

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND
TECHNOLOGY KUMASI**

COLLEGE OF ARCHITECTURE AND PLANNING

DEPARTMENT OF BUILDING TECHNOLOGY

KNUST

**THE EFFECT OF HUMAN RESOURCE MANAGEMENT
PRACTICES ON EMPLOYEE RETENTION IN
GHANAIAN CONSTRUCTION INDUSTRY**

ABRAHAM BOATENG

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KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY KUMASI
DEPARTMENT OF BUILDING TECHNOLOGY

The effect of Human Resource Management practices on employee retention in the
Ghanaian Construction Industry

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Abraham Boateng.

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Supervisors

Rev. Dr. F.D.K. Fugar. (*PhD, M Phil. BSc.*)
(Lead Supervisor)

Dr. B. K. Baiden (*PhD, MSc, BSc.*)
(Co. Supervisor)

DEDICATION

To my Mother madam Mamle Yobiyo, My wife Jessica Boateng and all my children for their prayers and support.

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DECLARATION

I declare that I have wholly undertaken the research reported herein under supervision and that where other scholarly works were utilized, these have been duly acknowledged.

..... Date.....

Abraham Boateng.

(Student)

I declare that I have supervised the student in undertaking the research reported herein and I confirm that the student has effected all corrections suggested by the examiners.

..... Date.....

Rev. Dr. F.D.K.Fugar.

(Lead Supervisor)

I declare that I have supervised the student in undertaking the research reported herein and I confirm that the student has effected all corrections suggested by the examiners.

..... Date.....

Dr. B. K. Baiden(PhD, M Phil, BSc.)

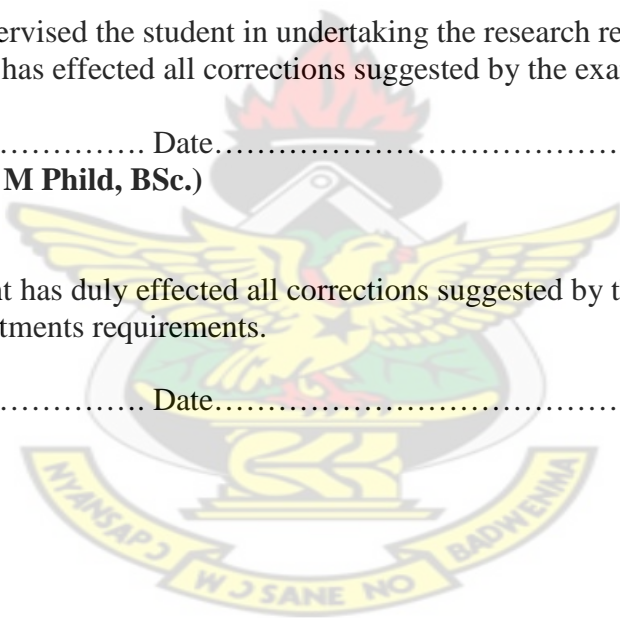
(Co. Supervisor)

I confirm that the student has duly effected all corrections suggested by the examiners in conformity of the Departments requirements.

..... Date.....

Prof. J. Ayakwa

(Head of Department)



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ABSTRACT

Studies have shown that the construction industry is considered an economic backbone and a major contributor of Gross Domestic Product (GDP) in both developed and developing countries. Improper human resource management practices have led to high turn-over rates especially within the construction industry. The study aimed at determining the most important human resource management practices, the most frequent human resource management practices and which human resource management practices influenced job retention. The study involved 60 employees from class D1 and D2 construction companies in Ghana. The study involved mainly the use of primary data collected through a survey which used questionnaire to obtain the data. The result of the study provides empirical support for the importance of recruitment and selection, training and development, human relationship, employee communication “health, safety and warfare”, recognition and reward, compensation and incentives and performance appraisal on “employee retention” in the construction industry of Ghana. Thirteen human resource management practices were found to be very important in influencing employee retention within the construction industry in Ghana. These are

- good recruitment advertisement,
- accuracy of person specification,
- management encouraging employee counseling,
- opportunity to participate in the policies which guide and rule working lives,
- opportunity for employees to air their views,
- appointment of safety officer, provision of first aid, canteen facilities, management bearing full treatment cost of injuries sustained at the workplace,
- praise and appreciation of good work done,
- fairness of pay,
- payment of tools allowances,
- job security and competencies based or skill based pay.

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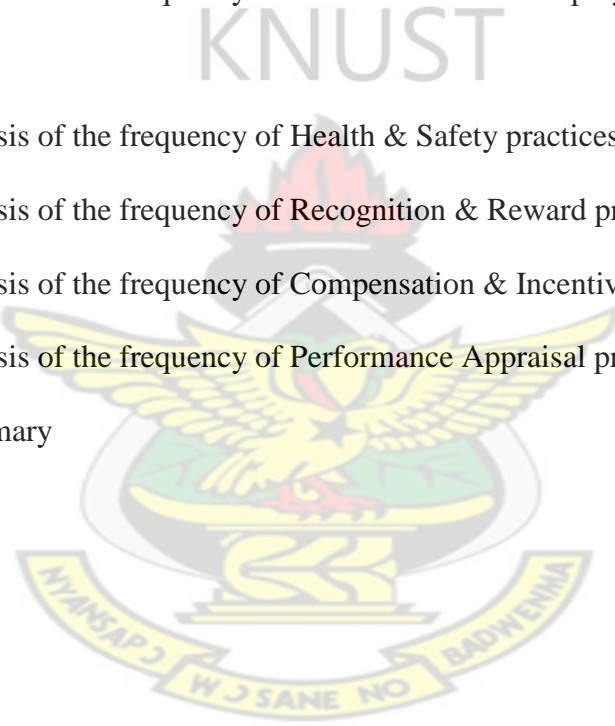
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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

The construction industry is one of the most basic industries, supporting physiological needs of man for shelter and mobility. The industry is considered an economic backbone and a major contributor of Gross Domestic Product (GDP) in both developed and developing countries all over the world (Hillbrandt, 1985 and DTI, 2004). This is consistent with the report by Ekow-Gyau (2002) who argued that the development of every country is contingent on appreciable extent of economic activity, which is largely influenced by the level of construction activity. The argument suggests that, the construction industry stimulates the growth of the economy and drives the activities of other sectors such as transportation, manufacturing, mining and agriculture (Hillbrandt 1985; DTI 2004) which is evidenced in the high sectoral GDP contribution to the economy of Ghana.

For instance, between the periods of 2001-2007, the construction industry consistently registered average annual GDP or contribution of 8.2% to the economy of Ghana (Ghana statistical service, 2007), which is comparable to that of the UK, which contributes 10 percent GDP to the UK's economy (DTI, 2004). Clearly this GDP contribution of the construction industry placed 5th (fifth) in terms of sectoral ranking in Ghana with agriculture reaching record high of 24.5% (Ghana Statistical Service, 2007). "Human beings are the basic resources operating in the construction industry, thus the survival of the industry depends to a large extent on its ability to develop its human resource base" (Landford *et al.* 1995). The need for human resource to keep up with the rate of development of the industry cannot therefore be overemphasized; it is thus incumbent on the industry to manage, develop and maintain the workforce in order to meet the

new demand. A primary task in the construction industry is therefore to bring about a climate favorable for management, workforce and resources to combine effectively all directed towards achieving the organizational goals and objectives while also providing high reward for those involved.

Employee retention has never been important until recent years. The costs of employee turnover are skyrocketing and seriously impact on an organization's bottom line. Given the importance of retaining employees in today's work environment, some researchers have made available some employee retention articles to give organizations a helping hand in curbing unwanted employee turnover. The importance of retaining top organizational talent cannot be understated. Few managers or companies debate that employee turnover hurts their organization's bottom line. However few managers grasp the full extent to which employee turnover affects their bottom line. Hard costs such as recruiting, interview and training come to mind quickly and are easy to quantify. However there are other costs that are more difficult to quantify, but can have a huge impact on an organization bottom line (Byfield, 2001).

Pfeffer (1994) argued that human capital has long been held to be a critical resource in most firms. Companies are now trying to add value to their human resources and human resource (HR) departments have been set up to manage their human capital. Stavrou-Costea (2005) also argued that the effective human resource management can be the main factor for the success of a firm. Today most of the companies believed that without efficient HRM programmes and activities, companies would not achieve and survive. Consequently most of the organizations, domestic companies and multinational companies/corporations (MNCs) all over the world nowadays tend to focus more on HRM and also treat HRM as a key to success.

A Harvard University study reports that 80% of turnover can be blamed on mistakes made

during employee selection and hiring process. The study believes that selecting the right employee is an important moral obligation. Psychological testing has been found to be one of the most valid and cost-effective strategies for identifying the most suitable job candidates (Schmidt & Hunter 1998, cited by Barrick, 2001).

Within the UK and other countries, reports abound of industry concerns over the turnover and wastage of competent employees (Cavill 1999; Kahn 1995). Such concerns have been fuelled by years of falling enrolments to construction degree courses which have taken their toll on the supply of future employees (Barrick 2001; Byfield 2001). Thus, reducing staff turnover and retaining key employees have become core strategic imperatives for most organizations (Rethinking Construction, 2000). Retaining key employees relies upon an employment culture in which employees work for and develop the organization in a spirit of cooperation and involvement. However, the new levels of expectation on employees may place considerable strain on the employment relationship. For example, recent evidence suggests that construction professionals experience extreme occupational stress (Sutherland and Davidson, 1993) This drives some employees out of the industry altogether (Sweet, 2002) and those who remain have found themselves having to cope with severe tensions in their work or life balance (Lingard and Sublet, 2002).

STATEMENT OF THE PROBLEM

It is now common knowledge that employees create an important source of competitive advantage for firms (Pfeffer, 1994). As a result, it is important that a firm adopts human resource management practices that make the best use of its employees. The above trend has led to increase the impact of HRM on organizational performance and a number of studies have found

positive relationship between the so-called high performance work practices (Huselid, 1995) and different measures of company performance. Furthermore, there is some empirical evidence to support the hypothesis that firms, which align their HRM practices with their business strategy, will achieve superior outcomes (Becker and Gerhart, 1996). The extent to which, if any, human resource management (HRM) impacts on the organization along the lines of performance, growth, employee turnover and other key variables has emerged as the central research question in the personnel management/HRM field (Becker and Gerhart 1996; Guest 1997). For the moment, although Human resources (HR) are considered as the most valuable asset in any organization, they make a difference for only a few organizations (Pfeffer, 1998).

It has been noted that lack of effective HRM practices in the construction industry has led to the increase in employee turnover rate. According to Tawiah (1992) “proprietors who have little or no knowledge in the construction industry head the Ghanaian own firms. Their perception of the industry is that construction is a business and that the only requirement is financial ability; therefore issues of HRM are things of the past”. It has been established that the ability of construction managers to align themselves well with sound and result-oriented HRM practices and make informed decisions depend largely on the level of their HRM capability. However the variables that contribute to better HRM practices remain unexplored especially in our part of the world (Ghana). More often than not, employees of the construction industry are employed on casual basis and their entry and exit seem to be very high. What will sound human resource practices do to ensure a reduction in the turnover ratio of the construction industry in Ghana? Which human resource management practices attract employees to stay on in the workplace? How frequent are these human resource management practices practiced in the construction

industry in Ghana? An attempt to find answers to these nagging questions has necessitated this write-up.

RESEARCH QUESTIONS

The following research questions were answered by the study.

1. What are the human resource management practices that employees within the construction industry in Ghana deem very important in determining their stay in the firms within which they work?
2. How frequent are these factors practiced within the construction industry in Ghana?
3. What is the relationship between the human resource management practices and employee retention in Ghana?

OBJECTIVES OF THE STUDY

The general objective of this study is to explore how the Human Resource Management practices influence employee retention in the construction industry in Ghana in so that their implications to management could be discussed. The specific objectives of the study are to:

- i. Identify the human resource management practices that employees of the construction industry see as important in urging them to stay on in their places of work.
- ii. Identify how frequent these factors are practiced in the Ghanaian construction industry.

- iii. Establish the relationship between the most important factors and employee retention in the Ghanaian construction industry.
- iv. Make appropriate recommendations to construction managers of construction firms in Ghana.

HYPOTHESIS

One hypothesis was tested to find the relationship between human resource management practices and employee retention.

H₀: There is no significant effect of human resource management practices on employee retention.

H₁: There is significant effect of human resource management practices on employee retention.

JUSTIFICATION FOR THE STUDY

Dainty et al. (2000) reported that the construction industry is known for its low investment in people (lip) initiatives (Strategic Forum for Construction, 2002) and poor commitment to HRM. Langford et al. (1995) noted that most construction firms ignore human resource management practices within the industry. Kululanga et al. (1999) and Ford et al. (2000) suggested that one possible reason for the low commitment to human resource management issues is the predominance of an engineering culture that focuses on technology instead of people. Loosemore et al. (2003) suggested further that the low investment in people stems from the assumption that “human resource management issues are time consuming and expensive”. They also noted that developing employees will make them more attractive to other companies and competitors.

Identification and development of appropriate HRM practices could therefore enable construction managers operating in Ghana to have a clear understanding of the significance and benefits of employee retention. While the study focuses on large construction firms (classes D1 & D2) in Ghana, it is hoped that the findings would be beneficial to other emerging sectors of the Ghanaian construction industry.

LIMITATIONS OF THE STUDY

The study encountered a number of constraints and challenges. The unwillingness of some of the construction companies to respond to the questionnaire was a major challenge. They felt uneasy divulging information on their places of work. This the researcher solved by assuring them of the confidentiality of the information they provided. There were financial constraints but with the help of some family members these challenges were surmounted. The study was not devoid of time constraints. A lot of time was spent in retrieving the questionnaire but upon persistent visits, 88.3% of the questionnaires sent were retrieved for analysis.

SCOPE OF THE STUDY

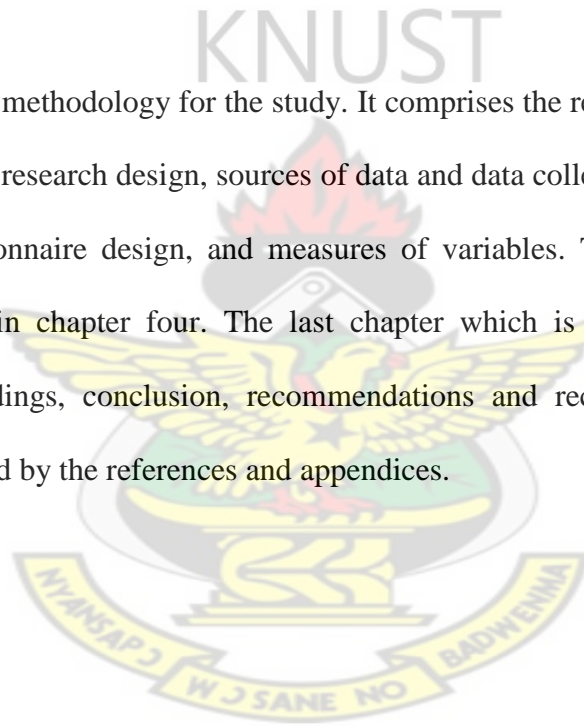
The study did not cover all the human resource management practices provided in the literature. The theoretical scope of the study centered on some human resource management practices. The study considered only class D1 and D2 construction companies in the Eastern, Ashanti and Brong-Ahafo regions of Ghana. These regions altogether have about 83 big construction firms that can give a true representation of all the construction companies in Ghana. The study covers construction employees (skilled and non- skilled employees) namely carpenters, plumbers, steel benders, masons, labourers etc. All respondents are assumed to have experience in or have

worked in the construction industry.

