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COLLEGE OF ARTS AND SOCIAL SCIENCES

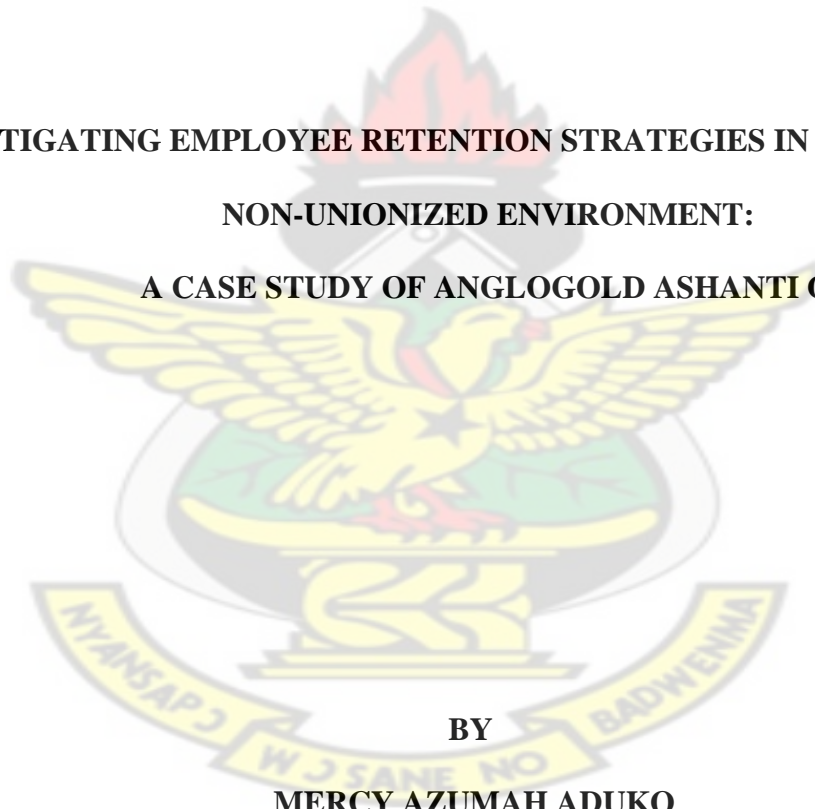
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INVESTIGATING EMPLOYEE RETENTION STRATEGIES IN A

NON-UNIONIZED ENVIRONMENT:

A CASE STUDY OF ANGLOGOLD ASHANTI OBUASI



BY

MERCY AZUMAH ADUKO

JUNE, 2012

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UNIONIZED ENVIRONMENT:
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KNUST

**A THESIS SUBMITTED TO THE SCHOOL OF RESEARCH AND GRADUATE
STUDIES, KWAME NKRUMAH UNIVERSITY OF SCIENCE AND
TECHNOLOGY, IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION
(HUMAN RESOURCE MANAGEMENT)**

BY

MERCY AZUMAH ADUKO

JUNE, 2012

DECLARATION

I hereby declare that this submission is my own work towards the Master of Business Administration (Human Resource Management Option) and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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DEDICATION

Dedicated to all friends and family.

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I am very grateful to the Almighty God for his abundant grace and mercy that has seen me through the completion of this thesis. I am also thankful to him for how far he has brought me in life.

A number of individuals and groups contributed in divers' ways to the successful completion of this study.

