UNIVERSITY OF CAPE COAST

INVESTIGATING EPLOYEE RETENTION STRATEGIES USED BY
MANAGERS OF SMALL MEDIUM ENTERPRISES AT KATAMANTO

BY

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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: Emmanuel Kusi

Supervisors' Declaration

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

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

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ABSTRACT

The study assesses the strategies that SME owners have instituted to retain their employees in Kantamanto in the Greater Accra Region of Ghana. Purposive and randomly sampling technique was used to select the respondents. In all ten respondents were selected for the study. Qualitative approach was employed which was underpinned by inductive logical reasoning. Interview guide was used as an instrument for the study. Conclusions from relevant related literature were captured along to authenticate the findings of the study. It can be concluded from the study that, even though most of the SME managers interviewed had a set of strategies in place to retain their employees, almost all of these strategies were sentenced on rewards, money (salaries/wages), communication, company culture and working conditions. Other strategies were not used or given less attention in generalizing the strategies used or adopted by the various SME that were included in the studies, the researcher realized that the most strategy used by the SMEs to retain their employees is good salaries and wages. The barriers hindering the retaining of employees in the institution or enterprise are how to have a cordial relationship with every worker, loosing trained and dependent staff to other companies, high salary demand from workers. It was therefore recommended that retention strategies such as good salaries and wages, effective communication and socialization should be given the needed attention. Also it is suggested that feedbacks should be given to the management of the various SMEs to help them improve upon their measures in retaining employees.

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DEDICATION

This work is dedicated to my family particularly my wife, Ernestina Odoi Kusi, my children, Obirempong Oduro Kusi and Maame Enkunim Senya Kusifor their immense support during my study.

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CHAPTER ONE

INTRODUCTION

People are the greatest single asset available to an enterprise (Chandrasekar, 2011). Unfortunately, people are the only asset that can actively work against the organization's goals (Cole, 2012). Small and Medium Enterprises (SMEs) depend on dedicated and competent employees to help meet customer needs and continue to provide the expected level of quality and service. One underlying fact about organization is that, however large or small a company or business is, it is employees at all levels that can make or break it. Retaining employees has thereby been recognized as very important because the human resource base of every organization is critical to its success as epitomized by Prof. Eduardo Fayos-sola, Director of Education and Training as well as Head of Mission for the World Tourism Organization (Mensah, 2009).

Background to the study

Organizations rely on the expertise of their employees in order to compete favorably and indeed gain competitive advantage in an ever changing competitive market place. It is therefore important to study the main turnover factors in the service organizations with emphasis on SMEs and identify the strategies that the SMEs have instituted to retain their employees. Small and medium-size enterprises are seen as engines of growth of many nations especially the developing countries. They are described as efficient and productive job

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creators, the seeds of big businesses and the fuel of national economic engines (Abor & Quartey, 2010).

Not only in developing countries but SME is also considered by developed industrial economies as the largest employer of workers (Abor&Quartey, 2010). In a global context, SMEs are usually regarded as agent for innovation, economic growth, employment generation, and wealth creation (Abor & Quartey, 2010). Constituting about 70% of employment in the private sector, the SMEs in Hungary for instance contribute about 50% of Gross Domestic Product (GDP) and 18% of the country's export (Chandrasekhar, 2011). As Abor & Quartey (2010) highlighted in most African countries, the SME sector also represents over 90% of private business and offer more than 50% of employment and of GDP (Samson & Waiganjo, 2015).

The dynamic roles and contributions of SMEs in Ghana are not different from the global statistics given above. It is estimated that the sector offers about 85% of manufacturing employment in Ghana and also believed to be contributing about 70% to 80% to Ghana's GDP and businesses in Ghana respectively (Addo, 2015). Ghana, like many other nations, has government policies towards private sector development that aimed at creating economic and regulatory environment that is more business friendly. Ghana's history of government initiatives to promote and finance SMEs dated as far back as 1969 when Bank of Ghana established Credit Guarantee Scheme to assist entrepreneurs in obtaining bank credits (Leblebici, 2012). The report continued that in 1970 the government also

introduced Ghana Business Promotion Programme with the objective of assisting newly established and existing SMEs.

The support for Ghanaian SMEs intensified as the government later in 1990 also created the National Board for Small-scale Industries (NBSSI) to oversee the Fund for Small and Medium Enterprise Development (FUMED). The rationale behind all these initiatives is that SMEs are the focal point of government's effort to spur growth and reduce poverty (Leblebici, 2012). Yet the issue of employee retention in SMEs is a key challenge which concerns SME managers regarding their sustainability and profitability. This challenge is most worrisome due to the dearth of capital, machinery and other necessary factors needed in the smooth running of the firm.

Employee turnover has been described as the total movement of employees in and out of an organization (Grobler, Warnich, Carrel, Elbert & Hatfield, 2011). It is the rate at which an employer gains and losses employees usually within a specific time, preferably, a year. Turnover is a critical human resource issue in all sectors of the economy. Employee turnover has also been recognized as a major managerial concern in contemporary work organizations (Pfeffer, 2015) which calls for this study to investigate the strategies used by SMEs to retain their employees which therefore minimizes employee turnover.

Statement of the problem

Hiring hard working workers is one thing keeping them is an entirely different thing. Most SME owners realize that their employees are not typically planning on a long-term career in the industry from conversations that the

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researcher has had with both employees and owners when in contact with them. In an attempt to keep employees, strategies are to be put in place. Retention strategies strengthen the ability of businesses to attract and retain their workforce (Grobler et al., 2011). Once the right staff persons have been recruited, retention practices provide the tools necessary to support staff. A strategic approach to employee retention may include adopting effective methods of engagement, safe and healthy workplaces and creating flexible work arrangements. Retention practices help create an inclusive and diverse workforce where barriers are reduced and individuals can participate in the workplace (Grobler et al., 2011).

Those who have got curiosity for practical scientific work may find work in the patent industry less mentally stimulating and may feel bored with it. This could lead to employee turnover. Workplaces that demonstrate the value they place in their employees and that put into place policies and practices that reflect effective retention practices benefited, in turn, from worker commitment and productivity. Creative strategies that go beyond pay and benefits can be employed to attract and retain employees. Recognition, flexible work arrangements, work-life balance, employee engagement, health and safety, communication, workplace diversity, formal wellness programs, inclusion and employee development are some examples of approaches that can become a part of the mix when developing retention strategies (Yukon, 2010).

Many of the SMEs in Kantamanto, Accra, Ghana have observed on daily basis by the researcher not to employ these retention strategies because whenever he patronises a good or service of these SMEs he gets to meet new

employees and this has therefore made it important that a study be carried out to investigate the strategies instituted by the Ghanaian SMEs to retain employees, the study was conducted in Kantamanto, Accra. Measures could be recommended for organizations to increase job satisfaction and help retain the employees.

Objectives of the Study

The general objective of the study is to explore the means by which SME owners employ to retain their employees in Kantamanto in the Greater Accra Region of Ghana. The specific objectives are to:

1. investigate the strategies that SMEs have instituted to retain employees

2. examine the key challenges faced by SMEs Managers in retaining their employees

Research Questions

1. What are the strategies that SMEs have instituted to retain employees?

2. What are the key challenges faced by SMEs Managers in retaining their employees

Significance of the study

Even though it is generally accepted that high levels of staff turnover are somewhat inevitable in SME, constant recruitment, nevertheless costs

organizations dearly both financially and in terms of quality of services to be provided. This research unearthed the measures that have been instituted by SME managers and manageress to retain their employees. The research helped SME management to identify the cost of employee turnover. It also helped to bring out other sectors of SMEs measures that helped them retain their employees. The research also added up to the body of knowledge on employee retention in Ghanaian SMEs and serves as a useful source of reference for further research. Finally it provided academic insight on employee retention.

