not sure whether the basis of their salaries was acceptable or not. Forty–nine (49) respondents, representing a greater majority (62%) stated that the basis of their payment was not acceptability. There is multiplicity of factors that could account for this. For instance, educational qualification as well as years of service could account for assessment of salary as acceptable or unacceptable.

Table 8: Acceptability for basis payment

Basis of pay	Frequency	Percentage
Acceptable	4	5.1
Undecided	26	32.9
Unacceptable	49	62.0
Total	79	100.0

Source: Fieldwork, 2010

There are times that workers may not be satisfied with their conditions of service. Nonetheless, a sense of contentment could exist if the determinations of such conditions are based on fair and mutually agreeable notices. To ascertain this, information on this issue was sought from staff of the polytechnic. The responses generated did not tilt generally to one specific direction as earlier issues analysed had shown. Approximately 15 percent (Table 9) thought that basis of salary increases are done on fair basis whereas forty–three percent indicated their inability to comment on that issue. Meanwhile, about 42 percent (Table 9) were well convinced that salaries determinations were not on fair basis.

Table 9: Basis for salary increases

Procedure assessment	Frequency	Percent
Fair	12	15.2
Not sure	34	43.0
Not fair	33	41.8
Total	79	100.0

Source: Fieldwork, 2010

It is possible that those who thought negotiations were done on fair basis could be involved in the actual process of determining workers salaries at the institute. While it is acknowledged that salaries negotiations in Ghana are made by unionised bodies with approval from their members, some few individuals may have peculiar bargaining power depending on their qualifications and experiences.

Yet in most cases, negotiations of service conditions are done by the unions. It then stands to reason that, those who feel left out in most instances would have the impression that the processes involved were unfair.

Human beings value things differently. These valuations are based on varied factors, either based on nurture or nature. The means of certain benefits were calculated to identify how the various categories of workers value such benefits. These benefits include salaries/compensations, leave benefits, retirement plan, health and related benefits, study leave with pay and tuition re–imbursement. The range of responses is provided in Table 10.

Table 10: Means of important benefits of Koforidua Polytechnic staff

Benefit	N	Mean	Std. Deviation	Std. Error Mean
Salary/Compensation	76	4.30	1.178	0.135
Leave benefits (including sickness, vacation, personal and paid holidays	77	3.99	1.141	0.130
Retirement plan	76	4.0263	1.27513	0.14627
Health and related benefits (health insurance, dental, prescription	76	4.18	1.208	0.139
Study with pay	77	4.30	1.159	0.132
Tuition reimbursement	71	4.04	1.270	0.151

Source: Fieldwork, 2010

The responses indicate that the most important benefit to staff is salaries and compensations and study leave with pay (means of 4.30) respectively. The next important benefit was health and related benefits (health insurance, dental prescriptions reimbursement) (mean≈4.2). The least of the benefits valued according to mean score was leave benefits, including sickness, vacation, personal and paid holidays.

In almost all the theoretical expositions on motivation for workers, financial rewards are either directly or indirectly echoed. In Maslow's (1971) theory for instance, particularly, the first need, physical needs require monetary or financial strength to achieve. Similarly, in Alderfer's (1972) hierarchy of needs, the fundamental need suggested is existence needs and Schultz (1982) adds that organisations can satisfy these needs through salary, fringe benefits, a safe working environment, and some measure of job security. It relates to tangible goals such as being able to buy food and pay for shelter.

Staff assessment of recognition at Koforidua Polytechnic

Reward systems have principally been grouped into financial and non financial rewards. The former has been considerably dealt with in preceding discourse. Researchers are quite clear on the roles by the different forms of recognitions. As Howard (1997) observed in his study of university employees, many workers highly appreciate being congratulated by the immediate supervisor. In spite of the enormous benefits inherent in this "simple" means of motivation, less than half of respondents received this form of appreciation.

Results from Koforidua Polytechnic were not starkly different from results elsewhere. Only eight workers (10.3%) had ever been praised by their immediate supervisors. Twenty–eight (36% as shown in Table 11) indicated that they were unsure whether they have ever been praised for good work done. The majority (54%) pointed out that non–financial recognition such as praises or congratulations were hardly conveyed to them on regularly basis. As Romano (2003) notes, these kinds of non–financial motivations speak to emotions of workers and as well, increase their sense of worth. In all, the results support Howard's (1997) study which found that more than half of employees of the university he studied were discontented with the extent of non–financial motivation existing in the university.