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ABSTRACT

The research was conducted to investigate employee retention strategies in a non-unionized environment at AngloGold Ashanti Obuasi (AGA). The study sought to establish the effectiveness of these strategies in terms of employee turnover and performance. In all 150 self-administered questionnaires were sent out to employees in non-unionized departments like the industrial relations department, all secretaries, management and outsourced companies that the company has engaged their services. Interviews were also used in the data collection process. The data collected were analyzed using the Statistical Package for Social Scientist (SPSS). The study revealed that retention of employees is not only based on financial rewards but also on recognition, feedback mechanism and work life balance. Other findings include: turnover rates, which has significantly reduced as a result of strategies being used. Feedback was also a major strategy used in employee retention and this has led to high levels of morale among employees in the study area. On a similar score, most employees believed retention strategies had significant effect on the cost of recruitment and significant effect on level of wastage. On the basis of these findings, it is recommended that management should include other strategies in the form of training and development, high performance work system like job security for employees, high involvement decision making strategy, and high commitment strategy. Lastly, staff retention is a shared responsibility of employees and managers and both must be involved in the development and implementation of retention strategies.

TABLE OF CONTENTS

DECLARATION	i
DEDICATION	ii
ACKNOWLEDGEMENT	iii
ABSTRACT	iv
TABLE OF CONTENTS	v
LISTS OF TABLES	viii
LIST OF FIGURES	ix
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the study	1
1.2 Statement of the problem	6
1.3 Objective of the study	8
1.3.1 General objective	8
1.3.2 Specific Objectives	8
1.4 Research Questions	8
1.5 Significance of the Study	9
1.6 Scope of the Study	10
1.7 Overview of Research Methodology	10
1.8 Limitation of the Study	10
1.9 Organization of the Study	11
CHAPTER TWO: LITERATURE REVIEW	12
2.0 Introduction	12
2.1 The Concept of Employee Retention	12
2.2 Non-Unionized Workplace Environment	15
2.2.1 Components of Employee Retention	17
2.3 Various Practices and Strategies of Employee Retention	20
2.4 Fairness and Equity	22
2.4.1 Recruitment and Training	23

2.4.2 Organizational Culture	25
2.4.3 Health and Safety	26
2.4.4 Benefit of Employee Retention	27
2.4.5 How to Improve Employee Performance	28
2.5 CONCEPTUAL FRAMEWORK	28
 CHAPTER THREE: METHODOLOGY AND ORGANISATIONAL PROFILE	31
3.0 Introduction	31
3.1 Research Design.....	31
3.2 Research Strategy.....	31
3.3 Sources of Data	32
3.3.1 Primary Data.....	32
3.3.2 Secondary Data.....	32
3.4 Population	33
3.4.1 Sampling Process	33
3.5 Data Collection Instrument	33
3.5.1 Questionnaire.....	34
3.5.2 Interview	34
3.6 DATA ANALYSIS TOOLS	34
3.7 PROFILE OF THE ORGANIZATION	35
3.7.1 Geology and Reserves	36
3.7.2 Mining	36
3.7.3 Ore Processing.....	37
3.7.4 Gold Production	38
3.7.5 Staffing Situation.....	38
 CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS	40
4.0 Introduction	40
4.1 Sample and Response Rate from the Selected Companies	40
4.2 Demographic Characteristics	41

4.3 Current Employee Retention Strategies of Non-Unionised Employees at AngloGold Ashanti	43
4.4 Effectiveness of Current Retention Strategies of Non-Unionised Employees at AngloGold Ashanti	48
4.5 Labour Turnover Rates among Non-Unionised Employees at Anglogold Ashanti ..	52
4.6 Recommended Practices to Retain Core Non-Unionised Employees.....	56
 CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS	60
5.0 Introduction	60
5.1 Sample and Response Rate from the Selected Companies	60
5.1.1 Demographic Characteristics	60
5.2 SUMMARY OF FINDINGS TO RESEARCH OBJECTIVES	61
5.2.1 Current Employee Retention Strategies of Non-Unionised Employees at AngloGold Ashanti.....	61
5.2.2 Effectiveness of Current Retention Strategies of Non-Unionised Employees at AngloGold Ashanti.....	62
5.2.3 Labour Turnover Rates among Non-Unionised Employees at Anglogold Ashanti	63
5.2.4 Recommended Practices for Retaining Core Non-Unionised Employees	64
5.3 Conclusion	65
5.4 Recommendations	66
5.4.1 Focus on Staff Retention	66
5.4.2 Need to exploit other Options of Employee retention.....	66
5.4.3 Need to Review Cultural Values	67
5.4.4 Need to Cater for the Basic Needs of Staff	67
5.5 Recommendation for Further Study.....	67
 REFERENCE	68
APPENDIX	72