Delimitation of the Study

The study focused on only registered SMEs at Kantamanto on the various employee retention strategies that have been adopted and the various challenges they face in retaining employees. Findings, conclusions and recommendations were not extended beyond the population.

Limitations

Despite the contributions of this study to knowledge, the study had some limitations. The researcher could not interview all employers of SMEs in Kantamanto. However, this limitation mentioned did not affect the results of the study because the sample of SMEs is a representative of the entire SMEs with the same characteristics. However, due to lack of resources and exigencies of time, the researcher could not use a large sample size. In addition, the researcher could not control the environment where the respondents provided answers to the questions in the survey. This was because some respondents were engaged in their

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daily economies activities and could not make ample to address some of the questions asked appropriately.

Definition of terms

Turnover- is defined as when an employee leaves and need to be replaced by another employee. It can be said to be the rate of movement of labour in and out of an organization.

Employee retention- Employee retention is the effort by employers to encourage current employees to remain employed with the organization

Organization of the Study

This study is divided into five chapters. The first chapter focuses on the introduction of the study. The second chapter contains literature review. Chapter three focuses on the methodology used for the study. Chapter four discusses the key findings of the study whilst chapter five deals with summary, conclusion and recommendation based on the findings of the study.

CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter provides a review of relevant literature on strategies for employee retention in SMEs in Kantamanto in the Greater Accra Region and the conceptual framework governing the study. The issues discussed include definition of employee retention and benefits of retention. Finally the chapter discusses the various models that have been developed to show employee retention and the conceptual frame work governing the study.

Firms constituting SMEs in Ghana

In view of the enormous contributions of SMEs and the effort of the government to ensure its survival, it would be interesting to know which groups of enterprise come under the umbrella of SMEs. It has been a major issue of concern in literature in an attempt to define what constitute SMEs as its definitions have many components (Abor & Quartey, 2010). Thus, there is no uniformly acceptable single definition for SME (Storey, 1994). The definitions span from the use of size of the firm (number of employees, turnover, net worth, and so on), legal status, to methods of production (Abor & Quartey 2010). However, as Abor & Quartey(2010) noted, in an attempt to categorize firms by size, there is the tendency to error because in some sectors all firms may be regarded as small whereas in other sectors there is a possibility that no firm was classified as small (Arman, Mastura, Shardy & Samsiah, 2015).

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The Ghana Statistical Service categorizes small-size enterprises as firms with less than 10 employees whilst those with more than 10 employees as medium and large-size enterprises. The National Board of Small Scale Industries (NBSSI) uses number of employees and fixed asset to define SMEs. It defines small scale enterprises as ones that have less than 9 workers with plants and machinery (excluding land, building and vehicles) whose value does not exceed 10 million Ghana cedis. The Ghana Venture Capital Trust Fund Act, 2004, Act 680 also defines SMEs as enterprises which employs not more than 100 persons with total asset value (excluding land and building) not exceeding cedi equivalent of $l million.

Small and medium-size enterprise managers refer to people who are responsible for the running of business classified as SMEs. They are the executives of these firms who see to the strategic direction and the management of the operational and administrative aspects of the firm. In some cases, these managers are also the owners of the business while others are close family members like spouses. The relationship between the manager and the business is of enormous importance to the success of the firm and especially how its employees are managed.

The owner-manager relation determines the behavioral characteristics of the SME (Arnold, 2017). This implies that if the owner-manager is not people-person or lacks the competency to manage human resources of the firm, employee turnover was high in that SME. Woldie, Leighton and Adesua, (2016) in their research on ''factors influencing small and medium enterprises (SMEs): an

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exploratory study of owner/manager and firm characteristics'' had similar findings regarding owner manager relations. By using self-administered questionnaire on 523 SMEs in Nigeria, they found that such owner-managers characteristics as age, education, previous experience, and other motivations like finance, employment creation and self-fulfilment, impacted the smooth running of their SME organisations.

Some of these owner-managers have the wrong notion that, there are a lot of people outside there looking for jobs and can fire and hire to replace with ease at the least provocation or mistake by employees. At times these close relations as SME managers do not go through formal processes of hiring and may also not possess the required competencies to run the business. Regarding these SME managerial issues, Arsalani, Fallahi-Khoshknab, Ghaffari, Josephson, & Lagerstrom(2011) administered questionnaires on 72 SME executives in Ghana. By employing descriptive statistics for their data analysis, the results indicated, although executives of small firms in developing economies were competent in making their firms competitive, they were unable to use their competences to simultaneously achieve efficiency and effectiveness in managing their workplaces.

To manage employees effectively and retain them in organisation, SME managers should understand and appreciate individuality or personality of their employees. Personality is defined as a person's relatively stable and lasting strand of thoughts, feelings, and actions (Becker, 2016). This means that employee personality helps us to understand why an employee behaves in a particular way

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at the workplace. Becker (2016) further explained that such individuals are committed to the organisation, exhibit citizenship behaviour (e.g. going beyond the normal duties), and were more likely to stay with the organisation. It should be noted that both employees and organisations have needs and where these needs are at variance, conflict can occur in organisation when these needs are not attended to in a diplomatic way. SME managers who are involved in recruitment and selection should have the skills to recruit the best employees for their firms.

Employee retention

Employee retention is the effort by employers to encourage current employees to remain employed with the organization (businessweek.com 29th April, 2013). By this definition employers try to put in measures that helped keep employees from moving out of the organization. They do this by putting in place strategies to reward for good performance, the rewards may range from salary raises, bonuses, stock options, fringe benefits, promotions, praise, recognition, constructive criticism, increased or decreased job control and decision making autonomy (Boles, Pelletier & Lynch, 2011).

There are different views available in the existing literature about the definition of employee retention, the type of employees to be retained, and what approach to follow when defining a retention strategy. Browell (2013, p. 5) defines employee retention as 'keeping those members of staff that one wants to keep and not losing them from the organization for whatever reason, especially to the competitors'. Browell (2013) further explains that key employees are those

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who hold positions that are critical for the success of the organization, for example, technical positions. These are the types of positions that are seen as a source of competitive advantage.

Employee retention takes into account the various measures taken so that an individual stays in an organization for the maximum period of time (Pfeffer, 2015). The measures may include all the activities employers put in place to prevent their employees from leaving the organization. Employee retention can be represented by a simple statistic (for example, a retention rate of 80% usually indicates that an organization kept 80% of its employees in a given period). However, many consider employee retention as relating to the efforts by which employers attempt to retain employees in their workforce. In this sense, retention becomes the strategies rather than the outcome.

Hiring employees is just a start to creating a strong work force. Next, you have to keep them. High employee turnover costs business owners in time and productivity (Pfeffer, 2015). Every organization invests time and money to groom a new employee, make him a corporate ready material and bring him at par with the existing employees. The organization is completely at loss when the employees leave their job once they are fully trained. Employee retention takes into account the various measures taken so that an individual stays in an organization for the maximum period of time (Pfeffer, 2015).

Employee retention is the exact opposite of employee turnover. Whether it is called retention or turnover, the subject is still a major concern for the SME industry in general. It is frustrating for management to spend time and

effort on employees who go through the employment process only to leave at a short time later. Retention is expressed as a percentage; if a department has one hundred employees on January 1st and sixty-three stay through the year, then the retention rate is 63%. Experts estimate that the turnover of one hourly position per week costs between $150, 00 and $213, 00 per year (Bliss, 2017).