Table 11: Praises of employees by managers

Frequency of praise	Frequency	Percent
Regular	8	10.3
Not sure	28	35.9
Irregular	42	53.8
Total	78	100.0

Source: Fieldwork, 2010

In finding out what exists at Koforidua Polytechnic, staff members were asked the nature of criticisms they receive from their supervisors when they err. From Table 12, less than one–quarter (20.3%) suggested that the criticisms they

obtain from their superintendents were constructive. A higher proportion of 49.4 percent were not sure whereas 30.4% indicated that criticisms they get from their managers were discouraging or non–constructive.

Table 12: Staff evaluation of criticism from supervisors

Evaluation	Frequency	Percentage
Constructive	16	20.3
Not sure	39	49.4
Not constructive	24	30.4
Total	79	100.0

Source: Fieldwork, 2010

By our natural inclinations, people are bound to make mistakes. Sometimes, such mistakes are often intentional or unintentional. The magnitude of such mistakes could sometimes elicit harsh or uncomplimentary criticisms. This notwithstanding, tone and non–verbal expressions that would accompany correcting such mistakes could demoralise workers. If reactions are too harsh, the self worth and confidence of workers could be hampered and would feel not needed by the organisation. What destructive criticism does is that, workers are put into perpetual and constant fear of being criticised when something goes wrong as a result of bringing on board their personal initiatives, particularly, when the criticisms are done in the presence of junior colleagues.

Another means of informally motivating or recognising the contributions of workers is to commend them for the progress they make. On the other hand, lack of these commendations could reduce staff commitment. As already indicated, what managers may consider as minor recognitions have a subtle but lasting memories in workers. This is particularly so when a supervisor who is hardly pleased commends a subordinate for making progress. Such comments have the potential of impressing on workers to go the extra mile. The results on this question followed a similar pattern like the preceding issue, thus the nature of criticisms. About 20 percent as shown in Table 13 specified that their managers have been commending them on the progresses they have made. Thirty–eight percent indicated that such commendations were irregular, while about 42 percent could neither confirm any such claim that is regular commendations of progresses being made.

Table 13: Commendation of staff for their progress

Frequency of commendation	Frequency	Percent
Regular	16	20.3
Not sure	33	41.8
Irregular	30	38.0
Total	79	100.0

Source: Fieldwork, 2010

Retention issues at Koforidua Polytechnic

All around the world, organisations, at one time or the other loose workers. Partly, this is because competitions are natural and no single organisation can provide antidotes to taming turnover rates. However, turnover becomes an issue of concern depending on the magnitude of turnover. In this section, matters addressed are employees' intentions to leave, reasons for turnover, future career plans, and staff suggestions for reducing turnover.

The first of the issues was to find out whether respondents knew any colleague worker who recently left the service of the polytechnic. The majority (88.6%) replied in the affirmative. Only nine (11.4%) respondents indicated that they did not know any worker who had left the polytechnic for other opportunities in a different place. This result should, however, not be interpreted to mean that each of the respondents knew a different person who had left. It is possible that more than two or more of the workers knew the same workers who have left and so this may not necessarily depict the extent of exit.

Respondents themselves were asked if they would leave the polytechnic's service if they had an option elsewhere. Similar to someone else leaving, the majority (81%) of the respondents, as evident in Table 14 indicated they would readily leave if they had an alternative elsewhere. About 9% however suggested that they were not prepared to leave for any other place. However, about 10 percent of the respondents did not respond to the question. It is fair to comment that workers involved in the survey were not content with the current conditions of service at the polytechnic.

The study also explored the reasons they thought would have accounted for their colleagues leaving Koforidua Polytechnic. The most prevalent reasons given by respondents were financial recognition and motivation (salary) – 86 percent. In educating managers on recognition and retention, Romano (2003) recommends four approaches to recognising and retaining employees. These include cash awards, spot programmes, symbolic rewards and verbal recognition. It is therefore not surprising that most of the workers indicated salaries or monetary considerations as the most obvious reasons that would propel their colleagues to leave the polytechnic. Some also considered lack of career mobility (4.2% in Table 14) as the main reason that moved their co–workers to leave the institution. Similarly, other incentives, such as health insurance, leave benefits and others (9.7%) could have attracted their other colleagues to leave to other perceived fulfilling organisations.