LISTS OF TABLES

Table	Page
Table 3.1: Sample size used in the study.....	33
Table 4.1: Sample and response Rate.....	41
Table 4.2: Demographic characteristics.....	43



LIST OF FIGURES

Figure	Page
Figure 2.1: Conceptual Framework For Employee Retention Strategies And Organizational Effect.....	30
Figure 4.1: Employee empowerment.....	45
Figure 4.2: Employees Are Provided Feedback on Their Performance.....	46
Figure 4.3: Employees' Morale are Kept High	47
Figure 4.4: Current retention strategies have reduced turnover rates.....	48
Figure 4.5: The Company's Wage Bill Has Been Significantly Reduced.....	49
Figure 4.6: Employee Performance Has Significantly Improved	50
Figure 4.7: The level of wastage has reduced	51
Figure 4.8: Current cost of recruitment has significantly reduced.....	51
Figure 4.9: Turnover rates have been generally low.....	53
Figure 4.10 Turnover rates have been impacted positively by current retention strategies.....	53
Figure 4.11: Turnover rates have been impacted positively by current retention strategies	54
Figure 4.12: Do you intend to Leave?	55
Figure 4.13: Recommended Practices to Retain Core Non-Unionized Employees.	59

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Employee retention has of late been recognized by institutions, business organizations, companies and corporate bodies to be one of the most significant factors that lead to the growth of an organization and the achievement of corporate goals and values. Today, primary recruitment and retention strategies of mining companies in the Ghanaian market still focus largely on offering a competitive compensation and benefit package and financial incentive such as inducement. As a result, the industry continues to experience rising labour cost. Research has indicated that by the year 2014 the total workforce in the mining industry is expected to reduce by 12.8 % (Schultz and Grimm, 2008). Programs such as learning and development, rewards and recognition, succession planning and provision of policies and practices address retention of employees.

Effective employee retention Is a systematic effort by employers to create and foster an environment that encourages current employee to remain employed by having policies and practices in place that address their diverse needs (Workforce Planning for Wisconsin State Government, 2005). However, to maintain a valuable employee from leaving the job is one of the biggest problems that plague companies in the competitive market.

For instance the emerging oil industry in Ghana is a major threat to the existing mining companies. Oil drilling and mines virtually use the same resources since it both gets its

ore from underground. In an exploration to find gold or oil, geologists are used to discover the substance. Secondly drillers are used both in the oil and mining industry to drill oil and mine gold. Also chemical engineers are needed both at the oil and mines for processing. With all three important categories of employees used by both industries, it will pose a threat to the retention of such core employees in the mining industry. Therefore if staff retention strategies are not strengthened at AngloGold Ashanti, Obuasi (AGAO) they ran the risk of staff leave to the oil industry or other mining companies.

However, businesses of late have realized that they often spend considerable time; effort and money to have employees develop into valuable resources and leave the company for greener pastures. In order to create a successful business environment, employers should consider as many options as possible when it comes to retaining employees, while at the same time securing their trust and loyalty so that they have less of a desire to leave in future.

The Labour Act (2003) Act 651 states that every employee or worker has the right to form or join a trade union. There are lots of theories regarding union and non-union representation of employee voice. According to Freeman and Medoff (1984) unions are the key mechanism for improving employee productivity, reducing economic inequality and stabilizing work force. Though different researchers have different viewpoints regarding union and non- union environment, empirical evidence shows that both forms have their own benefits and drawback in accordance with the business environment in which they are practiced.