ORGANIZATION OF THE STUDY

The study is organized into five chapters. The first chapter, which is the general introduction, covers the background to the study, problem statement, objectives of the study, research questions, justification of the study, limitation, scope of the study and organization of the study. This is followed by chapter two which reviewed extensive related empirical literature on the subject matter.

Chapter three covers the methodology for the study. It comprises the research population, sample and sampling technique, research design, sources of data and data collection instruments, method of data analysis, questionnaire design, and measures of variables. The data presentation and analysis are contained in chapter four. The last chapter which is chapter five contains the summary of major findings, conclusion, recommendations and recommendation for further research. This is followed by the references and appendices.



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CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter provides a critical review of pertinent literature in HRM practices in the construction industry internationally. The literature looks at eight (8) HRM variables, these are; recognition and reward, compensation and incentive, health, safety and welfare, recruitment and selection, training and development, employee communication and involvement, human relationship and performance appraisal. A widely cited works of Loosemore *et al.* (2003); Druker *et al.* (1996); Bresnen (1990); Fellow *et al.* (2002) and others, informed the review which provides the conceptual basis for this research. This chapter begins with discussions of the construction sector. This is followed by discussing a working definition of the term HRM, discussions on employee retention in the context of the research and the followed by the HRM variables as indicated above.

2.2 THE CONSTRUCTION INDUSTRY

The construction sector is considered to be one of the most dynamic and complex industrial environments (Druker *et al.* 1996); (Loosemore *et al.* 2003). It is a project based industry within which individual projects are usually custom- built to client specifications (Bresnen, 1990); (Loosemore *et al.* 2003). Fluctuations in the economic markets are reflected in considerable; variations in the number, size and type of projects undertaken by construction organizations over time. A key characteristic of the industry's output is that the finished product is largely non-transportable and must therefore be assembled at a point of use, usually outside (Bresnen 1990; Fellow *et al.* 2002). This requires construction organizations to set up temporary organizational structures at dispersed geographical location, frequently at a distance from central management. According to Druker and White (1995) the project team forms the focus of working life in construction, operating with a significant and necessary degree of independence. The changing requirements of construction work necessitate the formation of bespoke teams each time a new project is awarded. The impact of this is particularly apparent within the larger contractors, whose focus is on managing the construction process with a few directly employed managers and professional staff leading team of outsourced trades' contractors (Druker and White 1995); Langford *et al.* (1995) and Loosemore *et al.* (2003) noted the relevance of Atkinson's (1981) "flexible firm" model to the way construction workforce is organized. Construction organizations' project and operational senior managers easily fit into the core group and the use of the first peripheral group's numerical flexible allows "untroubled and speedy adjustment to change and uncertainty in the construction services market" (Langford *et al.* 1995).

Most importantly however, the external sources of labour (Subcontractors, skilled trade men,

laboures etc) are very common in the construction industry (Langford *et al.*1995; Debrah and Ofori 1997; (Loosemore *et al.* 2003). Whilst the increasing use of external sources of labour has allowed the managing contractors to pass on risk and achieve greater flexibility, it has also made project co-ordination more complex, with a requirement for more highly skilled and experienced management (Druker and White 1995; Fellows *et al.* 2002; Loosemore *et al.* 2003).

Despite these challenging characteristics of the construction industry, literature on HRM issues within construction organizations is scarce and much more of the evidence relies on data gathered over a decade ago (Loosemore *et al.* 1995; Hancock *et al.* 1996; Druker *et al.* 1996). This body of work, although somewhat dated, suggested that HRM issues were not prioritized within construction organizations. This view appears to prevail in more recent literature (Kululanga *et al.* 1999; Dainty *et al.* 2000; Ford *et al.* 2000; Strategic Forum for Construction, 2002) albeit without additional empirical verification. Van Eijnaltn and Putnik (2004) began to address this shortfall by revisiting the central issues in construction HRM via reflective evaluation of current practice within large contracting organizations. They found much in contrast to the earlier reports, that the companies demonstrated significant commitment towards strategic HRM with the benefits of staff retention and improved organizational performance. This paper builds on this work by subjecting the discussion to analyzing the frameworks surrounding the concept of HRM practices in the Ghanaian Construction Industry and its effect on Employee retention. In particular, the paper tests resent research evidence using Nyhan *et al.*(2004) model of understanding the dimensions of organization learning and van Eijnatten and Putnik's (2004) HRM theory of the construction firms.

Human resource management (HRM) is concerned with the provision of learning and

development opportunities that support the achievement of business strategies and improvement of organizational, team and individual performance (Armstrong and Baron, 2002). Since Senge's (1990) initial work, the concept of Learning Organization has taken a central role in discussion which focuses on the more advanced approaches to HRM (Mumford 1995; Garavan 1997; Phillips 2003; Nyhan et al. 2004). Some see the LO as an "ideal"- type HRM characterized by an ethos of self- responsibility and self- development, continuous development, inter-company learning and flexible structures that are responsible to environmental change (Coopey 1996; Corbridge and Pilbeam 1998; El-Sawad 1998 ; Phillip 2003). An interesting recent contribution to the field is the thesis of a "chaordic enterprise" (Van Eijnaltens and Putnik, 2004). This is defined as: "a complex and dynamical organization that operates in a complex, non- linear dynamic environment of which it is a central part" (Van Eijnaltens and Putnik 2004). This is suggested to provide a conceptual framework for understanding organizational patterns and human interactions in LOs.

People are individuals who bring their own perspectives, culture differences and values and attribute to organizational life, and when managed effectively, these human traits can bring considerable benefits to the organization (Mullins, 1999, cited by Barrick, 2001). Construction exists to contribute to the satisfaction of human needs and wants; people organized it, it employs people, it is the personal interactions which generate demands and determine the nature of supply responses. Nonetheless, complexities in human interactions within the construction industry will bring about the construction-based issues of human resource. There are many examples of project crises in the construction sector which have arisen as the result of people behaviour, and it would be seen that human resource has the potential to eliminate construction risk more than any other management approach (Loosemore, 2000).

The comprehensive study is necessary in identifying needs in efficient management of strategic human resource management focus on human resource management and development towards improvement in performance and minimizing the problems arose in the construction industry. Construction industries have implemented a number of HRM practices used primarily by companies in Western cultures. Among human resource practitioners, the term strategic human resource management is used generally to signal the views that humans resource management (HRM) practices should enhance employee motivation and commitments towards their stay with their companies

(Schuler and Jackson 2005).

A number of Authors have argued that the human resources of a firm are potentially one of the most powerful sources of sustainable competitive advantage for organizations and have sought to demonstrate that there is a positive relationship between HRM and employee retention (Ferris et al. 1999). However, ever since the concept of strategic HRM was launched in the mid- 1970s there has been uncertainty as to which of the many HRM practices (Delaney et al. 1989) that have been advocated actually facilitate employee retention (Collins and Smith 2006; Ferris et al. 1999). Moreover, there are also those who find little or no association between HRM and employee retention (Guest et al. 2003).

Collins and Smith, (2006) indicated that there are those practices which are referred to as calculative, hard or transaction- based practice, which emphasizes tangible exchanges between the firm and the employer such as performance-pay. On the other hand, Gooderham et al. (1999) indicated that there are those practices which are labeled as collaborative, soft or commitment-based such as employee strategy briefings. However, Collins and Smith's study is restricted to the role of the latter in relation to employee retention. As Collins and Smith rightly observe,

there is a need for studies that combine both practice alternatives.

Delaney and Huselid (1995) argued that firms can adopt various HRM practices to develop their employees but that the effectiveness of their employees commitments will be limited if they are not motivated to perform their jobs. When addressing the impact of HRM practices on employee retention it is important to observe that HRM has involved from two distinct conceptions of the link between employee motivation and employee commitments. As Arthur (1994) argues there are two distinct approaches to shaping employee attitudes, the control and commitment approaches which is refer to as the calculative and collaborative respectively. The former seeks to improve efficiency by enforcing employee compliance by, for example basing employee rewards on some measurable criteria. In contrast the later shapes attitudes by forging psychological links between organizational and employee goals.

These approaches to HRM are represented by fundamentally different practitioner models and programmers. For example, the calculative approach is clearly represented in Fombrum et al.'s (1984) "Michigan model" which emphasized that high retention rate is dependent on having in place systems for motivating individual employee. Coupled to and reinforcing these systems are recognition, performance rewards, performance related training and employee involvement. Likewise the collaborative approach to enhancing employee retention is clearly apparent in Beer et al.'s (1984) Harvard model which emphasized the need for management to recognize employees as significant stakeholders in the industry.

2.2.1 The construction industry in Ghana

The construction industry in Ghana is characterized by multiplicity of skilled and unskilled workforce with different cultural behavior. The construction industry is made up of both small and big firms. In 1998 a total of 5463 construction firms were registered, spread over the

country. In 2002 the total number was 7095 construction firms, 90% of which are small contractors (no complex construction jobs, tender sum up to one million dollars) which belong to class D3 and D4. The class D1 and D2 are categorized under big firms with tender sum above one million dollars, (Ministry of works and housing 1998/2002). Even though these firms play a significant role in the construction industry, the total amount of work executed by them ranges between 10% and 30% of the (formally registered) total construction output (Tawiah, 1992). Tawiah (1992) notes that proprietors who have little or no knowledge in the construction industry head the Ghanaian own firms. Their perception of the industry is that construction is a business and that the only requirement is financial ability, therefore HRM issues are secondary matters.

The management of the firm's resources such as labor, finance, materials, and plant equipment are carried out haphazardly and therefore does not promote and improved performance and growth of the firms. The poor performance records of the Ghanaian owned construction firms are evident by the fact that the nation's major construction projects are awarded to the very few large firms, which are mostly foreign companies (Tawiah, 1992 who cited Ofori, 1991). The foreign construction firms are believed to be well developed especially in terms of their HRM issues. It is common to see most qualified and highly skill employees leaving one company to other (more often to the foreign companies).

The Ministry of works and housing working within the frame work of Ghanaian government and labor organization (trade union) is determined to assist the industries to improve upon their human resource management practices in other to develop the human resource base for the development of the nation's social economic development by making them move committed, confident, efficient and effective. To this the industries are encouraged to introduce human

resource management section in their operations. The inclusion of this HRM practices will not only contribute to the enhancement of the industry image and competitive advantage, but will also contribute to solving employee turnover problems.

The president of Ghana, H. E. John A. Kufour in his address at the inauguration of the first 31 ministers at the Castle Osu, on the 1st of February 2005 said that the country needs a strong HRM base to meet the development rate of industries, which includes the construction industry in the country. (The Daily Graphic, Wednesday, 4th February, 2005). The then press secretary of the New Patriotic Party (NPP) Government Mr. Kwabena Adjapong in an interview also re-emphasized the fact that the country needs for development is a strong HRM base to meet the ever-increasing rate of development of the country. (Joy FM News at 6.00pm on the 4th February, 2005).

Again on the 3rd February, 2005, president re-echoed this during his sectional address at the parliament house. He said that radical moves would be taken to enhance the HRM base. This, he said would be done by the National Board for Technical and Vocational Education under the Ministry of Education and Sports (The Daily Graphic, February, 4th February, 2005).

2.2.2 The Structure of the Construction Industry of Ghana

The government of Ghana, as in many countries, is the major underwriter of the construction industry and exercises its control through two construction ministries (Eyiah and Cook 2003). The Ministry of Water Resources, Works and housing (MWrWH), formally Ministry of Works and Housing (MWH) is responsible for housing infrastructure while the Ministry of Road and Transport (MRT) is responsible for roads and civil related infrastructures (Ghana Highway Authority, 2004). Agencies supporting these ministries include the Ghana Highway Authority (GHA) responsible for trunk roads covering 13400km distances. The Department of Feeder

Roads is responsible for feeder roads of 32000km length. The Department of Urban Roads (DUR) also connects 3700km roads within the metropolitan and municipal areas in Ghana.

In the addition to the requirement by law for companies operating in Ghana to register with the register general, construction firms that wish to undertake public projects are required to register with the appropriate construction ministries. After registration, constructors are classified into various categories depending on the type of work they wish to undertake. The MWrWH classifies contractors into categories D and K, while the MRT classified contractors into categories A,B,C and S (Eyiah & Cook 2003). Contractors in each categories are further group into financial classes 1, 2, 3 & 4 based on their Technical and Managerial Expertise, Financial Standing, Previous Performance and Equipment Holding.

The minimum requirement for qualification into each class and categories is provided in guidelines by the ministries. Contractors can register with any of the ministries and then be grouped into one or more of the categories and their respective classes. For example, a Contractor can be classified as A1-A4, B1-B4, D1-D4 and K1-K4. An attempt to state the number of contractors in the country and in each category would be misleading in that both ministries do not have an up –to-date list of contractors operating within their sectors. The difficulty in doing so emanates from the easy entry and exists to the industry. Fortunately, the Association of Building and civil contractors Ghana (ABCCG) has a compressive list of paid-up members of those in the financial class 1 category. While many individuals consider the industry to be lucrative sector, others leave without notification, due to the inherent problems.

The contractors association as existed in Ghana since pre- independence. The Ghana contractors association, as it was called, was renamed the Civil Engineering and Building Contractors

Association of Ghana (CEBCAG) in 1985. Membership of the association is open to any company registered as civil engineering or building contractors with MRT and MWrWH. Consultancy Services in Ghana are provided by several agencies and organizations including the Building and Road Research Institute (BRRI), Architectural and Engineering Service Limited (AESL), and Several private sector consulting firms with professional institution memberships.

2.3 HUMAN RESOURCE MANAGEMENT

HRM consists of the management activities related to investing in human resources: acquiring employees, assessing their performance, providing training and development, and determining the appropriate level and type of compensation, etc. In many medium-sized and large organizations, a functional specialist or department handles many HRM responsibilities. But regardless of whether the organization has a human resource manager or department, each manager is responsible for assessing needs and for managing his or her own human resources- from interviewing and selecting job applicants to estimating future needs, appraising performance, identifying training needs, and keep employees who excel, because the organization's competitive advantage is tied so closely to its human resources.

Human resource activities help organizations obtain and manage employees who have the ability and motivation for high performance. To ensure that the organization has employees with the needed abilities, HRM helps plan and implement strategies for acquiring and training human resources. To encourage employee motivation, HRM strategies assist in assessment of work, employee compensation, and labor relations. Combined, these practices can enable managers and their employers and their employees to develop into a powerful source of sustainable competitive advantage.

2.4 IMPORTANCE OF HUMAN RESOURCE MANAGEMENT

When Cindy Koehler launched applied computer technology, a computer manufacturer based in Fort Collins, Colorado, she staffed her business with three friends who had recently graduated from college. It seemed like a good idea because it was an easy way to get personnel and help out her friends at the same time. These employees fell short of Koehler's expectation, however, and the friendships soured, too." We didn't define expectations," Koehler explained later." We didn't realize there was anything more to managing employees than paying them. She now advocates, managers be more dedicated to managing their human resource, planning what they need from employees, communicating expectation, and conducting formal performance reviews. Managers are increasingly realizing that the way organization manage their human resource directly affects their competitiveness. Employees in today's organizations are not interchangeable part that easily replaced if they don't work as intended, but the source of the organization's success or failure. HRM is therefore gaining status as a key ingredient in organizations' strategies. Companies that try to become more competitive by investing in technology and quality programs also invest in the latest staffing, training, and compensation practices.