Employee retention in small and medium-size enterprises

Employee retention is defined by Bliss (2017) as combined effort of policies and practices that cause employees to remain with an organisation for a longer period of time. The turnover of key employees can have a disproportionate impact on the business. The reason is that employers spend considerable amount of time, money and other resources to train and develop their employees. It becomes disheartening for organization especially HR practitioners when they see their employees leave the organisation. Every organisation wishes to retain its key employees and they are the very ones most likely to leave (Bliss, 2017).

Employee leaving organisation usually referred to as employee turnover or separations can be divided into two main categories: voluntary and involuntary separations (Bliss, 2017).Voluntary separations refers situation where an employee decides to leave the employer either for personal or professional reasons while involuntary separations occurs when the employer decides to terminate its relationship with an employee, due to business demands such as a poor fit between the employee and the organisation or economic necessity (Bliss, 2012). With the involuntary separation, the reasons for leaving the workplace are

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independent of the affected employees such as downsizing or restructuring Honyenuga & Adzoi, (2012).

This study is more interested in the voluntary separation or turnover. In this type of separation, the decision to quit one job could be that the employee had been offered better job, career change, family reasons, poor working conditions, low pay or benefits, a bad relationship with a supervisor Gomez-Mejia, Balkin & Cardy, (2012). The reasons for leaving ones job voluntarily are many but most of them are avoidable. According to Gomez-Mejia, Balkin & Cardy, (2012) recent studies had shown that approximately 80 percent of voluntary separations were avoidable and this could be achieved through investing in quality HR management practices.

The bedevilling effect of voluntary employee attrition and the need to adopt prudent retention strategies have been on HR's agenda since time immemorial. For instance as far back as 1900s the industrial engineers and psychologist attempted to figure out the reasons behind the employee's interest in various jobs (Bamfo, 2012). According to these researchers well over 1000 separate studies on employee separations had been carried to date and in all, the focus had been on why employees quit, and what could be done to remedy the situation. The findings from these studies were similar. In the study by Bamfo (2012), it was found that employees would quit their organisation due largely to reasons that ranged from personal characteristics, job characteristics, to economic factors.

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Similarly, Pfeffer (2015) also found in their study of staff retention in public libraries in Ghana that graduate professionals left Ghana Library Board due mainly to managerial style and the organisational structure, low pay, delayed and promotion. According to Pfeffer (2015), their respondents indicated that inadequate funding was being attributed to management's inability to raise the image of the board and the public library system. Milman (2013) also found that graduate professionals were embarrassed by management's adherence to traditional roles and lack of interest in diversifying activities from the traditional roles to modern trends in public librarianship.

In a study of high fliers by Mensah, (2009), it was discovered that such factors as providing challenge and achievement opportunities, mentors, realistic self-assessment and feedback processes, aided the retention and motivation of high performers. The trend of the findings continues as recorded in a recent empirical study by Mensah (2009) on the influence of retention strategies and labour turnover in the hospitality industry in Ghana. The study revealed that labour turnover was rampant in the hotel industry in Ghana and that there were inadequate retention strategies to reverse the situation (Mensah. 2009).

The main causes of the labour turnover recorded include low salary, poor conditions of service, and lack of expertise of owner/manager and as a result, qualified professionals who were frustrated by the owners left for other industries. Similarly, Bamfo, (2012) also found that small businesses in Ghana were challenged with high employee turnover and also lose their experienced employees to large firms who poached them with higher salaries. The rate of

retention is the inverse of the rate of employee turnover and expectedly if a relatively high number of employees stayed at post within a specified period then the retention rate is high and the turnover rate is low i.e. (Retention rate = 1/turnover rate). Retaining employees is an important goal of every organization (Bamfo, 2012).

Benefits of Employee Retention

Every company should understand that people are their best commodity. Without qualified people who are good at what they do, any company would be in serious trouble. In the long run, the retention of existing employees saves companies money. As Beverly Kaye and Sharon Jordan- Evan stated in Training and Development:" Studies have found that the cost of replacing lost talent is 70 to 200 percent of that employee's annual salary. There are advertising and recruiting expenses, orientation and training of the new employee, decreased productivity until the new employee is up to speed, and loss of customers who were loyal to the departing employee.

Finding, recruiting, and training the best employees represents a major investment. The cost of employee turnover adds hundreds of thousands of money to a company's expenses. While it is difficult to fully calculate the cost of turnover (including hiring costs, training costs and productivity loss), industry experts often quote 25% of the average employee salary as a conservative estimate. Retaining all the employees may not be the desire of every business. Most of the organizations are concerned with retaining the high performers, those who

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possess key skill and knowledge needed to run the organization and those who are difficult to be replaced (Pfeffer, 2015). Once a company has captured talented people, the return-on-investment requires closing the back door to prevent them from walking out."

Loss of Company Knowledge: When an employee leaves, he takes with him valuable knowledge about the company, customers, current projects and past history (sometimes to competitors). Often much time and money has been spent on the employee in expectation of a future return. When the employee leaves, the investment is not realized. When an employee leaves a company for a direct competitor, there is always a chance that they took important business strategies and secrets with them to be explained by the competition emphasize that organizations should make efforts to keep their best talent despite difficult times. They further argue that it is the top performers that distinguish one business from another (Pfeffer, 2015).

This is yet another reason why the retention of employees is so crucial to some businesses. While this practice seems a bit unscrupulous, it skills happens quite frequently. As Bill Leonard stated in HR Magazine: " Recruiting and hiring from competitors is probably as old as business itself. But what is new and a hot topic among employers is how to attract and retain qualified candidates in a highly competitive labor market while also preventing their own intellectual capital from winding up in the hands of competitors. It's not only the cost incurred by a company that emphasizes the need of retaining employees but also the need to retain talented employees from getting poached (Milman, 2013).

Another reason why retention is important is to prevent interruption of Customer Service: Customers and clients do business with a company in part because of the people. Relationships are developed that encourage continued sponsorship of the business. When an employee leaves, the relationships that employee built for the company are severed, which could lead to potential customer loss (Milman, 2013). When an employee terminates his appointment, the effect is felt throughout the organization. Co-workers are often required to pick up the slack. The unspoken negativity often intensifies for the remaining staff regaining efficiency (Mensah, 2009).

If an employee resigns, good amount of time is lost in hiring a new employee and then training him/her and this goes to the loss of the company directly which many a times goes unnoticed (Mensah, 2009). After this one cannot be assured of the same efficiency from the new employee as the training imparted to the old employee according to the employers needs goes waste. Company goodwill also plays an important role in retaining the employees. The maintenance of goodwill of company is possible only if the attrition rates are low. By maintaining higher employee retention rates the employer can motivate potentially talented employees to join the organization by creating a secured environment (Mensah).

Strategies for retaining employees

Retention could be improved by many factors some of which include;

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Corporate culture and communication

According to Becker and Huselid (2011), culture creates competitiveness since it changes employee's behavior by making them act consistently with the firm's desired corporate culture, thereby influencing employee retention. Other researchers who investigated the relationship between organizational culture and employee turnover and retention uncovered similar findings (Chew, Girardi & Entrekin, 2015; Cho, Woods, Jang & Erdem, 2016; Cutcher-Gershenfeld, 2017; Huselid, 2012; Milman, 2013; Milman & Ricci, 2014; Pfeffer, 2015; Shaw, Deery, Jenkins & Gupta, 2017). For example, a study by Milman & Ricci (2014) revealed that among the most powerful indicators to predict hourly employee retention in the lodging industry were positive experiences with the company's policies and with the company's humane approach to employees (Bowler & Brass, 2009).