Table 14: Reasons for employee exits

Reason	Frequency	Percent
Money/Salary	62	86.1
Lack of career mobility	3	4.2
Other incentives	7	9.7
Total	72	100.0

Note: Number of observations less than the total respondents since some did not respond to the question

Source: Fieldwork, 2010

One reason that accounts for turnover is future career plans as the preceding section has shown. If salaries are relatively better and career progression and mobility is within acceptable ranges, employees may not want to leave their present employers, holding all other things constant. Twenty–two staff (31.4%) said that within the next one to two years, they would retire or leave their employment at Koforidua Polytechnic.

Table 15: Future career plans of staff members

Career plan	Frequency	Percentages
Retire or leave my employment within 1–2years	22	31.4
Retire or leave my employment within 3–5years	35	50.0
Retire or leave my employment within 6–10years	7	10.0
No plans to retire or leave employment in few years	6	8.6
Total	70	100.0

Source: Fieldwork, 2010

In the preceding three to five years, 50 percent of the staff surveyed would either leave or retire from Koforidua Polytechnic. Ten percent (10%) of employees also revealed that their career plans between the next six (6) and ten

(10) years, they would either retire or look for, probably better opportunities in a different place. Approximately 9 percent (Table 15) related that they had no plans to retire or leave the service in the near future.

Factors that account for these career plans were explored. The most prevailing reason that respondents assigned was less satisfaction with salaries/compensations (39.2%). Another reason that respondents proffered for the plans indicated earlier was less opportunities for further studies, which constituted 25.3 percent. A work environment devoid of fear and intimidation is likely to encourage workers to give–off their best in productivity. To this end, about 21.5 percent suggested that among the reasons that could either hasten or slow their career plans implementation is better working environment, which include mutual respect for each other. That is, reciprocal respect between managers and their subordinates. About 14 percent of the workers also suggested that their decision to either stay or leave was personal and for this reason, they would want such thoughts to remain personal and private.

Table 16 shows the results of contributory factors to future career plans. With the exception of "personal decision to leaving" where many inferences could not be imputed, the rest of the responses were more related to voluntary and avoidable reasons for turnover as suggested by Lake (2000). As put forth by Lake (2000), avoidable turnover could be fuelled by employees leaving to find better pay or working conditions elsewhere, problems with management or leaving for better career opportunities and many others. Therefore, this study supports Lake's

assertion. Even though the reasons assigned here are not real (rather perceived); the trajectories for exit appear to exist in the institution.

Table 16: Contributory factors to future career plans

Factors	Frequency	Percentages
Better working environment (including mutual respect for each other)	17	21.5
Less opportunities for further studies	20	25.3
Less satisfaction with salaries/compensation	31	39.2
Personal decision to leave	11	13.9
Total	79	100.0

Source: Fieldwork, 2010

Following the issues that have so far been discussed, suggestions were provided by respondents as to how to improve recognition and compensation that can reduce turnovers. A relatively higher proportion of the workers (46.8%) recommended better remuneration (salaries and compensations) for staff to curtail intentions of leaving the polytechnic.

Two responses that generated similar response percentage were "fairness to all staff" and "further training opportunities for all staff". Each of the responses elicited 15.2 percent (Table 17) respectively. Respondents who suggested fairness were more particular about non–discriminatory practices of managers towards all

staff members without any biases such as tribal, ethnic or political inclinations. Another suggestion by staff was "improved management–staff relationships" (13.9%). Similarly, some respondents were concerned about the extent of bureaucracy (8.9%) existing in the polytechnic.