Employee retention at AngloGold Ashanti can be categorized in two major parts, the unionized and the non-unionized environment. The unionized environment consist of the junior staff workers who form a greater percentage of the work force while the non-unionized environment is about hundred and fifty of both management and other junior staff members. The non-unionized environment consists of the various departmental heads who are managers. This managerial group include the executive manager human resource, executive manager processing projects, executive manager finance etc. these positions are all above departmental managers then the Managing Director AngloGold Ashanti. All these managers form the non-unionized environment including other junior level staff such as the secretaries in all departments of the company, the industrial relations section of the company and all outsourced companies of AngloGold Ashanti.

Unions in organizations act together to secure benefits and rights in the work place. These people are responsible for representing the collective interest of union members. When union negotiates with employers, stewards normally work on the ground ensuring union members are usually not being exploited and that the terms of the contract are being met, while representative ensure issues to the bargaining table during negotiations are satisfied.

Unionism is an important tool for workers' rights and many trade unions are open to membership all over the world. Union bargaining typically result in set policies about employee benefits, working hours, and other issues of importance. In a workplace where unionized employees work alongside non-unionized employees, as it is pertaining at AngloGold Ashanti, all benefits resulting from union negotiations is benefitted by all

employees. The union represents the need of individual employees, helping to arbitrate when an employee has that dispute about wages and working hours and similar issues with their employers. In some cases a union may hold a strike or another type of labor action to gain the upper hand in negotiation. When unionized a common goal is fought for and are able to fight for benefits including health and pension schemes, financial benefits and training which is attractive for all different types of employees.

If we take a deep look into the real world scenarios, unions not only strengthen employees, they also help employers in certain ways like there is minimal labour turnover ratio which help reduce hiring and training cost associated with new employees. Pettinger (1999) believes that many organizations prefer to have a unionized set up for employee voice recognition, rather than following individualistic approach, due to the fact that it consumes less time and resources. Unions also exert pressure on organizations to stop them from being engaged in the opportunistic behaviors which is helpful for them in a way that if they take proper care of workers concerns they will be much more motivated and committed fulfilling their job responsibilities.

Collective voice in making known employee issues are more effective in some situations as they help strengthen worker communities and provide a direct means of communication between them and management. Unions are independent representative bodies hence are more effective in raising border issues concerning legislation with the organization. Unions offer a wide range of benefits to both employees and employers.

Weaknesses in employee representation has necessitated for non-union representation in organizations. Due to certain problems in union most employers now prefer to have non-union forms of employee representation as an alternative to unionization. The difference between union and non-union forms of employee representation is the variety of decision making and exercise of power. Joint consultation does not only allow management to determine the issues in which they want employee participation and seek their opinions for efficient solution to problems, but also retain the right to decide the final outcome without subjecting it to joint agreement with employees or their representatives (Heery and Salmon, 2000; Salamon, 2000). Hence it is more inclined towards the management view rather than taking union or the employee perspective into account as employers are those who have invested monies into the business.

At AngloGold Ashanti, since it is management who are the non-unionized it is feared that if they join union sensitive and vital information will be leaked to union and management could be bias. But it is the wish of board members that all employees could be unionized to help achieve a common goal.

Employee retention is an issue in every business sector. The technology field seems to see the most movement amongst employees but other markets like education and sales also see their fair share of turnover. Turnover in a human resource context refers to the characteristics of giving company or industry relative to the rate at which employers' loss or again staff. If an employer is said to have a high turnover, it most often means that employee of that company have a shorter tenure (of employees) in a relatively high turnover. At AngloGold Ashanti for instance, for the period of 2002 and 2009, the

annual turnover rate has rather been slow, they are rather laying people off. But as much as people are being laid off, more and more are being recruited. As a result of this AngloGold Ashanti, though has 4185 number of employees, it changes week by week since there are casual workers alongside permanent staff including expatriates. This practice of staff leaving exist among junior staff casual workers.