Management should make sure to promote healthy communication whenever possible. If you give direction, be sure to follow up afterward. Hold staff meetings frequently. Greet and talk with each employee daily, or as often as possible. Let staffs members know what is happening in the business and make them feel that they are a part of its successes (Bradley, 2016). Organization communication is very important in retaining employees. Staff members may say they feel a lack of connection between the rest of the staff and the management team.

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Work environment and job design

From Moncarz, Zhaoand Kay(2009), results of empirical studies of lodging properties in Central Florida confirmed that hourly employees' retention was predicted by self-fulfillment and working conditions, even over monetary rewards (Milman, 2013;Milman& Ricci, 2014). These studies found that employees who had a positive experience with regards to working hours, sense of fulfillment with their jobs and higher level of job satisfaction are more likely to stay with their current employer. In a study of restaurant food servers, Bradley, (2016) noted that although monetary rewards can be a top motivator for employee retention, having a fun working environment and flexible hours were also important motivators.

Other studies post that retention practices such as job enrichment, workspace characteristics and socialization can reduce turnover and its effects (Boles et al., 1995; PizaLovelock & Wright, 2012). Walsh and Taylor (2015) study found that although it was important to obtain a good salary and benefits package, whether employees remain with the organization primarily depends on the degree to which their employers respond to their professional growth. They noted: "those employees most committed to performing challenging work are the ones most likely to remain with their companies" (Walsh & Taylor, 2007).

Recreation facilities help in keeping employees away from stress factors and enable them for better work life. Various recreational programs should be arranged which include taking employees to trips annually or bi-annually, celebrating anniversaries, sports activities. Gifts at Some occasions at the time of

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one or two festivals to the employees make them feel good and understand that the organization is concerned about them (Sandhya & Kumar, 2011).Organization communication is very important in retaining employees. Staff members may say they feel a lack of connection between the rest of the staff and the management team.

Training

According to Moncarz, Zhao and Kay (2009), in organizations where employees receive the proper training needed to assume greater responsibilities, turnover rates is generally lower. Several studies show that training activities are correlated with productivity and retention (Delery & Doty, 2010; Huselid, 2012; Shaw et al., 2017; Bushiri, 2014; Walsh & Taylor, 2015; Youndt, Snell, Dean & Lepak, 2014). In a study of high-performance work practices it was found that the use of formal training programs was associated with significantly higher productivity growth (Walsh & Taylor, 2015).

Becker and Huselid (2011) argued that the economic returns of extensive training are more likely to be captured by the firm if employees are motivated to stay and contribute to the firm's success fostered in part by selective hiring, competitive pay packages and team-orientated work environments. Youndt et al. (2014) theorized that human resource practices designed to develop talented and team-oriented workers improve employee productivity and customer satisfaction. These findings parallel anecdotal evidence from companies such as Southwest Airlines that have used selective staffing and comprehensive training in their quest to improve performance (Pfeffer, 2015).

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According to Shaw et al. (2017), organizations with substantial training opportunities should experience lower turnover rates. However, an interesting finding by these researchers included a positive relationship between training and the discharge rate. They theorized that companies that provide more training are concerned about employee skills and performance, and thus experience a high percentage of employee terminations. Conversely, companies that experience a high discharge rate initiate training programs because of lower workforce skill levels (Shaw et al., 2017). In a recent study of young professionals respondents rated formal and professional job training lower on their challenging work scale, indicating that the type of learning that respondents sought occurs through actual work experience (Walsh & Taylor, 2015).

Employee recognition, rewards and compensation

From Moncarz, Zhao & Kay,(2009), a major and perhaps the most notable among organizational retention initiatives are compensation and benefits. Numerous studies have addressed the impact of employee compensation, rewards and recognition on turnover and retention (Becker & Huselid, 2011; Cho et al., 2016; Huselid, 2012; Milman, 2013; Milman & Ricci, 2014; Shaw et al., 2017; Walsh & Taylor, 2015; Youndt et al., 2014). Several research studies found that highly competitive wage systems promote employee commitment and thus results in the attraction and retention of a superior workforce (Becker & Huselid, 2011;Shaw et al., 2017).

Shaw et al.'s (2017) study further noted that employees remained with an organization as long as it serves their self-interest to do so better than the

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alternatives available to them elsewhere. A recent study by Cho et al. (2006) investigated the relationship between the use of human management practices and organizational performance. It found that companies providing incentive plans to employees are more likely to experience lower turnover rates among non-managerial employees. The authors theorized that a firm would further reduce its turnover rate if it applies reward systems in the form of incentive plans to more employees across the organization (Shaw et al., 2017).

Several other research studies have indicated that compensation in the form of base or variable pay may not be sufficient to attract or retain employees. Milman (2013) and Milman and Ricci (2014) concluded that the most significant retention predictors included intrinsic fulfillment and working conditions rather than monetary rewards. Similarly, the study by Walsh and Taylor (2015) revealed that although compensation and work-life balance are important, it is the absence of opportunity for professional growth and development that affects management retention and turnover (Walsh & Taylor, 2015).

Employee performance, assessment and development

According to (Moncarz, Zhao & Kay, 2009) examples of firm efforts to motivate employee behavior include the use of performance appraisals. According to Shaw et al. (2017), these appraisals are ways for organizations to keep track of the value provided by each employee. Delery & Doty (2010) found that results-oriented performance appraisals were strongly related to return on equity and other financial measures of performance. Huselid (2012) reports that

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linking performance appraisals with incentive compensation are intended to align the interests of employees with those of shareholders (e.g. profit sharing plans).

These linkages can create incentives which aligned workers more closely with the long-interests of the firm resulting in better communication and increased tenure (Becker & Huselid, 2011; Delery & Doty, 2010). According to Sandhya and Kumar, 2011) Career Development Program helps when an individual is worried about his/her career. An employee is always keen to know his/her career path in the company. Organizations can offer various technical certification courses which helped employees in enhancing their knowledge (Sandhya & Kumar, 2011).

Although review of literature revealed a modest correlation between job satisfaction and performance, Sandhya and Kumar (2011) concluded that "Naturally, as working people, we all want to be satisfied with our jobs. Not only does satisfaction keep us from withdrawing from our jobs, but it also makes them more pleasant and enjoyable and this, of course, is an important end in itself. Bushiri (2014) defined job performance as an accomplishment that can be observed and measured. Dar (2010) and Bradley (2016) found non-financial rewards like recognition of achievement and Sandhya and Kumar (2011) found job satisfaction influenced job performance. All these variables should have a positive influence on employee job performance. There is a significant correlation of job performance with the job satisfaction which supported the earlier work Dar (2010).

Models on retention of employees

The Labor Market Framework for Yukon

Yukon (2011) held a symposium with stakeholders to discuss the future of the labor market for the territory. During this symposium, stakeholders identified a number of challenges facing the labor market, recognizing the need to take a strategic and collaborative approach to address the labor market needs of employees. The vision of the Labor Market Framework is to build an inclusive and adaptable labor market that meets the needs of a strong, diversified economy and promotes work and lives (Dar, 2010). To address these challenges, the Labor Market Framework identifies a need for five strategies: Comprehensive Skills and Trades Training Strategy, Employee Retention Strategy, Immigration Strategy, Labor Market Information Strategy and Recruitment Strategy (Dar, 2010).

Why employee retention?

Hiring an employee is only a first step. Building awareness of the importance of employee retention is essential (Dar, 2010). The costs associated with employee turnover can include lost customers and businesses as well as damaged morale. In addition, there are costs incurred in screening, verifying credentials and references, interviewing, hiring and training a new employee (Dar, 2010). The direct and indirect costs associated with employee turnover can range between 70 and 100 per cent of salary. Employee retention is defined as a systematic effort by employers to create and foster an environment that encourages current employees to remain with the organization (Dar, 2010).