2.5 BUILDING HUMAN CAPITAL

Today, more than ever, strategic decisions are related to human resource considerations. For example, in an information and knowledge-based economy, success depends on an organization's ability to manage human capital. Human capital refers to the economic value of the knowledge, experience, skill, and capabilities of employees. To build human capital, HRM develops strategies for ensuring a workforce with superior knowledge and skills. This means recruiting to find the best talent, enhancing their skills and knowledge with training programs

and opportunities for personal and professional development, and providing compensation and benefits that enhance the sharing of knowledge and appropriately reward people for their contributions to the organization. Human resource managers also help create an environment that gives highly talented people compelling reasons to stay with the company. Judy Lyles of DET Distributing Company in Nashville Tennessee sees the human resource department not just as the keeper of the rules, but as the “keeper of workers’ hearts, the keeper of why they want to come to work every day” (Wah, 1998 cited by Fey et al. 2000).

2.6 HUMAN RESOURCE MANAGEMENT- A UNIQUE SOURCE OF SUSTAINED COMPETITIVE ADVANTAGE

Recent theoretical work in business strategy has given a boost to the prominence of HRM in generating sustained competitive advantage. According to the resource based view of the firm (Barney, 1991) firms can develop a sustained competitive advantage only by creating value in a way that is rare and difficult for competitors to imitate. Although traditional sources of competitive advantage such as natural resources, technology, economies of scale, and so forth, create value, the resource based argument is that these sources are increasingly easy to imitate, especially in comparison to a complex social structure such as an employment system. If that is so, human resource strategies may be an especially important source of sustained competitive advantage (Lado and Wilson 1994; Pfeffer 1994; Wright and McMahan 1992). The concept of the HRM system as a strategic asset has implications for both the characteristics and effects of such a system. Strategic assets are “the set of difficult to trade and imitate, source, appropriable, and specialized resources and capabilities that bestow the firm’s competitive advantage” (Amit and Shoemaker 1993).

Unlike capital investments, economic scale, or patents, a properly developed HRM system is an

“invisible asset” (Itami, 1987) that creates value when it is so embedded in the operational systems of an organization that it enhances the firm’s capabilities. This interpretation is also consistent with emphasis on “core competencies” developed by Prahalad and Hamel (1990) who argued that conventional measures of economic rents such as the difference between the market and book value of assets reflect “core competence people embodied skills” (Hamel and Prahalad 1994).

Why might it be especially difficult to imitate human resource strategies that are deeply embedded in an organization? Two of the key factors are casual ambiguity and path dependency (Barney, 1991; Collins and Montgomery, 1995). First, it is difficult to grasp the precise mechanisms by which the interplay human resource practices and policies generate value. To imitate a complex system, it is necessary to understand how the elements interact. Are the effects additive or multiplicative, or do they involve complex nonlinearities? Without being able to understand how a HRM system works, it is even difficult for a competing firm to imitate a valuable HRM system by hiring away one or a few top executives because the understanding of the system is an organizational capability that is spread across many (not just a few) people in the firm.

Second, these HRM systems are path dependent. They consist of policies that are developed over time and cannot be simply purchased in the market by competitors. A competitor can understand that a system is valuable but is precluded from immediate imitation by the time required to fully implement the strategy (assuming the system could be understood). Further, there may be limits on management’s ability to successfully replicate socially complex elements such as culture and interpersonal relationship.

2.7 COMPENSATION AND INCENTIVE POLICIES

Performance-based compensation is the dominant HR practice that firms use to evaluate and reward employees' efforts (Collins and Clark, 2003). Evidently, performance-based compensation has a positive effect upon employee and organizational performance (Brown et al. 2003; Cardon and Stevens, 2004). However, there is scarce evidence on the effects of compensation policy of firm growth. Empirical studies on the relationship between performance-related pay and company performance have generally found a positive relationship, but a growing body of empirical evidence suggests that it is not just pay level that matters, but pay structure as well (Wimbush 2005; Singh 2005).

Barringer et al. (2005) conducted a quantitative content analysis of the narrative descriptions of 50 rapid-growth firms and a comparison group of 50 slow-growth companies. Results demonstrated that employee incentives differentiated the rapid-growth from the slow-growth firms. Firms that were eager to achieve rapid-growth provided their employees financial incentives and stock options as part of their compensation packages. In doing so, firms managed to elicit high levels of performance from employees, provide employees the feeling that they have an ownership interest in the firm, attract and retain high-quality employees, and shift a portion of a firm's business risk to the employees.

Delery and Doty (1996) identified performance-based compensation as the single strongest predictor of firm performance. Both performance-based compensation and merit-based promotion can be viewed as ingredients in organizational incentive systems that encourage individual performance and retention (Uen and Chien, 2004, cited by Cho et al. (2005). Collins and Clark (2003) studied 73 high-technology firms and showed that the relationships between the HR practices and firm performance (sales growth and stock growth) were mediated through

their top managers' social networks. Cho et al. (2005) suggested that incentive plans is effective in decreasing turnover rates. Banker et al. (2001) conducted a longitudinal study of the effectiveness of incentive plans in the hotel industry and found that incentive plans were related to higher revenues, increased profits, and decreased cost. Paul and Anantharaman (2003) found that compensation and incentives directly affect operational performance.

To be effective, compensation practices and policies must be aligned with organizational objectives. While performance-based compensation can motivate employees, sometimes employees perceive it as a management mechanism to control their behaviour (Lawler and Rhode, 1976). In such a case, employees are less loyal and committed, thus compensation plans have the opposite than desired outcome (Ahmad and Schroeder, 2003; Rodriguez and Ventura, 2003).

Employee turnover can significantly slow revenue growth, particularly in knowledge-intensive industries (Baron and Hannan, 2002). Given that much of the tacit knowledge resides within employees, significant turnover poses a threat to firm performance and its future growth potential. With high turnover rates, firm growth flees away along with leaving managers who often become employers of rival firms or establish themselves rival firms.

2.8 COMMUNICATION OF EMPLOYEE AND INFORMATION SHARING

Sharing of information may have a dual effect: Firstly, it conveys to employees the right meaning that the company trusts them. Secondly, in order to make informed decision, employees should have access to critical information. Communicating performance data on a routine basis throughout the year help employees to improve and develop. Employees presumably want to be good at their jobs, but if they never receive any performance feedback, they may perceive to

have a satisfactory performance when in fact they do not (Chow et al. 1999). Furthermore, information sharing fosters organizational transparency which reduces turnover (Ahmad and Schroeder, 2003) and forges synergistic working relationship among employees (Nonaka, 1994). Information sharing is not a widespread HR practice as someone might have expected it to be. Many companies are vulnerable to share critical information with their employees because in this way employees become more powerful and companies may lose control of them (Pfeffer, 1998). Furthermore, information sharing always involves the danger of leaking important information to competitors (Ronde, 2001). In a study of Japanese consultation committees, Morishima (1991) found a positive association of information sharing with productivity and profitability, and a negative one with labour cost. Constant et al. (1994) pointed out that attitudes about information sharing depend on the form of the information. Burgess (2005) studied employee motivations for knowledge transfer outside their work unit and found that employees who perceived greater organizational rewards for sharing spent more hours sharing knowledge beyond their immediate work group. However, a significant percentage of employees perceived knowledge as a means of achieving upward organizational mobility. Therefore, employees sought information more often than shared it. Roberts (1995) studied how HR strategy affects profits in 3,000 businesses throughout the world and found that sharing information was related with higher profitability. However, Ichniowski and Shaw (1999) compared US and Japanese steel-making plants and found that employee participation based solely on problem-solving teams or information sharing did not produce large improvements in productivity. In a study of Fortune 1,000 largest manufacturing and service companies on high performance practices, Lawler et al. (1995) found information sharing to correlate to firm performance but results are inconclusive. Open, responsive, two-way communications are vital to good employee retention, and should be

considered as the basic building blocks of any effective retention practice. Most, if not all, of the retention strategies and practices fundamentally depend on a sound approach to communicating with employees. Without communications, many of these practices would be impossible to implement in any effective way.

2.9 RECRUITMENT AND SELECTION

Also termed as selective hiring, this practice can ensure that the right people, with the desirable characteristics and knowledge, are in the right place, so that they fit in the culture and the climate of the organization. Moreover, pinpointing the right employees would decrease the cost of employees' education and development. Schuster (1986) argued that selective hiring is a key practice that creates profits. Huselid (1995) examined HR practices of high performance companies and found that attracting and selecting the right employees increase the employee productivity, boost organizational performance, and contribute in reducing turnover.

Cohen and Pfeffer (1986) argued that selection or hiring standards reflect not only organizations' skill requirements but also the preferences of various groups for such standards and their ability to enforce these preferences. Michie and Quinn (2001) proposed that a possible indirect link between selective hiring and organizational performance can be the forging of internal bonds between managers and employees that creates the work culture for productivity growth. Collins and Clark (2003) argued that the practice of selective hiring results at sales growth. Paul and Anantharaman (2003) pointed out that an effective hiring process ensures the presence of employees with the right qualifications, leading to production of quality products and consequently in increase of economic performance. Cho et al. (2005) examined pre-employment

tests as a key component of selective hiring and found that when employed, these tests can select employees that stay with a company longer. Passing pre-employment tests may give an applicant a stronger sense of belonging to the company, resulting in higher degrees of commitment if employed. Cardon and Stevens (2004) pointed out that for small companies recruiting is often problematic. This can be due to several reasons such as limited financial and material resources and jobs with unclear boundaries responsibilities, which decreases their potential to hire qualified candidates.

2.10 TRAINING AND DEVELOPMENT

Training and development may be related to firm performance in many ways. Firstly, training programmes increase the firm specificity of employee skills, which, in turn, increases employee productivity and reduces job dissatisfaction that results in employee turnover (Huselid, 1995). Secondly, training and developing internal personnel reduces the cost and risk of selecting, hiring, and internalizing people from external labour markets, which again increases employee productivity and reduces turnover. Training and development like job security requires a certain degree of reciprocity: A company that trains and develops its employees enhances their performance. This increases employees' productivity, commitment, and lowers turnover. Companies may also assist their employees in career planning. In doing so, companies encourage employees to take more responsibility for their own development, including the development of skills viewed as significant in the company (Doyle, 1997).

Barringer et al. (2005) compared rapid-growth and slow-growth firms and found that rapid-growth firms depend heavily on the abilities and efforts of their employees to maintain their growth-oriented strategies. The fast-growth firms used training programs to achieve their objectives and emphasized employee development to a significantly greater extent than their

slow-growth counterparts. Therefore, training and employee development practices are more common in rapid-growth firms than slow growth ones. Miller (2006) examined the growth strategies in the retail sector and suggested that modern retailers should place more emphasis on the policies and practices that could contribute to staff retention, rather than on the immediacy of recruitment and selection.

Zhu (2004) reviewed the changes in the area of human resource development in Japan and observed that some companies and industries have shifted towards a more strategic approach that emphasizes the impact of effective learning at both individual and organizational levels on long-term organizational competitiveness. Husiled (1995) found that the education and development of employees have a significant effect both upon the personnel productivity and the short-term and long-term indicators of organizational performance.

Ngo et al. (1998) investigated the effects of country origins on HR practices of firms from the United States, Great Britain, Japan and Hong Kong operating in Hong Kong. Study results showed that structural training and development and retention-oriented compensation were related to various measures of firm performance. Paul and Anantharaman (2003) in searching the links between human resource practices and organizational performance, proposed that career development programmes demonstrate a true interest of the organization for the growth of its personnel, which, in turn, stimulates commitment and devotion, which, subsequently, raises personnel productivity and consequently economical output. Cerio (2003) examined the manufacturing industry in Spain and found that quality management practices related to product design and development, together with human resource practices, are the most significant predictors of operational performance. Michie and Quinn (2001) investigated the relationships

between UK firms' use of flexible work practices and corporate performance and suggested that low levels of training are negatively correlated with corporate performance.

2.11 PERFORMANCE APPRAISAL

The history of performance appraisal is quite brief. Its roots in the early 20th century can be traced to Taylor's pioneering Time and Motion studies. But this is not very helpful, for the same may be said about almost everything in the field of modern human resources management. There is, says Dulewicz (1989) "a basic human tendency to make judgments about those one is working with, as well as about oneself." Appraisal, it seems, is both inevitable and universal. In the absence of a carefully structured system of appraisal, people will tend to judge the work performance of others, including subordinates, naturally, informally and arbitrarily. The human inclination to judge can create serious motivational, ethical and legal problems in the workplace. Without a structured appraisal system, there is little chance of ensuring that the judgments made will be lawful, fair, defensible and accurate. Performance appraisal systems began as simple methods of income justification. That is, appraisal was used to decide whether or not the salary or wage of an individual employee was justified. The process was firmly linked to material outcomes. If an employee's performance was found to be less than ideal, a cut in pay would follow. On the other hand, if their performance was better than the supervisor expected, a pay rise was in order. Little consideration, if any, was given to the developmental possibilities of appraisal. It was felt that a cut in pay, or a rise, should provide the only required impetus for an employee to either improve or continue to perform well.

There are many reputable sources - researchers, management commentators, who have expressed doubts about the validity and reliability of the performance appraisal process. Some have even suggested that the process is so inherently flawed that it may be impossible to perfect it (Derven,

1990 cited by Cho et al. 2005) at the other extreme; there are many strong advocates of performance appraisal. Some view it as potentially “the most crucial aspect of organizational life” (Lawrie, 1990 cited by Cho et al. 2005). Between these two extremes lie various schools of belief. While all endorse the use of performance appraisal, there are many different opinions on how and when to apply it. There are those who believe that performance appraisal has many important employee development uses, but scorn any attempt to link the process to reward outcomes - such as pay rises and promotions.

Managers and appraisers commonly dislike appraisals and try to avoid them. To these people the appraisal is daunting and time-consuming. The process is seen as a difficult administrative chore and emotionally challenging. Appraisals are much easier, and especially more relaxed, if the boss meets each of the team members individually and regularly for one-to-one discussion throughout the year (Balkin, 1990). Performance appraisal practices that provide good feedback to employees and give them a view of their longer-term progress within the company particularly in terms of training and career development opportunities are important ways of enhancing employee commitment.

2.12 HEALTH AND SAFETY IN THE CONSTRUCTION INDUSTRY

“You might think that the active, outdoor life in the construction sector would keep you fit and healthy. Quite the reverse is true. Building work deserves its reputation as dirty, difficult and dangerous”. (Fiona Murie Director of Health, Safety and Environment cited by Sharma, 1998). According to him, at least 55,000 people suffer fatal injuries on building sites every year, according to a Conservative ILO estimate. That means one person is killed in a site accident every ten minutes. Many hundreds of thousands more people suffer serious injuries and ill-

health because of bad, and often illegal working conditions. However, the published figures grossly underestimate the number of accidents. In many Countries, less than 20 per cent of injuries are reported – and the longer-term impact of occupational disease is scarcely reflected at all in the statistics (ILO Safety and Health in Construction Convention, 1988).

Downsizing, outsourcing, the use of labour-only subcontracting and the so-called self-employed have a negative impact on the management of health and safety in the construction industry. Responsibilities for planning and coordination of health and safety are often unclear, and compliance with health and safety law is generally poor. Informal contractual conditions in the sector make it difficult for workers to exercise their rights. To make matters worse, self-regulation is increasingly widespread in the construction industry, and the relevant administrations frequently have a permissive, passive attitude towards employers who ignore health and safety laws, even when this leads to the death of a worker.

Healthy Workplace or Wellness Initiatives take on a variety of forms, including those directed at the physical work environment (cleanliness, safety, ergonomics, etc.); health practices (supporting healthy lifestyles, fitness, diet, etc.); and social environment and personal resources (organizational culture, a sense of control over one's work, employee assistance programs, etc.). Healthy workplace initiatives not only improve the health and well-being of individual employees, but contribute to business performance objectives including employee retention.