The mining industry in Ghana accounts for 5% of the country's GDP and minerals make up 37% of total exports, of which gold contributes over 90% of the total mineral exports. Export earnings from minerals averaged 35%, and the sector is one of the largest contributors to Government revenues through the payment of mineral royalties, employee income taxes, and corporate taxes. In 2005, gold production accounted for about 95% of total mining export proceeds (Ghana Chamber of Mines, 2006). Ghana is ranked Africa's 2nd largest gold producer, producing 80.5tonnes in 2008. Production is dominated by AngloGold Ashanti. Ghana is also a major producer of bauxite, manganese and diamonds. The country has 23 large-scale mining companies producing gold, diamonds, bauxite and manganese, and, there are also over 300 registered small scale mining groups and 90 mine support service companies (Aryee, 2011).Mining companies are increasingly operating in a competitive environment with other equally related industries like the oil industry over skilled labor. Therefore organizations need to put in strategies to retain staff

1.2Statement of the problem

In the field of human resource management, staff retention has been one of the major challenges globally experienced by most organization. At AngloGold Ashanti staff

retention among non-unionized employees has been a major challenge to management. Employee retention is not just the matter of lip service.

Mining companies have realized that the current employee shortage of labor is being reflected on the productivity efficiency and profitability of operations. The consequences of some of these shortfalls include companies offering competitive compensation, benefits package and financial incentives. As a result, there is continues experience of rising labour cost whiles money spent on recruiting labor is much but not retained for long. It has also been realized that the age factor with retirement in the Ghanaian set up also affect employee retention. For instance if majority of employees in an organization fall within the ages of forty to forty five and succession planning is not taken much into consideration, a company is likely to lose more of its experienced workforce year after year as they approach their retirement age .

There is the need to help drive retention growth efforts to improve employee retention in organizations, to reduce the cost associated with employee turnover. As the mining industry sector tries to find long and short term solution to employee retention, they need the general support not only from the sector but from corporate bodies like the government, labor organizations, industry associations, educational institutions, consulting experts and interested groups. This study therefore is a contribution to solving the retention problems in the mining industry especially among the non-unionized employees.

1.3 Objective of the study

The objective of the study has been categorized into general objective and specific objective.

1.3.1 General objective

The general objective is to determine how non-unionized staff at AngloGold Ashanti Obuasi is retained.

1.3.2 Specific Objectives

The specific objectives have been designed to address specific issues in AngloGold Ashanti such as:

- a) To identify current employee retention strategies at AngloGold Ashanti on non-unionized staffs.
- b) To examine the effectiveness of current retention strategies at AngloGold Ashanti on non-unionized staffs.
- c) To assess the causes and effects of labour turnover rates among non-unionized employees at AngloGold Ashanti
- d) To make appropriate recommendations on how AngloGold Ashanti can retain its core non-unionized employees.

1.4 Research Questions

The following constitute the research questions to help achieve the set objectives in a non-unionized environment at AngloGold Ashanti Obuasi.

- a) What are the current employee retention strategies used on non-unionized staff at AngloGold Ashanti?
- b) How effective are the current retention strategies on non-unionized staff at AngloGold Ashanti?
- c) What are the causes and effects of labor turnover among non-unionized employees at AngloGold Ashanti?
- d) How can AngloGold Ashanti retain its core non-unionized employees?

1.5 Significance of the Study

The rationale of the study is to find out and analyze the reasons why labour retention could be a threat at AngloGold Ashanti Obuasi. Non-unionized employees were used for the study because attrition rate is high among the employees and there is no local body to protect their interest. Mining is acknowledged all over the world and companies spend billions of money on mining activities. Therefore investing in employee retention all over the world is essential not only to mining companies but other corporate bodies as well. The existence of mining companies in the country has led to the youth in mining communities getting employed. It has also led to the society being cautious about the environment in which they operate. The study will therefore inform policy regarding employee retention in the various mining companies in Ghana. Specifically, management of AngloGold Ashanti will be able to retain their useful human resources who for one reason or the other do not belong to any union.