Table 1: Use of incentives, employee programs and benefits

Type of incentive	Examples	
Benefits program	health/dental, pension, paid vacation, paid sick leave	8.4
Financial incentives	bonuses, commissions, profit-sharing	5.4
Employee discounts	discounted or free products and services, company gas card	2.1
Accommodating work environment	flexible work hours, provision of meals, finding work during slow times to keep employees on	2.3
Training	Supporting employees to continue their education	7.3
Positive work environment	social activities, allowing use of business facilities for personal matters	2.9
Wage	increase incremental increases based on performance or length of employment	5.2
Other	answers varied from travel benefits to creative cash incentives	0.6

Source: Adapted: Yukon (2008)

Retention strategies strengthen the ability of businesses to attract and retain their workforce (Dar, 2010). Once the right staff persons have been recruited, retention practices provide the tools necessary to support staff (Dar, 2010). A strategic approach to employee retention may include adopting effective methods of engagement, safe and healthy workplaces and creating flexible work arrangements. Retention practices help create an inclusive and diverse workforce

where barriers are reduced and individuals can participate in the workplace (Dar, 2010).

Figure 1: Retaining Immigrants in Rural Communities; Employee Retention Strategy

This model is according to a presentation by (Ian Shanghvi Student)
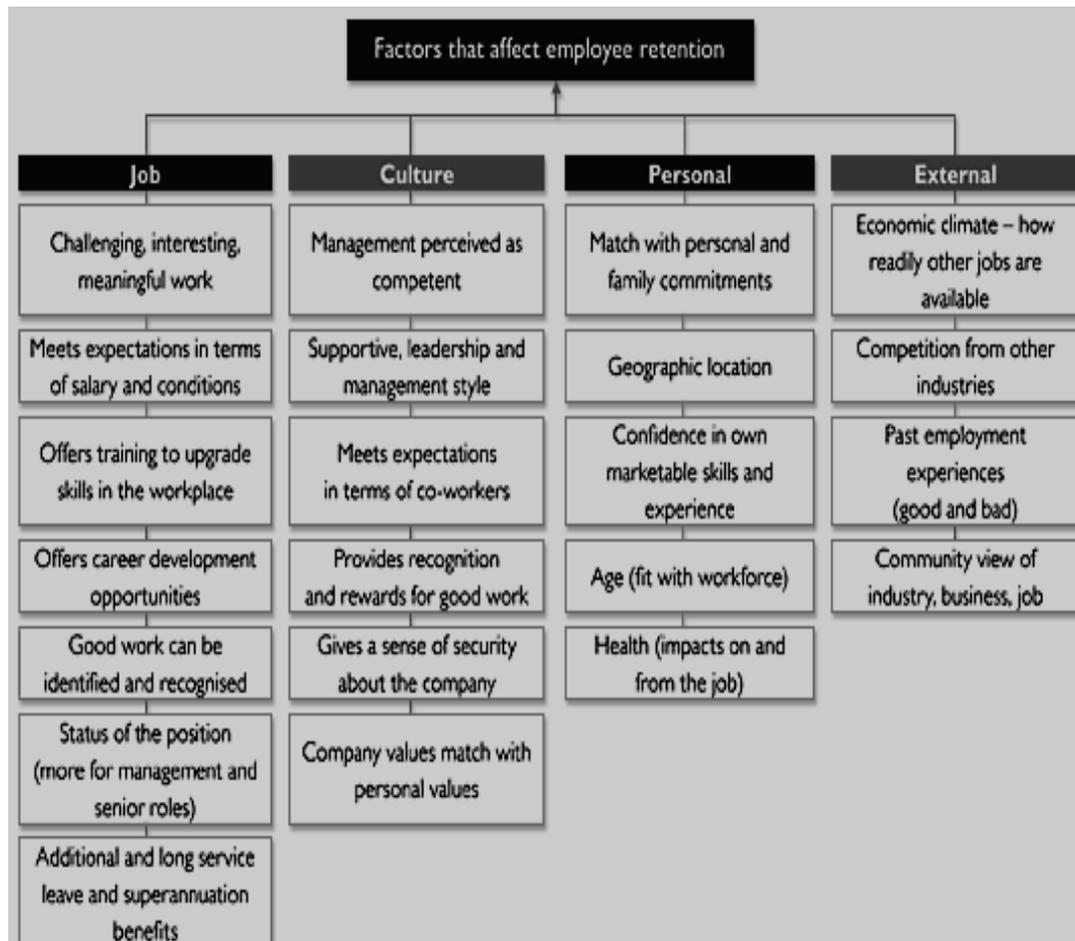
Source: Adapted: Ian Shanghvi, Students Research Assistant (2012)

This model is according to a presentation by (Ian Shanghvi Students Research Assistant, 2012) on the topic Retaining Immigrants in Rural Communities; Employee Retention Strategies.

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Figure 2: Conceptual model of organizational initiatives and management and non-management retention and turnover relationship
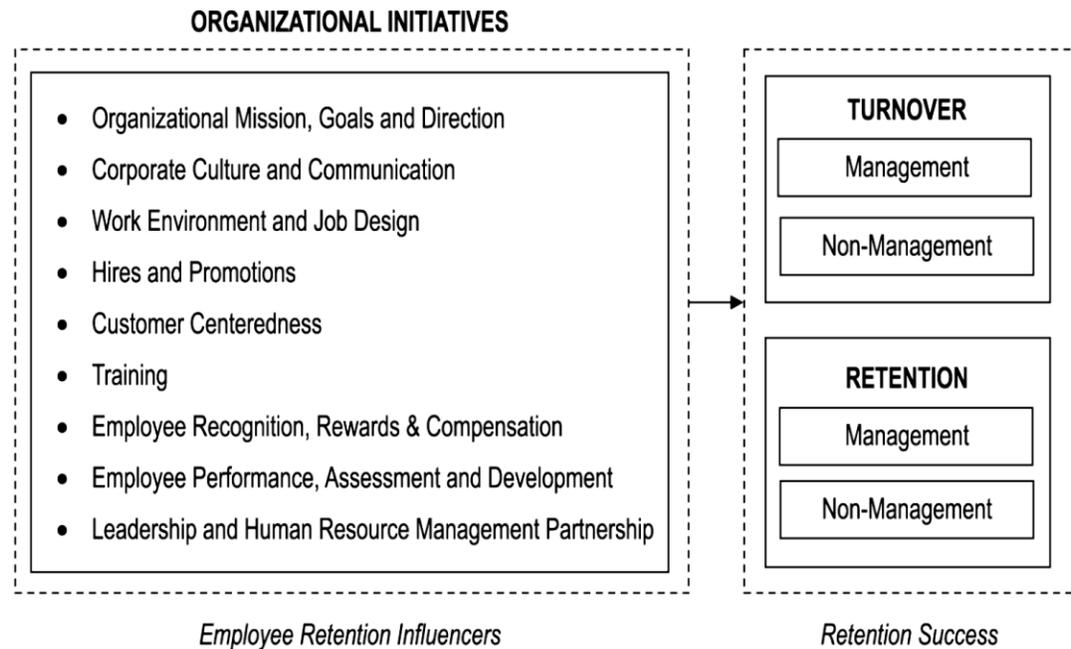
Source: Adapted: Moncarz, Zhao and Kay (2008)

Empirical evidence suggests that the establishment of well-defined organizational goals and objectives influence employee retention and job productivity. Kim (2010) in their study on corporate orientation found that organizational direction and support had a significant impact on employee job satisfaction and overall commitment. Findings from Kim (2010) research also suggest that perceived organizational support strongly influences job satisfaction and employees' commitment to their organizations. A study by Kim (2010) on high performance work practices revealed that involving employees in decision-making, goals and the direction of an organization through participation in teams helped produce job satisfaction and reduce turnover.