Table 17: Staff suggestions to reduce turnover

Suggested solution	Frequency	Percent
Better remuneration	37	46.8
Fairness to all staff members	12	15.2
Further training opportunities	12	15.2
Improve management–staff relationships	11	13.9
Reduce the extent of bureaucracy	7	8.9
Total	79	100.0

Source: Fieldwork, 2010

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This study mainly sought to evaluate some relevant issues on employee recognition and rewards and how they are likely to play out on staff retention. The study explored the objectives through a cross–sectional survey approach. The principal instrument used to elicit information was a questionnaire. The data was analysed with SPSS. The specific objectives were to:

- Examine staff appraisal/assessment of rewards practices of Koforidua Polytechnic;

- profile Koforidua Polytechnic staffs' evaluation of current recognition traditions in the institution;

- assess how the recognition and rewards system affects actual and intended turnover at Koforidua Polytechnic; and

- Recommend appropriate measures or actions that are likely to improve polytechnic staff retention in Ghana.

Summary

The study made the following observations which were based on the objectives set for this study;

64

- More than half (68.4%) of the workers indicated their lack of satisfaction with salaries and compensations paid by the polytechnic.

- Several of the respondents perceived people with similar qualifications as theirs but working in different institutions were paid better than them. Fairness of basis of salaries fixing was also assessed. About 62 percent disclosed that the basis, to them, was not fair compared to about 5 percent who felt the basis was fair. Others could not confirm or reject the fairness of the basis of the payment.

- Again, the study reveals that salaries and compensations and study leave with pay were the most cherished reward packages staff preferred, while leave benefits (including sickness, vacation, personal and paid holidays) were the least preferred.

- Recognitions, such as regular praises for good job done were not quite common as more than half (54%) did not confirm such practices.

- About Nine out of ten (89%) of respondents knew someone who left the service of the polytechnic for better opportunities. Money/salary was the major reason advanced by respondents as being responsible.

- The commonest future career plan of most of the respondents was either to retire or leave employment from the service of the polytechnic within the next 3–5years. With the exception of few (8.6%) who disclosed no intentions to either leave or retire from the polytechnic in the anticipated future, all the other respondents had an intention to leave or retire except that the years varied among the participants.

65

- Reasons provided by respondents for the intended future career plans included better working environment (including mutual respect for each other) less opportunities for further studies, less satisfaction with salaries/compensation as well as a personal decision to leave.

- Finally, respondents suggested some strategies to reduce turnover in the polytechnic. These were better remuneration (46.8%), fairness to all staff members (15.2%), providing training opportunities to all staff members (15.2%), improving management–staff relationships (13.9%) and reducing the extent of bureaucracy in the institution (8.9%).

Conclusions

The staff appraised the reward practices of the polytechnic lowly. Salaries were generally found to unacceptable to the staff. This view ranged from basis of payment, quantum and in relation to colleagues elsewhere. Other rewards such as leave benefits, retirement benefits, health insurance, and tuition reimbursement were all fairly low ranked by a higher proportion of the study participants.

The study has also drawn attention to the need to address employees' needs on recognition which are mainly related to emotions and psychology. While employees would have cherished recognition words such as "thank you", "well done", "keep it" and several others, these techniques of recognising the contributions of employees appeared non–existing at the Koforidua Polytechnic.

The results show that almost each of the respondents knew at least one colleague who had left the organisation for better alternatives. This, directly or

indirectly beckons institutional administrators to have well packaged rewards and recognitions for their employees to neutralise intentions to quit and actual quitting since high turnovers have the potential of drawing back organisational progress and continuity.

Recommendations

The study makes the following recommendations which are premised on the main findings;

- That, steps must be taken by the government and the polytechnic council to address staff unsatisfactory assessment of salaries and compensations, particularly, compared to salaries and compensations of other analogous institutions, such as the universities. This recommendation is based on the fact that, considering the average ages of staff involved in the study, they are not likely to retire in the next decade yet most of them had intentions of quitting employment of the polytechnic within the next decade. This means that if rewards are not properly addressed, the polytechnic stands a high risk of losing some of its experienced staff. It is important for the polytechnic management and other similar institutions to note that new recruitment arising from high turnovers comes along with new costs of training to institutions.

- That, management or employees in supervisory ranks in the polytechnic be coached by human resources management experts on new trends of managing people, especially in areas of recognition. The results are fairly

indicative of the fact that management least recognises staff with motivational messages that speak to the emotions of their employees, which are important in impressing on workers that they can do more.