1.6 Scope of the Study

The study covers only the non- unionized employees in AngloGold Ashanti. As it has been already spelt out it has the unionized and the non- unionized employee but the researcher has limited the research, on the non-unionized environment since there has not been any research work on that aspect of the organization. The non-unionized staff includes the position of the various line managers and their superiors like the Executive Human Resource Manager (EHRM) and Executive Manager Mining (EMM). Unionized staff included the Processing Department, Mining Department and Account Departments.

1.7 Overview of Research Methodology

The researcher uses this case study as a strategy in conducting the research. The study employs the use of both primary and secondary sources of data. Questionnaire and interview were used as data gathering tools to effectively ascertain the needed primary data. The secondary data was sourced from relevant institutional documents, relevant books, journal articles and web portals. The study uses sample size of 150 respondents from the stated institution. Findings and results were analyzed with the help of SPSS statistical package.

1.8 Limitation of the Study

The study was challenged by time constraints as a potential limitation of the study. Again, the use of only one mining company, in terms of the scope of the study, is a limitation to the study. Getting the relevant information from the case institution was a problem due to the nature of their operation. For instance data collection on labour

turnover to enable the researcher calculate labour turnover per annum over a period of five years has been a problem upon several attempts made to acquire such relevant information.

1.9 Organization of the Study

The study has been organized into five chapters. Chapter one is made up of the introduction of the study. It lays emphasis on the statement of the problem, background to the study, significance of the study and scope of the study. Chapter two deals mainly with the literature review relevant of the study and, literature review techniques. This chapter delves into other research work done by researchers on same or similar topics. Chapter three focuses on research methods used to collect data for the study. This comprises of the research design, population, sampling techniques and instruments used for the study, data collection procedures used and data analysis. Chapter four present the analysis and discussion of the major findings and chapter five deals with the conclusion and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews existing literature that is relevant to the study. It focuses on the concept of employee retention, recruitment and organizational culture.

2.1 The Concept of Employee Retention

Human resource managers cannot manage employee retention or turnover by merely influencing the termination decisions of each employee. Instead the overall termination rate must be effectively controlled by the organization. Workforce Planning for Wisconsin State Government (2005) defined employee retention as a systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices that address their divers' needs.

In order to create a successful business company, employers should consider as many options as possible when it comes to retaining employees while at the same time securing their trust and loyalty so that they have less of a desire to leave in the future. There are a number of reasons for staff retention. This is because every organization understands that employees are their best asset and without skilled labors that are good at what they do, any organization would be in serious problem.

When organizations are able to put all these strategic measures to effective functioning, they are, at the long run able to retain employees and the possibility of company saving

cost becomes greater. A good labour retention strategy therefore should be deliberate and proactive plan designed as an integral part of the overall human resources strategy of the company. It should therefore reflect in the company's human resources policies and practice. Replacing employees who leave their jobs is quite expensive. It involves advertising, recruiting expenses, orientation and training of new employee, which results in decreased productivity until new employees are up to speed.

Finding, recruiting and training of best employees represent a major investment. Once a company has captured talented staff, the return-on-investment requires closing the back door to prevent them from walking out (Hillstrom and Hillstrom, 2002). Another major reason why retention of employees is so crucial to some organizations is that when an employee leaves the organization, for a direct competitor, there is always the possibility that they will take important business strategies and secrets with them to be exploited by the competitor. This practice seems not to be the best but it still happens.

Every organization has its share of hurdles to overcome when it comes to training and retraining newly hired employees. In business, time and money are one and the same because it takes both to train new employees and existing employees (Wiki How, 2012). Any company that laments its high rate of new staff turnover needs to evaluate how newly hired staff are trained to determine whether inadequate training may indeed be the cause of exit.