2.13 RECOGNITION AND REWARDS

Before engaging in any activity, every human being consciously or subconsciously asks the same question, what will I get out of this? Psychologists have recognized for a long time that

satisfaction of needs is the motivation behind all actions. This satisfaction or reward might be money, promotion, recognition, acceptance, receipt of information, or a feeling that comes from doing a good job. The self motive interest often carries a negative connotation, yet it is a reality of life. People act in a way that perceive to be in their own best interest is irrelevant; what counts is that he or she believes it to be so. Even if an action appears to be irrational, such as handing in a resignation because of a minor misunderstanding at work, to the individual resigning, the act may be totally in keeping with what he or she believes to be in his or her best interest. From an administrative standpoint, managers can develop a unique reward system if they understand what their employees believe to be their best interest. Not all individuals value the same type of rewards. Consequently, a rewards program must be flexible enough to meet the expectations of the individual employees.

It is also necessary to structure a reward program in such a way that people realize they are acting in his best interest of the organization. This exemplifies the importance of reward in an “expectancy model”. As a result of this model, several things become clear. Reward must be linked to behaviour that the organization system classifies as desirable. The employee should recognize that good job performance is compatible with its self interest. Employees should recognize that the rewards system also will satisfy their own needs. Managers must analyze and interpret the needs of the employees Seniority, (Cho et al. 2005).

2.14 HUMAN RELATIONSHIP

Job design and work teams can enhance the intrinsic rewards of the job, making work more fulfilling, challenging, interesting, and stimulating. Practices such as autonomous or semi-

autonomous work teams, 'self-scheduling,' and job rotation can not only improve retention but have also been shown to improve a number of other important indicators such as productivity, accidents and injuries and product quality.

2.15 Job Security

Job security creates a climate of confidence among employees which cultivates their commitment on the company's workforce. Job security requires a certain degree of reciprocity: firstly, a company must signal a clear message that jobs are secure; then, employees believing that this is true, feel confident and commit themselves to expend extra effort for the company's benefit; finally, a company that have learnt that job security contributes to its performance, invests again in job security (Pfeffer, 1998). Probst (2002) has developed a conceptual model of the antecedents and consequences of job security. Antecedents include worker characteristics, job characteristics, organizational change and job technology change. Consequences include psychological health, physical health, organizational withdrawal, unionisation activity, organizational commitment and job stress. Job involvement, cultural values, and procedural justices moderate job security perceptions and attitudes.

Buitendach and Witte (2005) assessed the relationship between job insecurity, job satisfaction and affective organizational commitment of maintenance workers in a parastatal in Gauteng. Study results revealed small but significant relationships between job insecurity and extrinsic job satisfaction and job insecurity and affective organizational commitment. Job satisfaction was also found to mediate the relationship between job insecurity and affective organizational

commitment. However, today's business environments are far from providing job security to their employees. For example, in an analysis of involuntary job loss in France between 1982 and 2002, Givord and Maurin (2004) found evidence that technological changes contribute to keeping the employees for shorter periods of time, thus increasing job insecurity.

When companies do provide job security, then empirical evidence suggests that it has a positive effect on firm performance. Following Pfeffer (1998), Ahmad and Schroeder (2003) found that among others, job security impacts operational performance indirectly through organizational commitment. Delery and Doty (1996) studied the US banking sector and found some support for a positive relationship between employment security and firm performance. In their study of 101 foreign firms operating in Russia, Fey et al. (2000) found evidence that human resource practices indirectly improve organizational performance. The results showed that not only, there was a direct positive relationship between job security and performance for non-managers, but job security was the most important predictor of HR outcomes for non-managerial employees. Results also suggested a direct positive relationship between managerial promotions based on merit and firm performance.

2.16 EMPLOYEE RETENTION IN THE CONSTRUCTION INDUSTRY

Anyone who has had a hand in human resources management knows that a universal problem facing aggregates companies is the ability to find good employees and to retain them. Employee retention is particularly important in today's competitive employment market. According to (Deloitte and Touche, 1988) when an employee leaves an organization, it costs that organization 2.5 times the employee's annual salary to recruit, interview, select, hire, and train his or her replacement.

Once employees have entered the gates, the next challenge is to keep them there. According to Greg Smith, president and CEO of Chart Your Course International and another speaker at the NSSGA workforce conference, employee retention is based on creating a motivational workplace. He describes the ideal work environment as one based on pride: Provide a positive working environment; Recognition, reward, and reinforcement; Involve everyone; Develop skills and potential; and Evaluate and measure continuously. Smith states in his presentation “Our greatest asset is our employees. We value our people and the contributions they make to our organization. We encourage and promote our core values, strive to develop every employee’s potential, create a culture in which training and development become a strategic advantage, offer superior rewards, incentives, and recognition for superior performance, and attract, nurture, and retain extraordinary talent”.

When a firm loses employees, it loses skills, experience, trust, etc. The magnitude and nature of these losses is a critical management issue, affecting productivity, profitability, and product and service quality. For example employees, high turnover can negatively affect employment relationships, morale and workplace safety. The cost of replacing workers can be high, the problems associated with finding and training new employees can be considerable, and the specific workplace-acquired skills and knowledge people walk away with can take years to replace.

The problem of turnover can be addressed through a variety of pro-active retention strategies: workplace policies and practices, which increase employee commitment and loyalty. Knowledge transfer initiatives on the other hand, ensure that the knowledge and expertise of a company’s employees—its 'corporate memory'—are systematically and effectively shared among employees. They can offset the negative impact of turnover, but can also work pro-actively to

reduce turnover by providing learning and skills development opportunities to employees - factors known to reduce turnover.

Employee retention and knowledge transfer are two elements of a more general concern that might be best termed 'skill management,' i.e., everything that has to do with recruiting, maintaining and developing the necessary mix and levels of skill required to achieve organizational objectives. Someone leaving often comes as a complete shock. Even if you saw the warning signs, and just didn't do anything about them, the number of thoughts that simultaneously rush into your head is immense. Why are they leaving? Could I have stopped it? How much is it going to cost to find a replacement? How will we manage without them? How to stop them leaving: talent management can help prevent all of this from happening in the first place.

There are many different reasons why employees might want to leave, and money isn't usually one of them. How do we stop them from leaving? Managers must learn how to spot when employees might be thinking of going, how to find out what has caused the situation and how to prevent it from happening.

There are no laws that require you to train supervisors to help reduce turnover and increase employee retention. However, it is wise to do so because when your supervisors understand the impact of turnover and are well prepared with effective retention strategies, there's a better chance that you can reduce your organization's turnover rate and retain valuable employees who might otherwise be lured away by competitors (Delaney and Huselid, 1995).

CHAPTER THREE

3.0 METHODOLOGY

This research is designed to investigate the effect of HRM practices on Employee retention in the construction industry in Ghana. The study is geared toward identifying the factors that influence employee retention so that construction managers can make reasoned decisions regarding which HRM practices will best be adopted and practice in their organizations.

3.1 POPULATION

The research population was made up of classes D1 and D2 construction companies found in the Ashanti, Brong-Ahafo and Eastern regions, which have registered, with authorized bodies in Ghana. The firms in this category have attributes that meet the criteria set for large-firms by the contextual definition of large firms in Ghana. However, due to the apparent lack of updated list of construction firms by the Ministry of Water Resource, Works and Housing and the Ministry of Transport at the time of the survey, the researcher had to rely on many sources to get registered list of classes D1 & D2 companies as much as possible. This includes the municipal and metropolitan assemblies, urban roads department, Ghana Highway department, Architectural and Engineering Service Limited (AESL), Association of Building and Civil Engineering Contractors of Ghana (ABCCG).

The ABCCG is the umbrella organization for both Building and Road Construction Firms in Ghana, which is responsible for their day-to-day operations.

The description of the construction companies in Ghana have been duly discussed in chapter two. The breakdown of the number of classes D1 and D2 companies have been provided below.

REGION	NUMBER OF COMPANIES

Ashanti	35
Brong Ahafo	23
Eastern	25
Total	83

Source: Field survey, 2009

3.2 SAMPLE AND SAMPLING TECHNIQUE

Various probabilistic and non-probabilistic sampling techniques were employed in the study. The researcher used the purposive sampling technique to select the three regions of Ashanti, Brong-Ahafo and Eastern, which fall within the middle belt of Ghana. Within these regions, there was difficulty in getting the list of construction firms so the researcher used the snowballing sampling technique to reach as many sources of registered list of companies as possible. The researcher initially visited the metropolitan and municipal assemblies who directed me to the Ghana Highway Department. The Ghana Highway Department also redirected me to the Urban Roads department and then to AESL. At AESL, they suggested I could get some information about the list of construction companies from the Association of Building and Civil Engineering Contractors of Ghana (ABCCG). It was at this point that the 83 construction companies reported under the population were arrived at.

The researcher wanted to study ten construction companies so the quota sampling technique was used to allocate 40 percent to the Ashanti region and 30 percent each to the Brong Ahafo and Eastern regions. The choice of ten companies was as a result of convenience and effective interaction with the study area. Also, the researcher had to operate within a given timeframe and meet a deadline hence the ten selected companies. Within each selected region and company, the researcher used the lottery method of the simple random sampling technique in selecting the

respondents firms and respondent employees. The numbers corresponding the list of firms or employees in each region or company were written in a hat. These numbers were selected randomly from the hat and the names corresponding the selected numbers were selected for the study. The process was replicated in each of the three regions and in each of the ten companies involved in the study. The reason behind this was to give every construction firm and every employee equal opportunity of being selected for the study (Wunsch, 1986). Within each of the ten companies, six questionnaires were distributed totaling 60 and 53 were returned constituting a response rate of 88.3 percent.

3.3 Measures

Measures of perception in research on HRM practices were used for this study. Respondents were asked to indicate on Four- point scales, ranging from one- “not important” to four- “very important”, the degree of importance they attached to each of the eight HRM variables. These dimensions were:

- i) recruitment and selection
- ii) training & development
- iii) human relationship
- iv) communication & employee involvements
- v) health, safety and welfare
- vi) recognitions and rewards
- vii) compensation and incentives
- viii) performance appraisal.

The respondents were further asked to indicate the frequency of the HRM practices in their

organizations along each of the eight HRM factors. The five-point scale was used for this measurement ranging from one-“never” to five-“always”. Multiple measures were employed to assess Recruitment and Selection, specifically

- ❖ orientation of the newly hired employees
- ❖ accuracy of person specification
- ❖ equal opportunity for recruitment and selection
- ❖ well-defined job description” etc were used.

Training & development covered

- ❖ skill training on the job
- ❖ the training received on the job
- ❖ the ability to use my own skills etc.

Multiple measures were employed to assess the Human Relationship aspect, specifically,

- ❖ quality of interpersonal relationship
- ❖ fair and equal treatments
- ❖ treating employees as dignified human beings etc were used for this study.

Communication and Employee Involvement covered

- ❖ employer-employee dialogue
- ❖ quarterly meetings that is open to all employees to explain workplaces policies and business plans
- ❖ clearly communicate exactly what the firms expectations are
- ❖ respect employees’ views etc.

Multiple measures were employed to assess Health, Safety and Welfare: specifically,

- ❖ safe working environment
- ❖ provision safety gadgets
- ❖ health insurance
- ❖ provision of sick leave with pay etc was used.

Recognition and reward covered

- ❖ praise and appreciation for good work done
- ❖ annual awards
- ❖ opportunity for employee to contribute to decisions making
- ❖ respect and support from supervisors and managers
- ❖ recognition of employee long-term commitment and loyalty to the company

Multiple measures were employed to assess Incentive and Compensation practices: specifically,

- ❖ fairness of pay
- ❖ overtime payments
- ❖ payment of tools allowances
- ❖ early payment of wages and salaries
- ❖ job security etc was also looked at in this study.

Performance Appraisal measures covered

- ❖ fair and realistic appraisal system
- ❖ feedback from the appraisal
- ❖ competencies based or skill-based pay
- ❖ specific areas the performance would be measured e.t.c. were used in this study.

Employee retention was measured with ‘intention to leave the job within the next one year’. The researcher used employee retention, intention to leave or quit and labour turnover interchangeably. In order to ascertain the effect of human resource management practices on employee retention (intention to leave), a regression was run using the human resource management practices as independent variables and employee retention (intention to leave) as the dependent variable. The hypothesis was tested using analysis of variance (Anova). Also, factor analysis was used to reduce all the many factors under each human resource management practice to the most important ones using their factor loadings in each component. A description of the relationship between how important the factors were and how frequent they were practiced was carried out to look at their ability to affect employee retention.

3.4. Designing the Questionnaire

The questionnaire was designed after specifying the data needed based on the research problem and the objectives set for the study. The questionnaire was organized into three sections using closed-ended questions. Section one consisted of nine questions concerning the characteristics of the population. Section two focused on eight HRM variables, assessing their motivational effect on employee retention, while section three was concerned with the frequency of the HRM practices in the construction industries in Ghana.

Two approaches were carried out before coming out with the final preparation of the questionnaire. First, the researcher consulted the supervisors to discuss the mode of the chosen measurements, question content and wording, and questionnaire appearance. Their comments and contribution were incorporated in the drafting of the questionnaire. The drafted questionnaire was hand delivered to some Construction and Human resource managers to obtain their

comments and views. After a few days the researcher went back to these managers to discuss and ask them for their comments. In this way, the researcher could determine if there was any confusion regarding the measurement instrument. The necessary corrections were made based on their input. The revised questionnaire was then personally delivered to 10 construction firms, thus four construction firms in the Ashanti, three to the Brong-Ahafo and three to the Eastern region. Completed questionnaires were later collected from the firms, for a response rate of 88.3%, thus the researcher was able to collect 53 questionnaires out of the 60 sent out.

KNUST CHAPTER FOUR

4.0 PRESENTATION, ANALYSIS AND DISCUSSION OF RESULTS

INTRODUCTION

This chapter covers the results from the field survey. The results have been presented in tables.

The analysis has been presented in two sections; the demographic variables and results on human resource management practices on employee retention.

Table 4.1.1 describes the gender as well as trade distribution of the respondents. It could be seen from the table that 51 males representing 96.2% were involved in the study while there were 2 females representing 3.8%. The trade distribution shows that there were 6 (11.3%) carpenters all of whom were males. There were 36 masons representing 67.9%, 35 of whom were males with one female. It could again be found from table 4.1.1 below that all the 7 plumbers representing 13.2% were males. There were 3 (5.7%) steel benders involved in the study and they were all males. Interestingly, the only welder involved in the study was a female

Table 4.1.1 Trade/ Gender Cross-tabulation

		Gender		
		Male	Female	Total
Trade	Carpenter	6	0	6
	% of Total	11.3%	.0%	11.3%
	Mason	35	1	36
	% of Total	66.0%	1.9%	67.9%
	Plumber	7	0	7
	% of Total	13.2%	.0%	13.2%
	Steel bender	3	0	3
	% of Total	5.7%	.0%	5.7%
	Welder	0	1	1
	% of Total	.0%	1.9%	1.9%
	Total	51	2	53
	% of Total	96.2%	3.8%	100.0%

Field Survey, 2009

Table 4.1.2 below indicates that 5 respondents representing 9.4% had acquired vocational training while 28 representing 52.8% had acquired technical training. It is interesting to note that 18 respondents had had polytechnic training and this represented 34% of the respondents while 2 respondents representing 3.8% had acquired apprenticeship training. On the duration of

respondents in the construction industry, it was evident that 12 respondents representing 22.6% had spent between 0-2 years in the construction industry. Out of this, 5 each had acquired technical and polytechnic training while 1 respondent each had acquired vocational and apprenticeship training. It can again be observed that 29 respondents representing 54.7% had spent between 3-5 years in the construction industry and out of this, 17 (32.1%) had acquired technical training, 9 (17%) had acquired polytechnic training while 2 (3.8%) and 1 (1.9%) respondents had vocational and apprenticeship training respectively. There were 12 respondents representing 22.6% who had spent between 6-9 years in the construction industry. Out of this number, 6 (11.3%) had acquired technical training, 4 (7.5%) had acquired polytechnic training while 2 (3.8%) had acquired vocational training.