- Again, management of the polytechnic has to be proactive and inclusive in their dealings with staff on issues surrounding the rewards negotiations. This should be based on fair and mutually beneficial agreements. This is borne out of the fact that a substantial number of the respondents felt that salaries and compensations fixing are not done on fair basis. Similarly, union leaders such as Tertiary Educational Workers Union (TEWU) and Polytechnic Teachers Association of Ghana (POTAG) should be encouraged to flow information to their members on issues about salaries and compensations. This will allay the level of disenchantment that may arise from their members regarding salaries and compensations.

- Also, management could conduct regular surveys on preferred means of rewarding and recognising staff. An aspect of results from this survey has shown that salaries and compensations were the most important needs of respondents. However, man is dynamic and these preferences can change with time. This requires prompt responses to exigencies of any streak of time.

REFERENCES

Abassi, S. M. & Hollman, K. W. (2000). Turnover: the real bottom line. *Public Personnel Management*, *2(3),* 333–342.

Alderfer, C. (1972). *Existence, relatedness and growth*. New York: Free Press.

Armstrong, M. & Stephens, T (2005). *A handbook of employee reward management and practice*. London: Kogan Page.

Arnold, H. J., & Feldman, D. C. (1986). *Organisational behaviour*. Singapore: McGraw–Hill International Editions.

Barton, G. M. (2002). *Recognition at work.* Scottsdale: World at Work.

Beer, M., Spector, B., Lawrence, P. R., Mills, D. Q., & Walton, R. E. (1984). *Managing human assets*. New York: The Free Press.

Cacioppe, R. (1999). Creating spirit at work: re–visioning organisation development and leadership – Part I. *The Leadership & Organisation Development Journal, 21(1),* 48–54.

Chartered Institute of Personnel and Development (CIPD) (2004). *Fact sheet on employee turnover and retention.*

Croce, P. (2004). Inspire. *Fortune Small Business*, *14(6),* 40–42.

Curran, C. R. (2004). Rewards: respect, responsibility, relationship and recognition. *Nursing Economics*, *22(2),* 57–59.

Deeprose, D. (1994). *How to recognise and reward employees*. New York: AMACOM.

69

Effah, P. (2003). Ghana. In: Teferra, D. & Altbach, P. G. (eds.). *African higher education: An international reference handbook.* (pp. 338–359). Bloomington: Indiana University Press

Firestone, W & Pennell, J. (1993). Teacher commitment, working conditions, and differential incentive policies. *Review of Educational Research*, *63(4)*, 489–525.

Griffith, R. W., Hom, P. W. & Gaertner, S. (2000). A meta–analysis of antecedents and correlates of employee turnover: Update, moderator tests, and research implications for the millennium. *Journal of Management*, *26, 463–488.*

Hoerr, T. (1998). A case for merit pay. *Phi Delta Kappan*, *80 (4),* 326–27.

Howard, F. (1997). Keeping the best employees in the 90's. *Journal of Property Management*, *62(3),* 20–25.

Huff, C. (2006). Hospital aims for culture where employees 'never want to leave'. *Workforce Management*. www.workforce.com/section/06/feature/23/94/76/index_printer.html (Accessed on 5th July, 2010)

Institute of Development Studies (2000). Improving staff retention. *IDS Studies*, No. 692, July 2000.

Institute of Development Studies (2004). Improving staff retention. *IDS HR Studies*, No. 765, Jan 2004.

Institute of Development Studies (2004). Improving staff retention. *IDS HR Studies*, No. 765, Jan 2004.

70

Jeffries, R. (1997). Reaping the rewards of recognition. *Human Resource Focus*, *74(1), 9–10.*

Kelley, C. (1999). The Motivational Impact of School–Based Performance Awards. *Journal of Personnel Evaluation in Education*, 12(4), 309–26.

Lake, S. (2000). Low–cost strategies for employee retention. *Compensation and Benefits Review*, *32(4), 65–72.*

Lawler, E. E. (1990). *Strategic Pay*. San Francisco: Jossey–Bass Inc.

Lawler, E. E. (2003). *Treat people right*. San Francisco: Jossey–Bass Inc.

Leary, M. R. (2004). *The curse of the self: Self–awareness, egoism, and the quality of human life.* New York: Oxford University Press.

Lundmark, R. (2007). *Reward and Recognition Strategies. A case study of GE Health Care in Umea*.