Several scholars found that other work practices, such as total quality management, result in productivity gains and have a positive impact on motivation and commitment to the organization (Kim, 2010). Kim (2010) reported that organizations which incorporate such high-performance work practices are more likely to experience lower turnover rates for non-managerial employees. Kim (2010) again emphasized that efforts to maximize retention are consistent with a concern for employees and a desire to make the organizational environment as "sticky" as possible in order to keep employees. Efforts to minimize turnover, on the other hand, can be seen as motivated to reduce or avoid a cost.

From the research conducted by the Yukon (2010)he concentrated on incentives and this included benefits programs that companies used financial incentives, employee discounts, working environment, training, positive work environment, wages and others (travel benefits and cash incentives). These strategies were what most companies used, from the survey you could deduce that most company's used wage (85.2) as their retention strategy followed by positive work environment (82.9), work environment (82.3) then Training (77.3). However the survey did not record anything on career development programs, company culture and recreational activities as a strategy for retention (Yukon, 2010).

According to the survey by Retaining Immigrants in Rural Communities, Employee Retention Strategies the factor that they identify to help retain employees were the job itself company culture, personal needs and external

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factors (Yukon, 2010). The job talks about all the factors that are needed to make the employee enjoy the work, company culture, on the other hand talked about the policies and measures put in place by the company to make working in the company comfortable (Kim, 2010). Personal factors looked at the personal needs of the employees and the external factors also looked at the opportunities that employee has to change jobs and also the image of the company.

According to Moncarz, Zhao and Kay, 2008, the researchers try to establish a relationship between organizational initiatives and how it influence both retention and turnover in an organization. The initiatives included all the measures put in place by management to influence both retention and turnover; you realize that the retention and turnover rate is greatly influenced by the measures management put in place to guide retention and turnover. From the chart you realize that organizational initiatives lead to both turnover and retention, it is the kind of measures employed that determined whether employees stay or leave the organization (Moncarz, Zhao & Kay, 2008).

This survey also did not include Recreational facilities as a retention factor. All surveys do not include recreation as a measure, but it is important that recreational facilities are provided for employees "all work and no play makes workers dull". Recreational activities can help reduce the stress at the work place and this motivated employees to work. Knowing that at the end of a stressful day they engaged in activities that helped them do away with the stress through socializing, parties and trips (Moncarz, Zhao & Kay, 2008).

However, the last and third model were adopted as my conceptual framework this is because it is realized from this model that, the employee retention factors is directly linked with both employee turnover and retention. This model brings out the importance of employee retention factors as it brings out the clear link between turnover and retention, the research is such that the researcher want to find out the effect of turnover, identify the strategies that SMEs have instituted to retain employees and also assess the strategies introduced to retain employees (Kim, 2010).

This model really brings out almost all the objectives that the researcher wants to achieve, the model try to bring out the link between retention strategies and turnover, meaning if retention strategies are not put in place, turnover occurred which comes with its own cost. Also the model brings out the link between retention strategies and employee retention, which can be interpreted as when retention strategies are put in place, employees remained with the organization and therefore there were be no turnover Moncarz, Zhao & Kay, 2008).

CHAPTER THREE

RSEARCH METHODS

Introduction

This chapter describes the study area, type of data, sources of data, the target population, sample method and size, research instrument, the procedure for the data collection, and the method of the data analysis and presentation.

Research Design

According to Saunders, Lewis and Thornhill (2013) explains qualitative research as an effort to understand situations in their uniqueness as part of a particular context and the interactions, beliefs, attitudes, motivations and culture there. This understanding is an end in itself, so that it is not attempting to predict what may happen in future necessarily, but to understand the nature of that setting- what it means for participants to be in that setting, what their lives are like, what's going on for them, what their meanings are, what the world looks like in that particular setting - and in the analysis to be able to communicate that faithfully to others who are interested in that setting. That analysis strives for depth of understanding (Saunders et al., 2013).

The research is intended to narrate the strategies used by SMEs employers on daily bases to retain their employees in the enterprise at Kantamanto in the Greater Accra Region. Using the qualitative study is ideal. The approach is often applied to social science and educational research (Saunders et al., 2013). This is because it is not involved in assigning numbers to variables but narratives. Qualitative research focuses on understandings and meanings through verbal

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narratives, observation and artefacts (Saunders, 2011). This cannot be studied using the quantitative type of research which is most often applied to pure science and involves assigning numbers to variables with a larger population sample.

Population of the study

According to Saundres (2011) population is the total membership of a defined class of people, objects, or events. In research, population means all the members, individuals or cases of target of the study. This target is normally determined by the purpose of the study (Leedy & Ormrod, 2011). Given this definition, the population for the proposed study would consist of SME managers and manageress in selected Enterprises in Katamanto, Accra. The target population of the study isForty-three (43) which represents all registered SMEs in Katamanto, Accra.

Sample and Sampling Procedure

The purposive and the random sampling techniques were used for this study. According to Saunders et al., (2013) purposive sampling targets a particular group of people. When the desired population for the study is rare or very difficult to locate and recruit for a study, purposive sampling may be the only option. Again the researcher used his own judgement to select population members whom he feels gave him the desired or accurate information (Saunders, 2011). According to Saunders et al., (2013) the objective of the investigation decides the sample members as it selects only those variables that relate to the objective of the study. The objective of this research is to present the strategies of

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SMEs managers and manageress in Kantamanto, Accra to retain their employees. Kantamanto was purposively chosen to reflect the study since it is a commercial area.

The random sampling technique (fish bowl method) was be used for the study. Random sampling, according to Saunders et al., (2011) is one where each item in the universe has an equal or known opportunity of being selected. The researcher visited the various SMEs at Kantamanto and seek for SMEs that are registered in Ghanaian laws and have the license to operate as SMEs in Ghana and write down their names on pieces of paper and place in a bowl and shake it well before he selected 10% of the number of registered SMEs in Kantamanto that are in the bowl as the sample size because according to Krejcie and Morgan (1970), sample size of a study should be between 10 – 15 percent of the population. Sample size refers to a subset of the population being selected for the study. The sample size for this study is ten (10).

Research Instrument

The main instrument for data collection is interview. The "interview" is a managed verbal exchange (Saunders et al., 2013).The decision to interview implies a value on personal language as data. Face-to-face interviewing may be appropriate where depth of meaning is important and the research is primarily focused in gaining insight and understanding (Saunders et al., 2013).

Data Collection Procedure

At the data collection stage, a letter of introduction was collected from the School of Business, University of Cape Coast to enable me prove to the manager

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the purpose of my research. According to Saunders (2011) even where pre-planned questions are used the presentation may be altered to suit the situation and the subjects. A flexible question is one in which the respondent has a wide range of options. It encourages the interviewee to talk freely. The researcher employed the face-to-face interview. The researcher conducted the interview on the respondents on a face to face basis. After the respondents are identified, the researcher met each one of them on three separate times throughout the data collection period for familiarization purposes before the research was conducted since the researcher thinks that made them more open to him than granting interview on the very first day they meet (Saunders, 2011).

The interview was conducted over snacks in a free environment. The respondents chose areas that are conducive to them and allowed them speak freely without intimidation. The interview was not conducted at one place but different places, and each lasted for one hour. As the interview is taking place, there was a recorder in the sight of the respondent after requesting permission to record and the respondent granting the permission to record the information. The researcher also wrote down what is being said by the manager or manageress. The interview therefore, was held in a period of possibly ten working days (Saunders, 2011).