**Table 4.1.2 Form of training acquired/Duration in construction industry
Cross-tabulation**

		Duration in construction industry			
		0 - 2 years	3 - 5 years	6 - 9 years	Total
Vocational training		1	2	2	5
% of Total		1.9%	3.8%	3.8%	9.4%
Technical training		5	17	6	28
% of Total		9.4%	32.1%	11.3%	52.8%
Polytechnic training		5	9	4	18
% of Total		9.4%	17.0%	7.5%	34.0%
Apprenticeship training		1	1	0	2
% of Total		1.9%	1.9%	.0%	3.8%
Total		12	29	12	53
% of Total		22.6%	54.7%	22.6%	100.0%

Field Survey, 2009

From table 4.1.3 below, it could be seen that 24 respondents representing 45.3% had spent up to two years with the company within which they were working. Out of this number, 11 (20.8%) had worked with two other companies apart from the current one, 10 (18.9%) had worked with one other company before joining their current job while 3 (5.7%) had not worked with any other company apart from the current one. Again, it could be seen that 28 respondents representing 52.8% had worked with the current company for between 3-5 years. Out of this number, 10 (18.9%) had worked with two other companies with the current company being the third one, 7 (13.2%) had worked with one other company before joining the current one, 6 (11.3%) had worked with three other companies, 3 (5.7%) had worked with no other company apart from the current one while 2 (3.8%) had worked with four other companies. Interestingly, there was only one respondent who had worked with the company for between 6-9 years and this respondent had not worked with any other company than the current company.

Table 4.1.3 Number of companies worked with/ Duration in the present company Cross-tabulation

	Duration of work in the company			
	0 - 2 years	3 - 5 years	6 - 9 years	Total
None apart from this	3	3	1	7
% of Total	5.7%	5.7%	1.9%	13.2%
One	10	7	0	17
% of Total	18.9%	13.2%	.0%	32.1%
Two	11	10	0	21
% of Total	20.8%	18.9%	.0%	39.6%
Three	0	6	0	6
% of Total	.0%	11.3%	.0%	11.3%
Four	0	2	0	2
% of Total	.0%	3.8%	.0%	3.8%
Total	24	28	1	53
% of Total	45.3%	52.8%	1.9%	100.0%

4.2 FACTOR ANALYSIS OF THE FREQUENCY OF HUMAN RESOURCE MANAGEMENT PRACTICES OF THE CONSTRUCTION INDUSTRY IN GHANA

To reduce the many variables on the various human resource management practices, factor analysis was conducted. Factor analysis was used to identify new smaller set of uncorrelated variables to replace the original set of correlated variables. Items which measured the variables were reduced to factor reliability. To ensure reliability of the scale, the Cronbach alpha (α) criterion was used. Human resource management practices that did not have alpha values of up to 0.70 were not included in the factor analysis. This led to the exclusion the “Training and Development” from the factor analysis because it was the only practice with an alpha value of 0.49 below the commonly acceptable 0.70. Principal component technique was used to conduct the factor analysis. This resulted in a reduction of factors to fewer variables, which could represent the other factors.

The Table 4.2.1 below shows the result of total variance in recruitment and selection based on the five factors with a Cronbach alpha (α) value of 0.680. The result indicate two components with Eigen values 2.249 and 1.318 accounting for a cumulative variance of 70.3% explained in the set of items constituting recruitment and selection. Factor loadings indicate that there are two components of the factors. In the first component, “good recruitment advertisement” (0.779) loaded heavily and this is closely followed by “good orientation of the newly hired employees” (0.747) and induction training for the newly hired employees (0.718). This therefore suggests that, all the three factors have the same level of importance in explaining selection and recruitment. The second component also showed that “accuracy of person specification” (0.723) loaded heavily followed by “clarity of job description” (0.563) thus representing the second

component. From the table of communalities, principal component analysis extracted all factors above 0.5 and hence none of the factors could be dropped. This indicates a very reliable set of items explaining selection and recruitment.

Table 4.2.1 Factor analysis of the frequency of Recruitment and Selection practices

Factor	Communalities	Components	Eigen value	% of Variance	Factor loadings and number of components extracted	
					1	2
Good orientation of the newly hired employees	0.751	1	2.249	44.981	0.747	-0.440
Accuracy of person specification.	0.770	2	1.318	26.365	0.498	0.723
Good recruitment advertisement	0.608	3	0.634	12.683	0.779	0.042
Induction training for the newly hired employees	0.799	4	0.442	8.831	0.718	-0.533
Clarity of job description	0.638	5	0.357	7.140	0.567	0.563

Field Survey, 2009

Table 4.2.2 indicates the factor analysis of human relationship practices of the construction industry in Ghana. There were seven items included in the analysis with an alpha (α) reliability of 0.856. There was only one component with an Eigen value of 3.774 representing a percentage variance of 53.9% in the human relationship practices. Factor loadings indicated that the factor that loaded heavily was “management encouraging employee counseling programmes” (0.828). This was followed by “treating employees as dignified human beings whiles at work” (0.765), then closely followed by “management identifying employee problems and helping to solve” (0.755) and then finally “good communication among staff and management” (0.715). It indicates that all these factors have the same level of importance in explaining human relationship practices. From the list of communalities, the principal component analysis showed

that factors that accounted for less than 0.5 are weak and have to be removed from the analysis. These factors are “quality of interpersonal relationship”, “good relationship with work mates” and “fairness, transparency and equitability of management”. The most accepted and used communality value is (0.5) and above, was suggested by Pallant, (2007).

Table 4.2.2 Factor analysis of Human Relationship practices

Factor	Communalities	Components	Eigen value	% of Variance	Factor loadings and number of components extracted
Quality of interpersonal relations	0.483	1	3.774	53.916	0.695
Management encouraging Employee counseling program.	0.686	2	0.950	13.572	0.828
Management identifies employee's problems and help to solve them.	0.570	3	0.685	9.784	0.755
Treating employees as dignified human beings whiles at work.	0.585	4	0.532	7.602	0.765
Good relationship with work mates	0.452	5	0.469	6.706	0.672
Good communication among staff and management	0.511	6	0.390	5.566	0.715
Fairness, transparency and equitability of management	0.486	7	0.200	2.855	0.697

Field Survey, 2009

Communication of Employee and Input practices showed a high reliability with alpha value (α) of 0.865. The result below indicates that, there was only one component of all the six factors with Eigen value of 3.609 representing total variance of 60.15%. “Opportunity to participate in the policies” was the factor which loaded heavily (0.878) this was closely followed by “opportunity for employees to air their views” (0.853) and then “quarterly meetings to discuss

work progress” (0.814). The table of communalities from the principal component analysis showed that two factors were weak and would have to be removed from the list of factors. These are “employer-employee dialogue” and “clearly communicating firm expectation”.



Table 4.2.3 Factor analysis of Communication of Employee and Input practices

Factor	Communalities	Components	Eigen value	% of Variance	Factor loadings and number of components extracted
Employer-employee dialogue	0.449	1	3.609	60.155	0.670
Opportunity for employees to air their views	0.728	2	0.775	12.913	0.853

Provision of information to both employees and management on the company achievements and its progress	0.571	3	0.690	11.493	0.755
Quarterly meetings, that is open to all employees, to discuss work progress.	0.662	4	0.402	6.693	0.814
Clearly communicating exactly what the firms expectations are to employees.	0.428	5	0.289	4.810	0.654
Opportunity to participate in the policies which guide and rule their working lives	0.772	6	0.236	3.935	0.878

Field Survey, 2009

Health, Safety and Welfare practices showed the greatest scale reliability with an alpha (α) value of 0.899. There were seven factors explaining the frequency of health and safety practices in the construction industry in Ghana, which had a single component with Eigen value of 4.393 representing a 62.77% variance in the items representing health, safety, and welfare practices. Factor loadings indicate that “appointment of safety officer” had the highest loading of 0.878 indicating that this factor had the greatest influence on the health and safety variable or the most frequent practice under health and safety. However, it is interesting to find that, “provision of first aid (0.861)” and “management bearing full treatment cost of employees (0.857)” are very close to the highest loading factor indicating that they all have the same level of influence as the most important factors. From the list of communalities, the principal component analysis extracted less than 0.5 of one of the factors (designing safety publicity) and had to be removed from the analysis.

Table 4.2.4 Factor analysis of the frequency of Health and Safety practices

Factor	Communalities	Components	Eigen value	% of Variance	Factor loadings and number of components extracted
Safe working environment	0.631	1	4.394	62.770	0.794
Provision of safety gadgets for the workmen whiles on the job (e.g. boots, helmet)	0.555	2	0.827	11.817	0.745
Provision of sick leave with pay, health insurance, life and retirement for employees.	0.519	3	0.688	9.828	0.720
Provision of first aid, canteen facilities, restrooms, ablution area or sanitary facilities	0.741	4	0.516	7.370	0.861
Appointment of a safety officer who sees to the safety of workmen whiles at work	0.771	5	0.282	4.025	0.878
Management bearing full treatment cost, beyond just first aid of injuries sustained at work	0.734	6	0.162	2.316	0.857
Designing safety publicity leaflets	0.443	7	0.131	1.875	0.666

Field Survey, 2009

The Cronbach alpha (α) value for recognition and reward was 0.797 thus indicating a scale reliability. Five factors were involved in the factor analysis with one component having Eigen value greater than one (3.000) accounting for a percentage variance of 59.999 in the set of recognition and reward items. Factor loadings of observed variables of recognition and rewards reveal that “praise and appreciation of good work done” had the greatest influence on the factor loading 0.851. “Opportunity for employees to contribute to decision making (0.831)” and “respect and support from supervisors and managers (0.818)” accounted for similar levels of influence on the factor. Principal component analysis accounted for less than 0.5 of one factor

“recognition of employee long-term commitment and loyalty to the company” which indicated a weaker influence and had to be removed from the analysis.

Table 4.2.5 Factor analysis of the frequency of Recognition and Reward practices

Factor	Communalities	Components	Eigen value	% of Variance	Factor loadings and number of components extracted
Praise and appreciation of good work done	0.732	1	3.000	59.999	0.851
Annual awards for hard working employees	0.613	2	0.818	16.370	0.783
Recognition of employee long-term commitment and loyalty to the company	0.304	3	0.466	9.310	0.552
Respect and support from supervisors and managers	0.669	4	0.392	7.842	0.818
Opportunities for employees to contribute to decision making	0.691	5	0.324	6.479	0.831

Field Survey, 2009

Table 4.2.6 shows a factor analysis of compensation and incentive practices which consisted of nine items with a Cronbach alpha (α) value of 0.787 thereby satisfying the scale reliability. This human resource practice had three components with Eigen values 4.590, 1.110 and 1.002 having a cumulative percentage variance of 74.4%. The first component had “fairness of pay (0.847)” showing the greatest influence on the factor followed by “early payment of wages and salaries (0.810)”. In the second component, “payment of tools allowances (0.853)” showed the highest influence while the third component revealed “job security (0.616)” loaded heaviest. The principal component analysis showed from the list of communalities that none of the factors was below 0.5 hence all the items should be involved in the analysis.

Table 4.2.6 Factor analysis of the frequency of Compensation and Incentive practices

Factor	Comm.	Comp.	Eigen value	% of Variance	Factor loadings and number of components extracted		
					1	2	3
Fairness of pay (overtime, bonuses etc)	0.749	1	4.590	51.002	0.847	0.166	-0.058
Payment of tools allowances for employees.	0.897	2	1.110	12.332	0.298	0.853	0.283
Opportunity to enjoy social security and end of service benefits.	0.754	3	1.002	11.138	0.786	-0.199	-0.310
Other allowances (canteen, transportation, housing etc)	0.741	4	0.753	8.365	0.797	0.277	0.171
Early payment of wages and salaries	0.720	5	0.545	6.051	0.810	-0.168	0.190
Adequate working tools and equipments	0.709	6	0.389	4.327	0.778	-0.293	0.134
Job security	0.868	7	0.266	2.953	0.617	-0.328	0.616
Tax relieve on employee wages and salaries	0.631	8	0.194	2.151	0.666	-0.041	-0.431
Opportunity for promotion	0.634	9	0.151	1.680	0.667	0.120	-0.417

Field Survey, 2009

From table 4.2.7 performance appraisal practices had five items included in the analysis with a Cronbach alpha (α) value of 0.783. There was one component with Eigen value greater than one (2.728) representing 54.568% of the variance in the set of items on performance appraisal. It could be seen from the table that the factor with the largest factor loading was “competency based or skill-based pay (0.894)” thus representing all the items under performance appraisal. This was however followed by “fair and realistic appraisal system (0.785)” and “making employees aware of specific areas of performance measurement (0.784)” both of them indicating similar levels of importance to the factor. Principal component analysis from the list of

communalities with less than 0.5 was one factor “feedback from the appraisal” which showed little importance and had to be removed from the analysis.

Table 4.2.7 Factor analysis of the frequency of Performance appraisal practices

Factor	Communalities	Components	Eigen value	% of Variance	Factor loadings and number of components extracted
Fair and realistic appraisal system	0.617	1	2.728	54.568	0.785
Feedback from the appraisal	0.229	2	0.905	18.110	0.479
Competencies based or skill-based pay e.g. reward employees for the skills or competencies which the individual acquire	0.799	3	0.772	15.438	0.894
Make employees aware of the specific areas the performance will be measured.	0.614	4	0.381	7.620	0.784
Set objective or tasks that the employee is capable of delivering	0.469	5	0.213	4.265	0.685

Field Survey, 2009

4.3 REGRESSION ANALYSIS OF THE RELATIONSHIP BETWEEN HUMAN RESOURCE PRACTICES AND EMPLOYEE RETENTION

In order to determine the exact relationship between the human resource practices (independent variables) and the intention to leave (dependent variable), a regression was run for the two variables and the result has been presented in three tables namely; model summary, analysis of variances (Anova) and coefficients table for the individual predictors.

From table 4.3.1 below, the model summary suggests that, the predictors (human resource management practices) which are the independent variables could predict the dependent variable (employee retention) by 90% which is read from the R square. This suggests that the combined efforts of the human resource management practices namely performance appraisal, training and development, communication of employee and input, human relationship, health, safety and welfare, compensation and incentive recruitment and selection and recognition and reward could determine an employee's intention to quit the job by 90%. It further suggests that about 90% of the change in an employee's intention to quit the job is accounted for by these human resource management practices. It confirms that the model is good and acceptable.

It has been argued by various authors like Lado and Wilson (1994), Pfeffer (1994) and Wright and McMahan (1992) that although traditional sources of competitive advantage such as natural resources, technology, economies of scale, and so forth, create value, the resource based argument is that these sources are increasingly easy to imitate, especially in comparison to a complex social structure such as an employment system. They advanced the argument that what will make a firm so unique are its human resource management strategies and this may be an especially important source of sustained competitive advantage. The argument places much premium on human resource management practices. Wah (1998) also intimated that the human resource department should not just be recognized as the keeper of the rules, but as the “keeper of workers’ hearts” and “the keeper of why they want to come to work every day”. It means that

all human resource management practices should focus on getting the employee at work every day, which means they should be retained as much as possible.