Martins, C. (2003). Explaining labour turnover: Empirical evidence from UK establishments. *Labour*, *17(3), 391–412.*

Martocchio, J. J. (1998). *Strategic Compensation*. New Jersey: Prentice–Hall Inc.

Maslow, A. (1971). *The farther reaches of human nature*. New York: The Viking Press.

McCollum, S. (2001). How merit pay improves education. *Educational Leadership, 58(5),* 21–24.

Metcalf, H., Rolfe, H, Stevens, P. & Weale, M. (2005). *Recruitment and Retention of Academic Staff in Higher Education*. Nottingham: National Institute of Economic and Social Research.

Milkovich, G. T. & Newman, J. M. (1999). *Compensation*. Boston, MA: Irwin/McGraw–Hill.

Mol, A. (1992). Motivating subordinates. *IPM Journal*, *11(2),* 19–22.

Morrell, K., Loan–Clarke, J & Wilkinson, A. (2004). The Role of Shocks in Employee Turnover. *British Journal of Management, 15(4)*, 335 – 349.

Murnane, R. & Cohen, D. (1986). Merit pay and the evaluation problem: why most merit pay plans fail and a few survive". *Harvard Educational Review*, *56(1),* 1–17.

Nel, P. S., Gerber, P. D., van Dyk, P. S., Haasbroek, G. D., Schultz, H. B., Sono, T., & Werner, A. (2001). *Human Resources Management*. Cape Town: Oxford University Press.

Nelson, B. (1994). *1001 ways to recognise employees*. New York: Workman Publishing Company.

Nelson, B. (1995). Motivating employees with informal awards. *Management Accounting, 77(5),* 30–35.

Odden, A. (2001). Defining Merit. *Education Matters*, *1(1),* 16–24.

Odden, A. & Kelley, C. (2002). *Paying teachers for what they know and do: New and smarter compensation strategies to improve schools*, (2nd Ed). California: Corwin Press.

Pollock, R. (1995). A brighter shade of team building. *Triangle Business Journal*, *16(3),* 12–17.

Richardson, R (1999). *Performance Related Pay in Schools: An Assessment of the Green Papers, A report prepared for the National Union of Teachers*, The London School of Economics and Political Science.

Romano, L. (2003). Beyond reward: why cash is no longer enough. *Rewards*, 3(1), 12–13.

Sarvadi, P. (2005). *The best way to reward employees: solutions for growing business*. www.entrepreneur.com (Accessed on 27th February, 2010).

Schultz, D. (1982). *Psychology and industry today.* New York: Macmillan Publishing Co., Inc.

Schuster, J. R., & Zingheim, P. K. (1992). *The new pay*. New York: Lexington Books.

Sethi, D. & Pinzon, B. (1998). A seven–step strategy to help retain your company's high–impact performers. *Human Resource Planning*, *21(4)*, 16–22.

Solomon, L & Podgursky, M (2001). *The Pros and Cons of Performance–Based Compensation*. Milken Family Foundation, Pascadena.

Stephenson, S. (1995). Incentive programs: is holding a fistful of dollars enough? *Restaurants and Institutions*, *105(14)*, 110–119.

Syedain, H. (1995). The rewards of recognition. *Management Today*, *6,* 72–75.

Tettey, W. J. (2006). *Staff retention in African Universities: Element of a sustainable strategy*. New York: The World Bank.

Tomlinson, H. (2000). Proposals for performance related pay in English schools". *School Leadership and Management*, *20(3),* 281–298.

Tziner, A. & Birati, B. (1996). Assessing employee turnover costs: A revised approach. *Human Resource Management Review*, *6(2),* 113–122.

Wallsten, K. (1998). *Targeted rewards have greater value– and bigger impact*. www.workforce.com (Accessed on 8th July, 2010)

Wilson, T. B. (1994). *Innovative reward systems for the changing workplace*. New Jersey: R.R. Donnelley & Sons Company.

Wiscombe, J. (2002). Rewards get results: Put away your cash. *Workforce, 8(1),* 42–47.