A non-unionized workplace is a working environment in which employees do not join union therefore the matter of relying on any collective bargaining agreement is not really

used when it comes to salary negotiations. This kind of working environment gives management the upper hand with regards to terms and conditions of employee remuneration. Management in such workplaces generally easily hires, fire and discipline the workforce. A union agreement typically imposes a series of requirements and a set procedure in place before a worker can let go. Another primary federal law that governs management relationship with workers is the Fair Labor Standards Acts (FLSA) passed in 1938 by the U.S. Congress. The FLSA established federal standards act for a minimum hourly wage and requires employers to pay overtime pay for certain workers. Unions and individual employees are free to negotiate more favorable terms from employees but workers in non-unionized workplaces in the United States are still entitled to the benefits and guarantees of the fair labor standards act (Steenwyk, 2012).

In a similar situation in Ghana at AngloGold Ashanti Obuasi staff within the non-union departments only benefit from negotiations made by the unionized employees in the organization. The rationale for this research is to basically determine why the non-union side of the workforce does not want to join union at Anglo-Gold Ashanti Obuasi and what measures could be put in place for them to join union. Other research work similar to what has been carried out in the area under study is 'critical evaluation of the retention strategies and many others. Similar research work has revealed that the current labor turnover rate of 3% is realized at AngloGold Ashanti mine in Obuasi. It is a challenge which needs to be looked at seriously since new mining companies in and around the region pose as a threat to AngloGold Ashanti Obuasi because there is the likelihood of these companies tapping some of their experienced staff (AngloGold Ashanti Annual report, 2008).

2.2 Non-Unionized Workplace Environment

A non-unionized workplace can be described as an environment in which workers of a particular set up have not joined union. In the case of AngloGold Ashanti it is not that prevailing conditions does not permit them but they do not intend joining union. An article written by Philip Aspen on march 3rd 2011 said that ‘I have never been a union member of any union, however, for most of my professional career I was a high level, well paid manager and a vice president responsible for managing both non-union and union groups of dedicated workers’. This being implied as though a leader but is in support of management not joining union. Also in a dispute resolution journal by Dietsch et al. (2006) on Weingarten Rights in a non-union workplace that ‘the National Labor Relations Board has a history of extending resending the right of unrepresented employees to have co-worker present during an investigatory interview that could result in the imposition of discipline in the latest decision by the National Labor Relations Board’ again revoked this right.

This decision comes when an alternative dispute resolution processes that covers a collective bargaining grievance procedures are being adopted by many non-union employers. In the United States the latest decision by the National Labor Relations Board indicates that there are differences between the rights of employees under union and non-union alternate dispute resolution programmed (ADR).

Employees often adopt alternate dispute resolution procedures including binding arbitration to resolve disputes involving at-will employees who do not have the protection of a collective bargaining agreement.

All these cases raised above are in connection with management and labor issues in organizations and in order to effectively deal with every day industrial disputes, effective human resource management strategy should be put in place to balance the cost of replacing employees who leave against the cost of retaining those who stay. Ashby and Pell (2001) argued that organizations that are not flexible or whose organizational cultures are characterized by domination and autocracy are likely to have dissatisfied employees no matter how good the incentives to stay may be.

It has also been realized that all employees will eventually leave an organization; therefore strategies put in place should induce new employees who perform well to stay longer while ensuring that disputes are fairly resolved within work environment, while weaker performers leave at earlier seniority. McEvoy and Cascio (1987) also indicated that organizations stronger performers tend to have lower turnover rates than weaker performers during particular calendar periods. On the whole, retention of strong and weak performers varies across organizations.

However, Kopelman et al. (1990) found out that the variation in employee retention across organizations may be related to organizational culture values. These attempts suggested that an organizations cultural value influences its human resource strategies including selection and replacement policies, promotion and development procedures, with, reward systems. Different strategies result in psychological climates that foster varying levels of commitment and retention among employees working in different organizations. Kerr and Slocum (1987) explained that in organizations the culture on values may moderate differences in the retention of strong and weak performers. At

AngloGold for instance the organizational culture is such that emphasis is laid on value of team work, security, safety and respect for individual members among others. These values foster loyalty and long term commitment in organizations among all employees.