Table 4.3.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.951 ^a	.904	.887	.14228

Predictors: (Constant), Satisfaction with Performance appraisal practices, Satisfaction with Training and Development practices, Satisfaction with Communication of employee and input practices, Satisfaction with Human relationship practices, Satisfaction with Health, Safety and Welfare practices, Satisfaction with Compensation and Incentive practices, Satisfaction with recruitment and selection practices, Satisfaction with Recognition and reward practices.



4.3.2 RESULT OF HYPOTHESIS TESTING

The hypothesis was tested using analysis of variance (Anova). The result from the test is shown below. The analysis of variance (Anova) table shows that the independent variables are very significant and strong in predicting the dependent variable. From the table 4.3.2, it can be seen that at 95% confidence interval, the probability of an error in the prediction is less than 0.000 (read from the sig. column). It indicates that the human resource management practices namely performance appraisal, training and development, communication of employee and input, human

relationship, health, safety and welfare, compensation and incentive, recruitment and selection, and recognition and reward are very significant in determining the level of an employee's intention to quit the job.

This means that the null hypothesis which stated that 'there is no significant effect of human resource management practices on employee retention' should not be upheld and must be rejected. Rather, the alternative hypothesis which stated that 'there is significant effect of human resource management practices on employee retention' should be sustained. The implication is that, management should be mindful of the human resource management practices since it has the capacity to significantly affect labour turnover or employee retention.

Table 4.3.2 ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.392	8	1.049	51.817	.000 ^a
	Residual	.891	44	.020		
	Total	9.283	52			

a. **Predictors:** (Constant), Satisfaction with Performance Appraisal practices,

Satisfaction with Training and Development practices, Satisfaction with

Communication of Employee and Input practices, Satisfaction with Human

Relationship practices, Satisfaction with Health, Safety and Welfare practices,

Satisfaction with Compensation and Incentive practices, Satisfaction with Recruitment

and Selection practices, Satisfaction with Recognition and Reward practices.

b.

Depe

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Although the combined efforts of all the eight human resource management practices were very strong in predicting the extent of employee retention, it would be very misleading not to investigate the contribution of each individual human resource management practice. This was done using the table of coefficients from the regression analysis. It could be realized from the table of coefficients (Table 4.3.3) that some of the human resource management practices were not significant in contributing to the model. Recruitment and selection practices was very significant in determining an employee's intention to leave ($\text{sig} = 0.000$). It means that, if management is interested in reducing employee turnover or retain employees, it should be mindful of its recruitment and selection process so that the right people are selected for the right jobs.

Another human resource management practice which was identified as significant was human relationship practices. It had a significance value of 0.002. It means that the kind of cordial relationship between employees on one hand and between employees and management or supervisors within the construction industry is strong to determine employee retention.

Furthermore, health, safety and welfare practices were very significant (0.000) in determining employee retention. The implication is that if management wants to retain key personnels, it should ensure that the safety, health and welfare of employees are well catered for. These could be in the form of safety gadgets, free medical care for on-site injuries and others. For a construction company, it would be in the interest of management to ensure that the welfare, health and safety of employees are taken care of because the nature of the job is prone to injuries. It can be read from the table that compensation and incentive practices were significant (0.012) in determining the level of employee retention within the construction industry in Ghana. Naturally, employees would want to be well compensated for the job they do and the introduction of incentive packages attracts and retains more employees than it would drive them away. Management should therefore be very mindful of four human resource management practices which are very significant in determining the level of employee retention. These are recruitment and selection, human relationship practices, health, safety and welfare practices and compensation and incentive practices. Although the other human resource management practices may be very important, they are not very significant in determining the level of an employee's intention to leave or quit the job.

Table 4.3.3 Coefficients^a

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Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.889	.113		25.474	.000
	Satisfaction with recruitment and selection practices	-.757	.158	-.798	-4.803	.000
	Satisfaction with Training and Development practices	.088	.054	.098	1.621	.112
	Satisfaction with Human relationship practices	-.276	.085	-.276	-3.244	.002
	Satisfaction with Recognition and reward practices	.123	.152	.135	.811	.421
	Satisfaction with Communication of employee and input practices	.019	.103	.020	.182	.857
	Satisfaction with Health, Safety and Welfare practices	-.551	.139	-.580	-3.959	.000
	Satisfaction with Compensation and Incentive practices	.406	.155	.445	2.611	.012
	Satisfaction with Performance appraisal practices	.012	.049	.014	.242	.810

a. **Dependent Variable:** Intention to leave or quit job

4.5 RELATIONSHIP BETWEEN IMPORTANT HUMAN RESOURCE MANAGEMENT FACTORS AND THEIR FREQUENCY OF PRACTICE WITHIN THE CONSTRUCTION INDUSTRY IN GHANA

In order to determine whether the human resource management factors the employees deem important were frequently practiced at the workplace, the researcher limited the important factors to those the respondents indicated as “very important” and “important”. The frequency of practice factors were limited to those the respondents indicated as “always” practiced and “usually” practiced. These percentages have been used for the analysis. It is envisaged that, factors that were considered very important or important but are not frequently practiced could be possible reasons for employees’ intention to leave the job.

4.5.1 TRAINING AND DEVELOPMENT PRACTICES

It was indicated by 96.2% of the respondents that, ‘the training received on the job’ was an important human resource management practice; it is interesting to observe that the frequency of practice was 71.7%. This suggests that, what the employees recognize as important was not frequently practiced. This has the tendency to spur up dissatisfaction and can result in high labour turnover. The respondents again indicated that ‘opportunity to develop one’s skill’ was important (92.5%); its frequency of practice within the construction industry was 71.7%. Although the frequency of practice is quite substantial, the variance between its importance and rate of practice is very significant and can result in an employee’s intention to leave the job.

According to 94.3% of the respondents, ‘opportunity to be promoted’ was an important HRM practice, its frequency of practice was 62.2%. This suggests that there aren’t much promotion

opportunities for employees in the Construction Industry and can bring about turnover intentions. Although respondents indicated that it is important to be 'given the opportunity to plan their own skills' (96.2%), it was confirmed by 56.6% of the respondents that it was usually practiced. The most important and frequently practiced training and development practice was 'opportunity to learn new priorities and new task' which were represented by 81.2% and 83.1% respectively. This confirms the finding of Doyle, (1997) who reported that companies should encourage employees to take more responsibility for their own development, including the development of skills viewed as significant in the company.

The variance between what is important and what is practiced is very insignificant and it is positive for the construction industry. It was expressed by 86.8% of the respondents that 'opportunities to learn new skills in a team environment' was important, they indicated that it was frequently practiced by 68%. Kalleberg and Moody, (1994) asserted that "training and development" appeared to encompass all dimensions of employee motivational factors and retention. Training and development is seen as a useful means of coping with changes fostered by technological innovation, market competition, organizational structuring, and demographic shifts (Knoke and Kalleberg, 1994).

It could be realized from the discussion that, most training and development practices were important they were not frequently practiced. This has the tendency to force employees to think about quitting the job for another. It is therefore the responsibility of employers within the construction industry in Ghana to ensure that the factors indicated as important are usually practiced so that they could retain most talented employees.

4.5.2 RECRUITMENT AND SELECTION

The respondents (94.3%) confirmed that ‘good orientation of the newly hired employee’ was an important factor in determining employee retention, they indicated that its frequency of practice was just 68% thereby leaving a big gap. The gap could represent employee dissatisfaction which may possibly trigger an intention to quit the job. On ‘accuracy of person specification’, 88.7% recognized it as important but its frequency of practice was only 71.7%. Good recruitment is an important recruitment and selection factor which determines employee retention according to 91.1% of the respondents, however, it was surprisingly indicated by only 58.5% that it was usually practiced. The variance is outrageous and could possibly compel employees to move to a place where this important factor was practiced. If newly hired employees are not well inducted, there might be some problems with how to do the job well.

Respondents indicated that this factor was important (88.7%), it was rather reported by 64.2% of the respondents that it was usually practiced. The most frequently practiced important recruitment and selection factor was ‘clarity of job description’. This was indicated by 90.5% as important and 84.9% as frequently practiced. The variance is very minimal and could not result in turnover intention within the construction industry in Ghana. It was indicated by Schuster, (1986) that the right people should always be hired so that the cost of recruitment can always be kept low. Huselid (1995) also added that hiring the right people increased productivity and that placing the right advertisement, ensuring clarity of job description, inducting and orienting the new employee would help achieve the benefits of good recruitment and selection exercise. On the whole, apart from ‘clarity of job description’, all the recruitment and selection factors are not usually practiced although it is important. This means that these unpracticed but important factors can impede the retention of talented employees in the construction industry.

4.5.3 RECOGNITION AND REWARDS

The respondents indicated that ‘praise and appreciation of good work done’ was an important recognition and rewards factor (98.2%), it was usually practiced in the workplaces of only 75.5% of the respondents. Employees will be dissatisfied with such a situation and may be compelled to quit the job for another. To motivate workers, hard working employees are annually awarded and this was expressed by 86.8% respondents as important but its frequency of practice within the construction industry was 73.5%. This means that the construction industry does not frequently practice important factors.

On ‘recognition of employee long term commitment and loyalty to the company’, 94.3% of the respondents indicated it was important but only 66% confirmed it was usually practiced at the work place. The situation is likely to generate employee dissatisfaction because expectations would not be met and may decide to leave for another company. 92.4% of the respondents indicated that ‘respect and support from supervisors and managers’ was an important recognition and reward factor, it is reported by only 73.6% as being usually practiced. If workers feel disrespected and are not supported by their immediate heads, there is a feeling of de-motivation and may think that quitting such a job is the best option. It was the view of 75.5% respondents that workers should be given the opportunity to contribute to decision making so that they could be owners of such decisions. It was however, indicated by 67.9% of the respondents that, this was frequently practiced at their workplaces. The difference is not quite significant as compared to already discussed factors. It could be seen that on the whole, although most recognition and reward factors are important to employees, they are not frequently practiced.

4.5.4 COMMUNICATION AND EMPLOYEE INPUT

Employer-employee dialogue was identified by 79.2% of the respondents as important; it was surprisingly indicated by only 58.5% as frequently practiced. Employers should create the enabling environment for employees to dialogue with them on pertinent issues so that they could be settled amicably. If such situations do not prevail, workers may be tempted to quit the job for another where those opportunities exist. It was overwhelmingly declared by 90.5% of the respondents that employees should be given the opportunities to air their views but it is sad to realize that this was practiced by only 66.1% of the companies the respondents worked with.

Working under intimidating environments does not bring out the best in the worker and it is in the supreme interest of the employer to create a favourable atmosphere for workers to express themselves without fear. Free flow of information to both employees and management on the achievements of the company is an important communication factor (79.2%), its frequency of practice (75.5%) was very close to its importance. It shows that this factor is weak enough to compel employees to quit the job in the construction industry because their expectations on this have been met. The respondents again indicated that a quarterly meeting that is opened to all to discuss work progress was important (84.9%) in the construction industry; it was only practiced in the workplaces of 62.3% of the respondents. The gap is significant enough to force some employees who are dissatisfied about this to quit the firm for another. On 'clearly communicating exactly what the firms' expectations are to employees', 84.9% indicated this factor as important but its frequency of practice was 75.5% and finally, respondents expressed that opportunity to participate in the policies which guide and rule their working lives' was

important (92.4%), it was only practiced in the workplaces of 68% of the respondents. It suggests a significant difference and has the tendency to make an employee leave for a different job.

The results indicate that there was very good communication link between the employees and management of their various companies. This has the capability of promoting good working relationships among workers. According to Pfeffer (1998) many companies are vulnerable to share critical information with their employees because in this way there is the tendency that employees may become more powerful and companies may lose control of them. This may be a danger but the management need to control the flow of information so that those that needs to be taken at the strategic level is left in the hands of top management.

It has been confirmed in the literature that, information sharing fosters organizational transparency, which reduces turnover (Ahmad and Schroeder, 2003) and forges synergistic working relationship among employees (Nonaka, 1994). These findings are enough to imply that information sharing helps the organization. On the whole, as a result of a well practiced communication system among the respondents, there is little tendency for employee communication to pose problems to employee retention within the construction industry in Ghana.

4.5.5 HEALTH, SAFETY AND WELFARE PRACTICES

The respondents unanimously indicated that ‘safe working environment’ was important but 73.6% indicated that this was frequently practiced at the workplace. A safe working environment motivates workers to give out their best but where employees experience an unsafe environment they may be tempted to leave to places they consider safe. According to 98.1% of the respondents, ‘provision of safety gadgets for workmen while on the job’ was important but it was

practiced among 71.7% of the respondents. The variance is so large that it has the potential to trigger employee turnover. Injuries at the workplace in the construction industry are not uncommon and should be addressed by providing safety gadgets for the workers whiles at the workplace. It is even against the labour standards for employees to work under such conditions.

Respondents felt that 'sick leave with pay, health insurance, life and retirement for employee' is so important (100%) in the construction industry but this was frequently practiced or catered for among 79.3%. This result still leaves so much gap that should be addressed by employers in order to forestall possible turnover intention. Again, it was declared by 86.8% of the respondents that first aid, canteen facilities, restrooms, ablution area and sanitary facilities are important and must be provided at the workplace. This has the potential to reduce time wasted in seeking these services outside the workplace thereby increasing the time for productivity. It was however indicated by only 67.9% of the respondents that these facilities were frequently provided at their workplaces. This situation is not very good for the industry and the earlier it is addressed the better it would be to improve employee retention.

Respondents indicated that the appointment of safety officers who sees to the safety of workmen whiles on the job is important (81.1%) but the appointment has been made among 75.5% of the respondents. These figures are somehow close and indicate that this practice has a lesser tendency to cause employee turnover within the construction industry in Ghana. Another important factor identified (94.4%) was 'management bearing full treatment cost, beyond just first aid of injuries sustained at work'. It was surprisingly confirmed by only 66% that the practice was frequent at their workplaces.

It is possible that this can bring about employee turnover. It was the view of 83% of the respondents that 'designing safety publicity leaflets' was important but it was rather practiced

among 64.1% of the respondents. The respondents attached much premium to health and safety issues and this confirms the findings of Kalleberg and Moody (1994) who reported that improving health, safety and welfare of employees is an antidote for motivating and keeping them. It could be seen from the discussion that employees regarded most health and safety factors as important but the practice was very minimal. It therefore suggests that employees might be dissatisfied about this and might possibly intend to quit their current places of work.

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4.5.6 COMPENSATION AND INCENTIVE

According to Wimbush (2005) and Singh (2005) studies on the relationship between performance-related pay and company performance have generally found a positive relationship, but a growing body of empirical evidence suggests that it is not just pay level that matters, but pay structure as well. It is obvious that fairness of pay is important in every workplace and this was confirmed by 96.2% of the respondents but it was only practiced among 71.7% of the respondents. If workers anticipate that their pay does not commensurate their output, agitations might arise and various unrests which have serious repercussions on productivity might result. The end result of this is an intention to quit the job. Workers expect that tools allowances must be paid in the construction industry and this opinion was expressed by 86.8% of the respondents. However, it was least practiced in their various workplaces according to 56.6% of the respondents. This is very serious and has a very high potential to cause employee turnover. The respondents were of the opinion that there should be opportunity to enjoy social security and end of service benefits thus indicating it as important by (98.1%) but it was only 75.5% of the

respondents who were benefiting from this practice. It should be mandatory that employees within the construction industry both casual and permanent should enjoy these benefits. This is capable of enabling most employers to retain their talented employees.