Yorke, M., & Longden, B. (2007). T*he first year experience in higher education in the UK: Report on Phase 1 of a project funded by the Higher Education Academy. York: Higher Education Academy.* http://www.heacademy.ac.uk/research/FirstYearExperience.pdf (Accessed on 5th July, 2010)

www.thinkghana.com (Accessed on 5th July, 2010).

APPENDIX

SURVEY QUESTIONNAIRE

QUESTIONNAIRE IDENTIFICATION NUMBER...................

Purpose: I am undertaking a survey which seeks to study the impact of reward and recognition on employee retention at Koforidua Polytechnic in Ghana. Results from this study will be used primarily for academic purpose and your responses will be treated with the utmost confidentiality. **Confidentiality and Consent:** You are not obliged to answer any question you are not comfortable with. You are at will to discontinue with the questionnaire at any point. I would greatly appreciate your help in responding to this questionnaire. **Thank you**

Section A: Socio–demographic characteristics

Please provide us with the following demographic information (All responses will be kept confidential and reported in the aggregate only):

1. Age...

2. Gender [ ] Male [ ] Female

3. Years of Service..

4. Grade Level..

5. Job Title...

Section B: Reward

6. My salary is satisfactory in relation to what I do

[ ] True

[ ] Not Sure

[ ] Not True

7. I earn the same as or more than other people in a similar job

[ ] True

[ ] Not Sure

[ ] Not True

8.   The basis of payment, for example overtime payment, is reasonable

[ ] True

[ ] Not Sure

[ ] Not True

9.   Salary increases are decided on a fair manner

[ ] True

[ ] Not Sure

[ ] Not True

10. On a scale of 1 to 5, where 1 = not at all important and 5 = very important, please rate how the following benefits that you receive at Koforidua Polytechnic are of importance to you.

Variable	Ranking				
	1	2	3	4	5
	Not at All I	Not Very I	Neutral	Somewhat I	Very I

Salary/Compensation				
Leave benefits (including sick, vacation, personal, paid holidays)				
Retirement plan				
Health and related benefits(health insurance, dental, prescription)				
Study Leave with pay				
Tuition Reimbursement				
Other (specify)				

Section C: Recognition

11. I am praised regularly for my work

      [   ] True

      [   ] Not Sure

      [ ] Not True

12. I receive constructive criticism about my work

      [   ] True

      [   ] Not Sure

      [ ] Not True

13. I get credit for what I do

      [   ] True

[ ] Not Sure

[ ] Not True

14. I am told that I am making progress

[ ] True

[ ] Not Sure

[ ] Not True

Section D: Retention

15. What makes you think about leaving Koforidua Polytechnic? (You can tick more than one).

    [ ]   Low salaries

    [ ]   Career mobility issue

    [ ]   Takes too long to earn a promotion

    [ ]   Too much bureaucracy that prevents me from getting the job done

    Other (please specify)...

16. Do you know someone who recently left Koforidua Polytechnic for an opportunity outside working in the Polytechnic?

    [ ] Yes

    [ ] No

17. In your opinion, why did it happen?

    [ ]   Money/Salary issues

    [ ]   Lack of Career mobility

[ ]   Leaving for more money and greater incentives (nurses, who were listed as an example title, sought employment where they could have weekends off).

[ ]   Too much bureaucracy–creativity of individual was stifled.

[ ]   Other (specific)...

18. Did they discuss with you what would have made them stay?

[ ] Yes

[ ] No

19. If yes, what were their reasons?

[ ]   More money

[ ]   Opportunity to take a leave and then possibly return

[ ]   Additional training opportunities, so employee skill sets don't become outdated

[ ]   The opportunity to work with new technology

[ ]   Other (specific)...

20. What are the specific factors that will contribute to the answer you selected to the question 18 above...?

....

....

21. As you think into the future, which of the following best describes your career plans at this time

[ ] Retire or leave my employment at Koforidua Polytechnic within 1–2 years

79

[   ] Retire or leave my employment at Koforidua Polytechnic within 3–5 years

[   ] Retire or leave my employment at Koforidua Polytechnic within 6–10 years

[ ] No plans to retire or leave employment at Koforidua Polytechnic in the foreseeable future

[ ]Other (specific)..

22. If you had an option will you leave Koforidua Polytechnic?

[   ] Yes

[   ] No

What do you think Koforidua Polytechnic should do to improve the retention of their employees?