Data Analysis

Data gathered through the interview schedule was analyzed using descriptive means since the research is a qualitative one. Data were transcribed verbatim from the audio-recorder as well as from the note. Each respondent's

views were coded under themes like strategies for employee retention and benefits of employee retention. Data analysis was presented narratives of each manger or manageress story of the distribution of the characteristics of respondents. The researcher interpreted the data as it was presented using descriptive means to answer and examine how managers and manageress of SMEs retain employees (Leedy & Ormrod, 2011).

Ethical issues

In order not to contradict the ethical rules of educational research, certain ethical considerations were given to this study. These issues are discussed in the following paragraphs. The purpose and objectives of the research explained to the respondents before they respond to the interview questions. This was done to make them fully aware of the main purpose of the research. In addition, to make the respondents believe that the researcher is truly a student of the University of Cape Coast, an identification card was made available to them. Finally, the researcher ensured that the identity of all the participants and the name of their enterprise kept confidential during the analysis of data and presentation of the results. In no place in the work was the name of any individual or enterprise be mentioned.

Chapter Summary

This chapter of the research detailed the research methodology adopted in this study. This chapter described the methods that were used to gather the data relevant to the study. It contained the research design, population, sample size and

sampling technique, sampling procedure and explains the method and procedures for data collection, analysis and interpretation of the research findings. The chapter also discussed why these elements in the research methodology were used.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter deals with the data presentation and analysis. All data gathered for the study are organized and analysed. This is followed by discussion of key issues relating to the findings of the study. Quotations and quotes were used to confirm statements to give statistical reflections on key issues in terms of the research questions. The main thrust of the study is to assess the strategies that SME owners have instituted to retain their employees in Kantamanto in the Greater Accra Region of Ghana. This chapter presented the data derived and provide direct quotations from participant under each theme, present the results and discussion and analyse the data by comparing the texts to the literature reviewed to find out if the results of the data and the findings validate what is written in the literature.

Demographic Characteristics of the Respondents

The demographic characteristics considered in the study are sex, age, educational level and the type of enterprise they manage. The demographic characteristics of the respondents helped in determining the extent to which the responses they provided could be depended upon. Ten SME respondents out of 43 duly registered SMEs were interviewed.

The demographic characteristics of the SME owners revealed that there were 7 (70.0%) of male to 3 (30.0%) female indicative of gender bias with respect to this study. This shows that males dominated females in the study.

Four (40.0%) of the respondents felt between 35 – 44 age bracket, 4 (40.0%) of them felt in the 45 – 50 age bracket and the remaining 2 (20.0%) of them felt in 51 – 60 age bracket. The age distribution of the respondents shows that they were mature enough. Furthermore, most of the respondents indicated that they do retailing type of enterprising and the type of ownership was sole proprietorship.

One may therefore conclude that they would be able to express their opinion and views on employee retention strategies.

THE MAIN RESULTS OF THE STUDY

Research Objective 1: To identify the strategies that SME have instituted to retain employees.

Respondents were asked to indicate why they think employees left their enterprise or establishment.

Participant 1 spoke of employees getting better offer and comparing the two conditions of services.

> *"Frankly, most of my employees leave my enterprise when they get other employment with better payment plan". (Participant 1).*

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Inference here is that the employees leave the employment for better prospects. Also, it means if employees are not remunerated well, as long as it serves their self-interest to do so better than the alternatives available to them elsewhere they left.

This notion was shared by Participant 2 and 7 who also added that employees leave one establishment to the other because of monetary issues. Participant 2 and 7 revealed:

"*Yes! Some of my employees leave my organization to other companies or institution because of underpayment*". *(Participants 2 and 7)*.

Participant 2 and 7 quotation implies that although, the employee was not necessarily paid badly when other opportunities come and the offer is better than what the person was currently receiving then he/she leaves. It can also be that the initial work salary was not encouraging, hence when that opportunity came for better salary they then move on. The outcome of this study agree with the study conducted by Leedy and Ormrod, (2011)on why some employees leave their old work and accept new offer because of poor working conditions and low pay.

In agreeing to this revelation, Participant 5 and 8, who is into laundry services also made it clear that, some of the employees stop working with them because they want to further their education. The interviewee said that:

"*Yes! A large number of my employees leave my enterprise because of educational reasons. It happens that most of the employees are young with*

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little academic qualification, hence with time some see it fit to enhance their academic qualifications ....” (Participants 5 and 8).

The findings are consistent with Armstrong (2009) who concluded that employees leave their work voluntary.

Both participant 3, 4 and 6 hinted their reason on better remunerations by stating that:

“*I will not stay! When a better situation comes on my employees' way, they usually jumped into it without any hesitation. They sometimes even stop work that same week*”. *(Participants 3, 4 and 6).*

However, the findings do not agree with the work done by Honyenuga and Adzoi (2012). They concluded that the majority of the employees leave their company because of downsizing or restructuring activities.

Participant 3, 4, and 6 comments, signifies that when employees get better employment opportunities and the condition of service is higher than what they used to get, they take those opportunities. The findings are consistent with Milman and Ricci (2014) who concluded that employees leave one company to the other because of monetary rewards.

On the contrary, participant 9 feels that some employees leave an enterprise because of human relationship. Participant 9 narrated that:

"Some employees leave a company, when they feel not part of the business and are not treated well". (Participant 9).

It is inferred from the narration of participants 9 that when an employee is not treated well in a company, it can affect his/her decision to stay in an organization or not. This supports Parpal (2006) findings that healthy communication attitude between managers and employee is a determinant factor that motivates employees to continue to stay in a company or not.

The respondents were further asked to state how they convince their employees not to leave their company or enterprise and go work elsewhere. Participant 1 spoke of using encouraging words and giving hope to the employees.

"By encouraging them that things got better. Also by assuring them that the company has a future". (Participant 1).

Inference here is that the managers use words to give their employees hope. Even if things are not going on, these great words encourage employees to stay put and thereby not leaving the company or enterprise. They also believe that when things get better they were rewarded.

This notion was shared by Participant 8 and 9 who also added that employees see themselves as part of the company. Participant 8 and 9 revealed:

"By assuring them that the shop has a future and also makes them feel part of the company". (Participant 8 and 9).

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Participant 8 and 9 quotation implies that when employees feel as part of a company, they feel confident in that organization or company and want to stay longer. When employees feel this way, they become convince and stay in the organization, no matter the situation. The finding supports the work of Parpal (2006), who concluded that when employees feel as being part of an organization, it motivates them to continue working in that enterprise.

In agreeing to this revelation, Participant 5 and 10 indicated that they open up to employees by been transparent and fair to them in all dealings. The interviewee said that:

> "Using effective communication systems in dealing with challenges that occurs in the organization, employees are appraised periodically to help employees stay safe. Also, by encouraging employees to stay at the company by using open transparency leadership style due to yearly expansion project that is embarked by the company". (Participant 5 and 10).

It is inferred from this that organizational leaders communicate with their employees to know their problems and address them. Also, they allow the employees to be part of decision making.

Both participant 4 and 7 hinted that the way of convincing employees to stay was through financial incentives. Participant 4 and 7 revealed:

"We use Social Security and National Insurance Trust (SSNIT) monthly contribution scheme and continuous increase in salary payment". (Participant 4 and 7).

It is believed in this narration that the company use financial policy systems to convince their employees to stay.

Respondents were further asked to state the strategies they use to convince their employees to stay in their enterprise or company. They were asked to state them hierarchically.

Participant 1 spoke of giving salary and providing other incentives.