Just as indicated above, 98.1% of the respondents felt that payment of other allowances such as canteen, housing, transportation is important and must be paid but the practice of only (56.6%) leaves much to be desired. Employees must be paid deserving allowances so that they do not harbor the intention to quit the current job for another. More often than not, employees' salaries are unduly delayed. The respondents felt that this factor is important (96.2%) but it was only confirmed by 69.8% of the respondents that their wages and salaries were paid earlier. Such delays might compel some employees to go for loans and they end up paying huge interests, which compound their financial burdens.

Such a situation is capable of compelling some talented employees to quit the job for another. Employees would always want to work with the right tools and equipments and recognizes this factor as important (98.1%) but the practice was different as it was confirmed by 75.5% as frequently practiced. It suggests that workers are dissatisfied about the tools they work with within the construction industry in Ghana a situation which may impede employee retention. Employees would always want to feel secured about the jobs they do. As a result, they indicated 'job security' as important (94.3%) factor. However, it was only confirmed by 75.5% of the respondents that they experienced job security at their workplaces. This is a possible factor that can compel employees to have an intention to quit the job they were doing. It was indicated by Pfeffer, (1998) that a company that has learnt that job security contributes to its performance, invests again in job security and that the company must signal a clear message that jobs are secure; then, employees believing that this is true, feel confident and commit themselves to

expend extra effort for the company's benefit. It therefore means that the company enjoys from ensuring that employees' jobs are secured.

The respondents again were of the view that there should be tax reliefs on employee wages and salaries (71.7%). It was confirmed by 62.3% of the respondent that this was frequently practiced. This factor has little potential to cause employee turnover because the expectations of the employees does not differ greatly from what is actually practiced.

It could be seen from the discussion that, the compensation and incentive factors are the least practiced in the construction industry in Ghana. Interestingly, it is a human resource management practices that employee's attach great importance. What this means is that, the compensation and incentive factors are very strong in causing employee turnover because the level of dissatisfaction seems very high and employees would seek to compensate for their dissatisfaction by looking for a better job.

4.5.7 HUMAN RELATIONSHIP

The respondents were of the view that the 'quality of interpersonal relationship' at the workplace was important (92.5%) but this was frequently practiced among 73.6% of the respondents. The gap is significant enough to cause employee turnover. The respondents did not attach much importance to 'management encouraging employee counseling programmes'. This they indicated by 73.6% and this was practiced among 68% of the respondents. The figures look so close that, it has little or no effect on bringing about employee turnover. Management should not only be interested in workers coming to work but should be part of the solution to their problems. It was confirmed by 88.6% of the respondents that this factor was important but was practiced among

75.5% of the respondents. It suggests that this factor although could bring about turnover intention but not very strong enough.

The respondents again indicated that it is important for employees to be treated as dignified human beings whiles at work (86.8%). It was however indicated by 71.6% of the respondents that this was frequently practiced at their various places of work. This is quite close although it has a potential to be injurious to employee retention. Among work mates, it is important that a cordial atmosphere exist between workers and all the respondents (100%) unanimously confirmed this. It is good to realize that such relationships existed in the workplaces of 86.8% of the respondents. This agitation or factor has very little potential to bring about employee retention problems because it is significantly practiced within the construction industry in Ghana. Good communication among staff and management was indicated by 98.1% of the respondents as important and frequency of practice was confirmed by 84.9%. It suggests that this is a frequent practice and can hardly result in employee intention to quit.

Lastly, fairness, transparency and equitability of management was indicated as an important human resource management factor (83%) and was practiced at the workplaces of 73.6%. The gap is close which means that, employees might have little agitation about it and cannot significantly bring about a quitting intention. On the whole, 'human relationship' is among few of the human resource management practices with most frequently practiced factors closer to their importance. Such a revelation suggests that, it would be a very weak predictor of employee turnover intention. This is because the expectations of the employees are met by how frequently they are practiced and there would be no basis for using it as a reason for quitting the job.

4.5.8 PERFORMANCE APPRAISAL

Interestingly, all the percentage representations for the importance are equal to those for frequency of practice. It suggests that there are no differences and would be very weak in causing employee turnover. This result is not surprising because the regression analysis indicated that performance appraisal was very insignificant in affecting employee retention in the construction industry in Ghana.

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CHAPTER FIVE

5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

The main aims of the study were to find which human resource management practices employees in the construction industry deem important, how frequent these are practiced at their workplaces and which factors influence their intention to leave the workplace. Using a sample of 53 employees in the construction industry, the survey revealed the following results.

5.2 SUMMARY OF MAJOR FINDINGS

5.2.1 DEMOGRAPHIC DESCRIPTION OF RESPONDENTS

- i. There were 96.1% males while the females were 3.8% and their occupational distribution were 67.9% masons, 13.2% plumbers, 11.3% carpenters, 5.7% steel benders and 1.9% welder.
- ii. The level of training received were 52.8% with technical training, 34% polytechnic training, 9.4% vocational training and 3.8% apprenticeship training. Again, 54.7% had spent between 3-5 years in the construction industry while 22.6% each had spent 0-2 years and 6-9 years.
- iii. It was found that, 54.7% had spent 3-5 years with their current company, 45.3% had spent 0-2 years with their present companies.

5.2.2 IMPORTANT HUMAN RESOURCE MANAGEMENT PRACTICES

The factor analysis revealed that the most important factors under the eight human resource management practices were the following. These are what management should be very much concerned about in an attempt to concentrate on what employees consider important.

1. Good recruitment advertisement
2. Accuracy of person specification
3. Management encouraging employee counseling programmes
4. Opportunity to participate in the policies which guide and rule working lives.
5. Opportunity for employees to air their views
6. Appointment of safety officer who sees to the safety of workmen
7. Provision of first aid, canteen facilities
8. Management bearing full treatment cost of injuries sustained at the workplace
9. Praise and appreciation of good work done

- | | |
|-----|--------------------------------------|
| 10. | Fairness of pay |
| 11. | Payment of tools allowances |
| 12. | Job security |
| 13. | Competency based or skill based pay. |

5.2.3 RELATIONSHIP BETWEEN IMPORTANT AND FREQUENCY OF PRACTICE OF HUMAN RESOURCE MANAGEMENT FACTORS

Apart from opportunity to learn new priorities and tasks, all training and development, factors are important but not frequently practiced within the construction industry in Ghana. With the exception of clarity of job description and accuracy of person specification, all the recruitment and selection factors are not frequently practiced. All the recognition and reward factors were not frequently practiced in relation to their level of importance. Apart from providing information on company's achievements, all the communication of employee and input factors were less frequently practiced.

Almost all the health, safety and welfare factors were considered important but were not frequently practiced. The most human resource practice that had very low frequency of practice although considered very important was compensation and incentive. There were so much variation between their frequency and importance hence a good predictor of intention to leave. Almost all the human relationship factors were considered important but were not frequently

practiced within the construction industry. Performance appraisal was the only human resource practices that had no variation in their level of importance as well as their frequency of practice. This makes it a very bad predictor on turnover intention.

5.2.4 EFFECT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEE RETENTION

From the hypothesis testing, there was significant effect of human resource management practices on employee retention. The regression result showed that, a change in an employee's decision to quit the current job was determined by 90% of the human resource management practices.

The most significant human resource management practices that affected employee retention were recruitment and selection practices, employee relationship, health, safety and welfare and compensation and incentives.

5.3 CONCLUSION

The result of this study provides empirical support for the importance of recruitment & selection, training & development, human relationship, employee communication & involvement, "health, safety & warfare", recognition & reward, compensation & incentives and performance appraisal on "employee retention" in the construction industry of Ghana. This result tracks the results of many studies in some western countries and seems to indicate that employee retention in these areas can best be explained by HRM best practices as opposed to cultural differences.

The strength of these variables' impact on employee retention is about 90% and would lead to the conclusion that human resource management practices may be particularly relevant in organizations that rely more heavily on human labor. Consequently, investments in personal programmes and policies that render positive result for the workforce may be the most beneficial route for construction companies in newly emerging market economies.

The research findings point out the important factors that ought to be considered when addressing human resource management (HRM) issues in the construction industry as indicated above. Ghanaian construction firms should be able to make significant gains in employee retention if they implement strong HRM programmes & policies focusing first on factors with the highest factor loadings listed under each variable.

5.4 RECOMMENDATIONS

- Further research in this area could be carried out in other regions to ascertain whether their findings will be similar to these ones or otherwise
- Further research in this area could be carried out to look at other factors that may influence employee retention or turnover
- Building research institutions such as BRRI etc should organize refresher courses for construction managers to acquaint them on HRM best practices.

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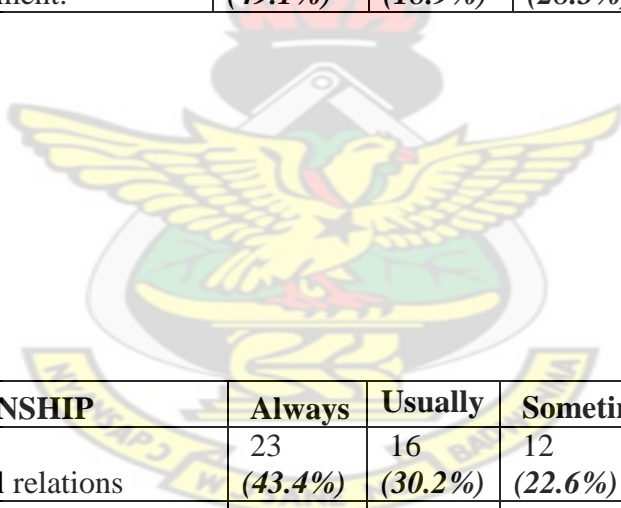
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RECRUITMENT AND SELECTION	Always	Usually	Sometimes	Rarely	Never
Good orientation of the newly hired employees	25 (47.2%)	11 (20.8%)	15 (28.3%)	2 (3.8%)	
Accuracy of person specification.	18 (34%)	20 (37.7%)	11 (20.8%)	2 (3.8%)	2 (3.8%)
Good recruitment advertisement (e.g. the advert should not be misleading).	18 (34%)	13 (24.5%)	16 (30.2%)	5 (9.4%)	1 (1.9%)
Induction training for the newly hired employees	25 (47.2%)	9 (17%)	14 (26.4%)	1 (1.9%)	4 (7.5%)

Clarity of job description	16 (30.2%)	29 (54.7%)	7 (13.2%)	1 (1.9%)	
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TRAINING AND DEVELOPMENT	Always	Usually	Sometimes	Rarely	Never
The training received on the job.	23 (43.4%)	15 (28.3%)	13 (24.5%)	2 (3.8%)	
The opportunity to develop my skills.	26 (49.1%)	12 (22.6%)	10 (18.9%)	4 (7.5%)	1 (1.9%)
The opportunity to be promoted	21 (39.6%)	12 (22.6%)	17 (32.1%)	2 (3.8%)	1 (1.9%)
Opportunities to plan my own work and use my own skills.	18 (34%)	12 (22.6%)	18 (34%)	5 (9.4%)	
The opportunity to learn new priorities and new task.	26 (49.1%)	18 (34%)	6 (11.3%)	2 (3.8%)	1 (1.9%)
The opportunities to learning new skills in a team environment.	26 (49.1%)	10 (18.9%)	15 (28.3%)	2 (3.8%)	



HUMAN RELATIONSHIP	Always	Usually	Sometimes	Rarely	Never
Quality of interpersonal relations	23 (43.4%)	16 (30.2%)	12 (22.6%)	2 (3.8%)	
Management encouraging employee counseling program.	25 (47.2%)	11 (20.8%)	12 (22.6%)	5 (9.4%)	
Management identifies employee's problems and help to solve them.	30 (56.6%)	10 (18.9%)	9 (17%)	4 (7.5%)	
Treating employees as dignified human beings whiles at work (treating employees with respect).	19 (35.8%)	19 (35.8%)	11 (20.8%)	4 (7.5%)	
Good relationship with work mates.	26 (49.1%)	20 (37.7%)	7 (13.2%)		
Good communication among staff and management	28 (52.8%)	17 (32.1%)	7 (13.2%)	1 (1.9%)	
Fairness, transparency and equitability of management	26 (49.1%)	13 (24.5%)	11 (20.8%)	3 (5.7%)	

COMMUNICATION OF EMPLOYEE AND INPUT	Always	Usually	Sometimes	Rarely	Never
Employer-employee dialogue	16 (30.2%)	15 (28.3%)	22 (41.5%)		
Opportunity for employees to air their views (raising concern and thoughts without fear)	25 (47.2%)	10 (18.9%)	13 (24.5%)	5 (9.4%)	
Provide information to both employees and management on the company achievements and progress	26 (49.1%)	14 (26.4%)	7 (13.2%)	5 (9.4%)	1 (1.9%)
Quarterly meetings, that is open to all employees, to discuss work progress.	17 (32.1%)	16 (30.2%)	10 (18.9%)	8 (15.1%)	2 (3.8%)
Clearly communicate exactly what the firms expectations are to employees.	10 (18.9%)	30 (56.6%)	12 (22.6%)	1 (1.9%)	
Opportunity to participate in the policies which guide and rule their working lives	18 (34%)	18 (34%)	12 (22.6%)	5 (9.4%)	

HEALTH , SAFETY AND WELFARE	Always	Usually	Sometimes	Rarely	Never
Safe working environment	30 (56.6%)	9 (17%)	10 (18.9%)	4 (7.5%)	
Provide Safety gadgets for the workmen whiles on the job (e.g. boots, helmets, clothing etc.)	25 (47.2%)	13 (24.5%)	14 (26.4%)	1 (1.9%)	
Provision of sick leave with pay, health insurance, life and retirement for employees.	25 (47.2%)	17 (32.1%)	5 (9.4%)	5 (9.4%)	1 (1.9%)
Provision of First aid, canteen facilities, Restrooms, Ablution area or sanitary facilities	28 (52.8%)	8 (15.1%)	12 (22.6%)	1 (1.9%)	4 (7.5%)
Appoint a safety officer who sees to the safety of workmen whiles on the job	25 (47.2%)	15 (28.3%)	6 (11.3%)	6 (11.3%)	1 (1.9%)
Management bearing full treatment cost, beyond just first aid of injuries sustained at work	20 (37.7%)	15 (28.3%)	13 (24.5%)	2 (3.8%)	3 (5.7%)
Designing safety publicity leaflets	21	13	14	3	2

	(39.6%)	(24.5%)	(26.4%)	(5.7%)	(3.8%)
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RECOGNITION AND REWARDS	Always	Usually	Sometimes	Rarely	Never
Praise and appreciation of good work done	32 (60.4%)	8 (15.1%)	13 (24.5%)		
Annual awards for hard working employees (plagues, badges etc).	20 (37.7%)	19 (35.8%)	7 (13.2%)	5 (9.4%)	2 (3.8%)
Recognition of employee long-term commitment and loyalty to the company	16 (30.2%)	19 (35.8%)	14 (26.4%)	2 (3.8%)	2 (3.8%)
Respect and support from supervisors and managers	23 (43.4%)	16 (30.2%)	9 (17%)	4 (7.5%)	1 (1.9%)
Opportunity for employees to contribute to decisions making.	19 (35.8%)	17 (32.1%)	9 (17%)	2 (3.8%)	6 (11.3%)

COMPENSATION AND INCENTIVE	Always	Usually	Sometimes	Rarely	Never
Fairness of pay (overtime, bonuses, etc)	29 (54.7%)	9 (17%)	12 (22.6%)	2 (3.8%)	1 (1.9%)
Payment of tools allowances for employees.	23 (43.4%)	7 (13.2%)	17 (32.1%)	5 (9.4%)	1 (1.9%)
Opportunity to enjoy social security and end of service benefits.	30 (56.6%)	10 (18.9%)	10 (18.9%)	3 (5.7%)	
Other allowances (canteen, transportation, housing, etc)	18 (34%)	12 (22.6%)	15 (28.3%)	5 (9.4%)	3 (5.7%)
Early payment of wages and salaries	25 (47.2%)	12 (22.6%)	12 (22.6%)	1 (1.9%)	3 (5.7%)
Adequate working tools & equipments	26 (49.1%)	14 (26.4%)	11 (20.8%)	2 (3.8%)	
Job security	24 (45.3%)	16 (30.2%)	9 (17%)	3 (5.7%)	1 (1.9%)
Tax relieve on employee wages and salaries	24 (45.3%)	9 (17%)	13 (23.5%)	2 (3.8%)	5 (9.4%)
Opportunity for promotion	23 (43.4%)	11 (20.8%)	9 (17%)	4 (7.5%)	6 (11.3%)

PERFORMANCE APPRAISAL	Always	Usually	Sometimes	Rarely	Never
Fair and realistic appraisal system	14 (26.4%)	28 (52.8%)	11 (20.8%)		
Feedback from the appraisal	9 (17%)	34 (64.2%)	10 (18.9%)		
Competencies based or skill-based pay e.g. reward employees for the skills	15 (28.3%)	24 (45.3%)	14 (26.4%)		
Make employees aware of the specific areas the performance will be measured.	8 (15.1%)	35 (66%)	10 (18.9%)		
Set objective or tasks that the employee is capable of delivering	16 (30.2%)	30 (56.6%)	6 (11.3%)	1 (1.9%)	

APPENDIX B

RESULT OF IMPORTANT HUMAN RESOURCE MANAGEMENT FACTORS

TRAINING AND DEVELOPMENT	VI	I	SI	NI
The training I receive on the job.	37 69.8%	14 26.4%	2 3.8%	
The opportunity to develop my skills.	25 47.2%	24 45.3%	4 7.5%	
The opportunity to be promoted	31 58.5%	19 35.8%	3 5.7%	
Opportunities to plan my own work and use my own skills.	32 60.4%	19 35.8%	1 1.9%	1 1.9%
The opportunity to learn new priorities and new task.	18 34%	25 47.2%	9 17%	1 1.9%
The opportunities to learning new skills in a team environment.	24 45.3%	22 41.5%	5 9.4%	2 3.8%

RECRUITMENT AND SELECTION	VI	I	SI	NI
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Good orientation of the newly hired employees	35 66%	15 28.3%	3 5.7%	0
Accuracy of person specification.	18 34%	29 54.7%	6 11.3%	
Good recruitment advertisement (e.g. the advert should not be misleading in terms of what organization actually practices).	22 41.5%	21 39.6%	9 17%	1 1.9%
Induction training for the newly hired employees	34 64.2%	13 24.5%	5 9.4%	1 1.9%
Clarity of job description	21 39.6%	27 50.9%	3 5.7%	2 3.8%

KNUST

RECOGNITION AND REWARDS	VI	I	SI	NI
Praise and appreciation of good work done	26 49.1%	26 49.1%	1 1.9%	
Annual awards for hard working employees	34 64.2%	12 22.6%	7 13.2%	
Recognition of employee long-term commitment and loyalty to the company	23 43.4%	27 50.9%	3 5.7%	
Respect and support from supervisors and managers	20 37.7%	29 54.7%	4 7.5%	
Opportunities for employees to contribute to decision making	24 45.3%	16 30.2%	12 22.6%	1 1.9%

COMMUNICATION OF EMPLOYEE AND INPUT	VI	I	SI	NI
Employer-employee dialogue	12 22.6%	30 56.6%	10 18.9%	1 1.9%
Opportunity for employees to air their views (opportunity to raise concern and thoughts without fear).	29 54.7%	19 35.8%	5 9.4%	
Provision of information to both employees and managements on the company achievements and its	14 26.4%	28 52.8%	10 18.9%	1 1.9%

progress				
Quarterly meetings, that is open to all employees, to discuss work progress.	27 50.9%	18 34%	7 13.2%	1 1.9%
Clearly communicating exactly what the firms expectations are to employees.	14 26.4%	31 58.5%	6 11.3%	2 3.8%
Opportunity to participate in the policies which guide and rule their working lives	27 50.9%	22 41.5%	4 7.5%	

KNUST

HEALTH , SAFETY AND WELFARE	VI	I	SI	NI
Safe working environment	46 86.8%	7 13.2%		
Provision of Safety gadgets for the workmen whiles on the job (e.g. boots, helmet)	41 77.4%	11 20.8%	1 1.9%	
Provision of sick leave with pay, health insurance, life and retirement for employees.	42 78.2%	11 20.8%		
Provision of First aid, canteen facilities, restrooms, ablution area or sanitary facilities	35 66%	11 20.8%	7 13.2%	
Appointment of a safety officer who sees to the safety of workmen whiles on the job	28 52.8%	15 28.3%	10 18.9%	
Management bearing full treatment cost, beyond just first aid of injuries sustained at work	25 47.2%	25 47.2%	3 5.7%	
Designing safety publicity leaflets	14 26.4%	30 56.6%	9 17%	

COMPENSATION AND INCENTIVE	VI	I	SI	NI
Fairness of pay (overtime, bonuses, etc)	29 54.7%	22 41.5%	2 3.8%	
Payment of tools allowances for employees.	20	26	7	

	37.7%	49.1%	13.2%	
Opportunity to enjoy social security and end of service benefits.	44 83%	8 15.1%	1 1.9%	
Other allowances (canteen, transportation, housing, etc)	28 52.8%	24 45.3%	1 1.9%	
Early payment of wages and salaries	38 71.7%	13 24.5%	2 3.8%	
Adequate working tools and equipments	34 64.2%	18 34%	1 1.9%	
Job security	33 62.3%	17 32.1%	3 5.7%	
Tax relieve on employee wages and salaries	17 32.1%	21 39.6%	12 22.6%	3 5.7%
Opportunity for promotion.	23 43.4%	26 49.1%	4 7.5%	

HUMAN RELATIONSHIP	Very Important	Important	Slightly Important	Not Important
Quality of interpersonal relations	25 47.2%	24 45.3%	4 7.5%	
Management encouraging Employee counseling program.	23 43.4%	16 30.2%	13 24.5%	1 1.9%
Management identifies employee's problems and help to solve them.	27 50.9%	20 37.7%	5 9.4%	1 1.9%
Treating employees as dignified human beings whiles at work (treating employees with respect).	26 49.1%	20 37.7%	5 9.4%	2 3.8%
Good relationship with work mates	23 43.4%	30 56.5%		
Good communication among staff and management	29 54.7%	23 43.4%	1 1.9%	
Fairness, transparency and equitability of management	28 52.8%	16 30.2%	12 22.6%	1 1.9%

PERFORMANCE APPRAISAL	VI	I	SI	NI
Fair and realistic appraisal system	14 26.4%	28 52.8%	11 20.8%	
Feedback from the appraisal	9	34	10	

	17%	64.2%	18.9%	
Competencies based or skill-based pay e.g. reward employees for the skills or competencies which the individual acquire	15 28.3%	24 45.3%	14 26.4%	
Make employees aware of the specific areas the performance will be measured.	8 15.1%	35 66%	10 18.9%	
Set objective or tasks that the employee is capable of delivering	16 30.2%	30 56.6%	6 11.3%	1 1.9%

APPENCIX C QUESTIONNAIRE

**INSTITUTION: KWAME NKRUMAH UNIVERSITY OF SCIENCE AND
TECHNOLOGY**

DEPARTMENT: BUILDING DEPARTMENT

PROGRAMME: MSc CONSTRUCTION MANAGEMENT

**Project Topic: The Effect of Human Resource Management Practices On
Employee Retention (Intention to Leave) In the Construction Industry of
Ghana**

Questionnaire for construction craft or skill workers in the construction industry

Introduction

This questionnaire is being used as a tool for collecting information on the effect of Human Resource Management Practices on Employee Retention in the construction industry in Ghana. The information that would be obtained shall be used to access whether certain Human Resource Management Practices affect Employee Retention.

The research is purely academic and any information provided shall be treated as confidential.

Part I: General Information

Please tick () in the appropriate box.

1. Gender: a) Male ☐ b) Female ☐
2. Name of firm -----
3. What is your trade in the construction industry?
a) Carpenter ☐ b) Mason ☐ c) Plumber ☐ d) Steel b ☐ r.
☐
4. How long have you been working in the construction industry?
a) 0-2 years ☐ b) 3-5years ☐ c) 6-9 years ☐ d) 10 years and above
5. What form of training did you first acquire?
a) Vocational training ☐ b) Technical training ☐
c) Polytechnic training ☐
d) University training ☐ e) Apprenticeship training ☐
f) Others (Specify)
6. Which of these qualifications did you attain from your training?
a) CTC 1, 2, 3 ☐ b) OTD ☐ c) HND ☐
d) B. Sc ☐ e) Others (Specify)
7. How many companies have you ever worked with before your present company?
a) None apart from this ☐ b) One ☐ c) Two ☐
d) Three ☐ e) Four ☐ f) More than four ☐
8. Do you belong to any of the trade unions in the construction industry?
a) Yes ☐ b) No ☐
9. For how long have you been worked in this company?
a) 0-2 years ☐ b) 3-5years ☐ c) 6-9 years ☐
d) 10 years and above ☐

PART 2: Questionnaire on the factors that motivate employees to stay

Please indicate the rating that best describes the extent to which you as an individual view the importance of each of the following factors for motivating you to remain with your present company. The key to the responses are Very important (VI), Important (I), Slightly Important (Si), Not Important (Ni)

RECRUITMENT AND SELECTION	VI	I	SI	NI
Good orientation of the newly hired employees				
Accuracy of person's specification.				
Good recruitment advertisement (e.g. the advert should not be misleading in terms of what organization actually practices.				
Induction training for the newly hired employees				
Clarity of job description				

TRAINING AND DEVELOPMENT	VI	I	SI	NI
The training I receive on the job.				
The opportunity to develop my skills.				
The opportunity to be promoted				
Opportunities to plan my own work and use my own skills.				
The opportunity to learn new priorities and new task.				
The opportunities to learning new skills in a team environment.				

HUMAN RELATIONSHIP	VI	I	SI	NI
Quality of interpersonal relations				
Management encouraging Employee counseling program.				
Management identifying employee's problems and helping to solve them.				
Treating employees as dignified human beings whiles at work (treating employees with respect).				
Good relationship with work mates.				
Good communication among staff and management				

Fairness, transparency and equitability of management				
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RECOGNITION AND REWARDS	VI	I	SI	NI
Praise and appreciation of good work done				
Annual awards for hard working employees (plagues, badges etc).				
Recognition of employee long-term commitment and loyalty to the company (special award to employees that had sincerely served the company over the years)				
Respect and support from supervisors and managers				
Opportunity for employees to contribute to decisions making.				

COMMUNICATION OF EMPLOYEE & INPUT	VI	I	SI	NI
Employer-employee dialogue				
Opportunity for employees to air their views (opportunity to raise concern and thoughts without fear).				
Provision of information to both employees and managements on the company achievements and its progress				
Quarterly meetings, that is open to all employees, to discuss work progress.				
Clearly communicating exactly what the firms expectations are to employees.				
Opportunity to participate in the policies which guide and rule their working lives				

HEALTH , SAFETY and WELFARE	VI	I	SI	NI
Safe working environment				
Provision of Safety gadgets for the workmen whiles on the job (e.g. boots, helmet)				
Provision of sick leave with pay, health insurance, life and retirement for employees.				
Provision of First aid, canteen facilities, Restrooms, Ablution area or sanitary facilities				
Appointment of a safety officer who sees to the safety of workmen whiles on the job				
Management bearing full treatment cost, beyond just first aid of injuries sustained at work				
Designing safety publicity leaflets				

COMPENSATION AND INCENTIVE	VI	I	SI	NI
Fairness of pay(overtime, bonuses, etc)				
Payment of tools allowances for employees.				
Opportunity to enjoy social security and end of service benefits.				
Other allowances(canteen, transportation, housing, etc)				
Early payment of wages and salaries				
Adequate working tools & equipments				
Job security				
Tax relieve on employee wages and salaries				
Opportunity for promotion.				

PERFORMANCE APPRAISAL	VI	I	SI	NI
Fair and realistic appraisal system				
Feedback from the appraisal				
Competencies based or skill-based pay e.g. reward employees for the skills or competencies which the individual acquire				
Make employees aware of the specific areas the performance will be measured.				
Set objective or tasks that the employee is capable of delivering				

PART 3: questionnaire to assess the frequency of H. R. M practices in the construction

industries. Please indicate the frequency of the occurrences of each of the following factors in your organization according to the response scales given. Use this guide: Always (A), Usually (U), Sometimes (S), Rarely (R), Never (N)

RECRUITMENT AND SELECTION	A	U	S	R	N
Good orientation of the newly hired employees					
Accuracy of person specification.					
Good recruitment advertisement (e.g. the advert should not be misleading in terms of what the organization actually practices.					
Induction training for the newly hired employees					
Clarity of job description					

TRAINING AND DEVELOPMENT	A	U	S	R	N
The training I receive on the job.					
The opportunity to develop my skills.					
The opportunity to be promoted					
Opportunities to plan my own work and use my own skills.					
The opportunity to learn new priorities and new task.					
The opportunities to learning new skills in a team environment.					

HUMAN RELATIONSHIP	A	U	S	R	N
Quality of interpersonal relations					
Management encouraging Employee counseling program.					
Management identifying employee's problems and help to solve them.					
Treating employees as dignified human beings whiles at work (treating employees with respect).					
Good relationship with work mates.					
Good communication among staff and management					
Fairness, transparency and equitability of management					

COMMUNICATION OF EMPLOYEE & INPUT.		A	U	S	R	N		
Employer-employee dialogue								
Opportunity for employees to air their views (opportunity to raise concern and thoughts without fear).	HEALTH, SAFETY and WELFARE			A	U	S	R	N
Safe working environment								
Provide Safety gadgets for the workmen whiles on the job (e.g. boots, helmets, clothing etc.)								
Provide information to both employees and management on the company achievements and its progress								
Provision of sick leave with pay, health insurance, life and retirement for employees.								
Quarterly meetings, that is open to all employees, to discuss work progress.								
Provision of First aid, canteen facilities, Restrooms, Ablution area or sanitary facilities								
Clearly communicate exactly what the firms expectations are to employees.								
Appoint a safety officer who sees to the safety of workmen whiles on the job (advise on safety before beginning the day's work)								
Opportunity to participate in the policies which guide and rule their working lives								
Management bearing full treatment cost, beyond just first aid of injuries sustained at work								
Designing safety publicity leaflets								

RECOGNITION AND REWARDS	A	U	S	R	N
Praise and appreciation of good work done					
Annual awards for hard working employees (plaques, badges etc).					
Recognition of employee long-term commitment and loyalty to the company (special award to employees that had sincerely served the company over the years).					
Respect and support from supervisors and managers					
Opportunity for employees to contribute to decisions making.					

COMPENSATION AND INCENTIVE	A	U	S	R	N
Fairness of pay (overtime, bonuses, etc)					
Payment of tools allowances for employees.					
Opportunity to enjoy social security and end of service benefits.					
Other allowances(canteen, transportation, housing, etc)					
Early payment of wages and salaries					
Adequate working tools & equipments					
Job security					
Tax relieve on employee wages and salaries					
Opportunity for promotion.					

PERFORMANCE APPRAISAL	A	U	S	R	N
Fair and realistic appraisal system					
Feedback from the appraisal					
Competencies based or skill-based pay e.g. reward employees for the skills or competencies which the individual acquire					
Make employees aware of the specific areas the performance will be measured.					
Set objective or tasks that the employee is capable of delivering					