"Payment of wages and salary on time. Providing of bonus occasionally and giving employees casual leave to rest". (Participant 1).

From the comments above it shows that the company uses monetary benefits and annual leave strategies to convince their employees to stay. The finding supports the work of Bamfo (2012) who concluded that most managers' uses increment in salaries to retain workers.

In agreeing to this revelation, Participant 4, 5, 6 and 7 also made it clear that monetary packages as reward system help to convince employees to stay. The interviewee said that:

"*Introduction of bonuses packages, yearly salary increment and annual get together. Also, with the introduction of bonus packages, giving them promotion when they are due, and salary incremental schemes*" *(Participant 4, 5, 6 and 7).*

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It is inferred from the narration of the participants that the company uses financial benefits and social gathering activities to convince employees to stay in their enterprise. A study by Sandhya and Kumar, (2012), also confirmed this research as the findings of the study reflects that company owners use better salary reward system to retain workers.

Research Objective 2: To identify the key challenges faced by SME Managers in retaining their employees.

In trying to answer this, respondents were asked the challenges they face in retaining their employees in their company or enterprise.

Participant 1, 6 and 9 spoke of how difficult it is to retain an employee in his enterprise. The interviewee indicated that:

> *"Frankly, I cannot really single out all of the challenges. In an emergency situation, when am in a position to retain a staff who is serious and workaholic, I try to increase his/her salary for him or her and this bring high wage bill to the company finances. Also, I try to have a cordial working relationship with my staff to prevent them from leaving my enterprise or company. It is not easy maintaining that cordial relationship with all the employees"(Participant 1, 6 and 9).*

Inference here is that it is not easy to maintain a good worker who want to leave your enterprise to another institution and if care is not taken when managers have to go the extra mile using increment in salary to maintain such a worker.

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Sometimes, it might even be that you have not plan to increase wages or salary but because of the situation you have to do that to maintain your best employee.

This challenge (demanding for better salary) was shared by Participant 8 and 10 who also added that employees request for salary increment is a challenge. Participant 8 and 10 revealed:

> *'Yes! Some employees make outrageous demands and they also threaten that if they do not get all what they are requesting for they stopped work or leave the company' (Participant 8 and 10).*

Participant 8 and 10 quotation implies that meeting monetary demands of employees is not easy. And that most workers use this as a tool to press home for their demands. Knowing that this is the only tool they have to request for additional monies in their salary. This makes it difficult for most owners to meet these financial demands and they are also afraid to lose their workers for the enterprise to benefits from their output.

In agreeing to this revelation, Participant 3, 4 and 6, who is into retailing also made it clear that their major challenge is losing their quality employees to their competitors. The interviewee said that:

> *'It is not fair, losing workers you have trained to your competitors because they can offer them better salaries. When this happens, it is not easy training other workers to fill in that gap. It takes times to achieve the needed results for the new ones to master things ...' (Participant 3, 4 and 6).*

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Participant 3, 4 and 6's description also suggests that it is sad and painful to lose your greatest assets to your counterpart. If you lose your best employee to your counterparts in the industry; it took some time or years to replace such a quality. This slowed productivity.

A deduction from the above is that the three major challenges managers face in retaining their employees are increments of unplanned way bill, workers demanding outrageous salaries and losing quality employees to competitors who can pay more. This finding supports the opinion of Bamfo (2012), who concluded that companies lose their experienced employees to large firms who poached them with high salaries.

Chapter Summary

This chapter presented results of the data which were collected from the respondents and analysed duly. This was followed by discussions of the results obtained from the analysis.

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CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Introduction

This chapter presents a summary of the findings, conclusion and outlines recommendations including areas for further research.

Summary

The study assesses the strategies that SME owners have instituted to retain their employees in Kantamanto in the Greater Accra Region of Ghana. Purposive and randomly sampling technique was used to select the respondents. In all ten respondents were selected for the study. Qualitative approach was employed which was underpinned by inductive logical reasoning. Interview guide was used as an instrument for the study. Conclusions from relevant related literature were captured along to authenticate the findings of the study. The summary of the findings are presented as follows:

Most of the SME selected for the study were owned by males. This shows that males dominated females in the study. The age distribution of the respondents shows that they were mature enough. Furthermore, most of the respondents indicated that they do retailing type of enterprising and the type of ownership was sole proprietorship.

It was again observed that the retention strategies that SME have adopted most was good salaries and wages, company culture, good communication, good work environment, working conditions, rewards and socialization. Among all

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these strategies good salaries and wages was the most used strategy to retain employees. It was realized by the researcher that even though most of the SMEs have puts in place strategies to retain their employees, most of the focus was on money more than the other variables that can be used to retain employees and hence calls on SMEs to place more premium on the other variables outlined above.

The findings revealed that the major challenges managers face in retaining their employees are increments of unplanned wage bill, workers demanding outrageous salaries and losing quality employees to competitors and counterparts who can pay more.

Conclusion

The following conclusions were drawn based on the research questions that were set:

It can be concluded from the study that, even though most of the SME interviewed had a set of strategies in place to retain their employees, almost all of these strategies were sentence on rewards, money (salaries/wages), communication, company culture and working conditions. Other strategies like reduced work load transparent appraisal techniques were not used or given less attention, in generalizing the strategies used or adopted by the various SME that were included in the studies, the researcher realized that the most strategy used by the manager of SMEs to retain their employees is good salaries and wages. The barriers hindering the retaining of employees in the institution or enterprise are

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how to have a cordial relationship with every worker, loosing trained and dependent staff to other companies, high salary demand from workers.

Recommendations

From the summary of the major findings of this study, it is recommended that:

1. Employees cannot be retained by financial benefits alone. Retention strategies such as good salaries and wages, effective communication and socialization should be given the needed attention. All the necessary strategies should be used to get employees to stay with an organization; equal attention should be given to all the strategies needed to be adopted to retain employees. Therefore, it is imperative that a balance be struck between productivity and creativity.

2. Also as a strategy, attention should be given to other measures such as employee vacation trips, training and developmental training programmes which help the employee to release stress, develop the needed skills to perform a particular job and also acquire the needed skills for the future. Employees are mostly glue to an organization which provide them with training and developmental training which help them to develop their skills, knowledge, abilities and capabilities for both present and future use.

3. Too much emphasis on productivity may render the job dry and boring which would ultimately result in job dissatisfaction and hence employee turnover. It is therefore suggested that proper measures are put in place and also ahead in other to ensure that employees are retain. Also it is

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suggested that feedbacks should be given to the management of the various SMEs to help them improve upon their measures in retaining employees.

Suggestions for Further Research

It may be necessary for further research to be conducted on how to determine needs of employees.

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APPENDIX

EMPLOYEE RETENTION INTERVIEW GUIDE

1. Sex:

2. Age:

3. Educational Level:

4. What type of enterprise do you manage?

5. What type of ownership is your enterprise?

6. How long has your enterprise been in existence?

7. How many employees do you have currently?

8. How many employees did you have three years ago?

9. How often do you employ people?

10. How much do you pay your highest earning employee per month (after tax)?

11. How much do you pay your lowest earning employee per month (after tax)?

12. Do you pay by- day or during month ending?

13. Do you believe that when you reward your employees they did not leave the company?

14. Why do you think your employees leave the company?

15. Why do you think some of your employees stay and do not want to leave ?

16. How do you convince your employees not to leave your company and go work elsewhere?

17. What strategies do you use to motivate your employees to stay in your

   enterprise? State them hieratically

18. Which of these strategies do you think is very convincing to employees?

19. What are some of the reasons employees give when leaving?

20. Do you believe these reasons?

21. Do your employees advice friends to join your company?

22. What are the challenges you face in retaining employees?