Most, other organizations have cultures like personal initiative and individual rewards for accomplishing specific work objectives. These values encourages entrepreneurial norm but does not offer long-term security which does not build the habit of loyalty in employees. This impliedly suggest that the weaker would soon leave such a culture and stronger performers would stay until they have exploited the organization till better rewards could be gotten elsewhere (Kerr and Slocum,1987)

2.2.1 Components of Employee Retention

Companies recruit, hire, and train people to serve and support the organizations' customers and prospects. The main aim is to help each of the employees achieve the highest performance possible while they work for the organization. Nothing impacts a customer service and sales organization more than turnover. Turnover is one of the key impediments preventing organizations from achieving excellence. However, turnover sometimes is not very bad especially when there are poor hiring decisions. For far too long, employee retention has been complicated in organizations and these organizations have accepted turnover and have allowed it to control them but it is time organizations had control of employee turnover (Cokins, 2010).

As an organization that is prepared for goal achievement it is not just the customer alone but the employees as well. First of all the staff is seen as valuable employees and they

need to be seen as very important, appreciated welcomed and to feel significant to the organization. While they are been made to feel significant, they should be made 'able'. 'Able' in this context means being trained, prepared, excited and ready to do their jobs.

Together they become valuable to their firm and customers as well. Most organizations retain by creating a winning environment like facility, management technology, training compensation and enthusiastic fellow team members. These are all elements that help meet company and individual goals but some of the most important components of employee retention are by establishing a strong reward and recognition system, hiring practice, growth opportunity, positive culture and compensation system. Reward and recognition systems are much broader and are more effective when the following critical aspects are embedded in the following plan.

Harris and Brannick (1999) offer the general principle that "What get rewarded gets done" and will emphasize that the principle must be connected to the organization's core culture. Smith (2001) also argues that incentives and rewards can turn out to be counter-productive. He cited many companies that have relied on incentives that before any be taken employees ask. "What's in this for me?" they have robbed their employees of the intrinsic motivation of pride and self-respect which is a dangerous habit that is very difficult to Employees must feel that leaders of the organization want them to be successful by identifying and helping employee achieve success. Management must communicate and demonstrate that they care and champion employees reward, recognition and retention. Reward and recognition programs play a little understandable role in employee retention. It must help employees see that management's investment in

them will contribute value to their community, family and workplace. This implies reward and recognition does not always have to equate to a day off. It could also be realized that the effort required to improve retention is not huge.

Actions to be taken are not wrapped in a mystery but unfortunately, retention efforts are seldom initiated. They are abandoned because they are not seen as fun and they require investment of cash and time. To succeed, reward and recognition programs must do more than avoid pitfalls and failure. They must be designed such that they:

- They improve business results by accelerating results and behavior.
- Complement existing objective.
- Remind employees daily of important results and behaviors.
- Prompt managers daily to acknowledge employees when they have done a good job.
- Measures and reports results, behaviors' in a timely and frequent manner.
- Deliver appropriate reinforcement, recognition and rewards to all who earn them.
- Re-energize employees throughout the year.

Rewards and recognition practices can be realized in divers' ways. Ranging from formal to informal rewards and incentives given to individual workforce. These are sometimes incorporated into a company's policy, but it is done when the need arises. It is the discretion of management and supervisors that is used after an appraisal has taken place. In order to erase any kind of employee having a second thought of any unfair dealing in

the rewards system, they usually have an appraisal carried out and results of such exercises are normally used.

Though rewards and recognition are not seen to be the decisive element in ensuring employee retention, it is to an extent to sustain a good workplace culture and reinforce a positive behavior. In organizations where labor management relationship is not cordial, employee and management relationship could be strengthened when reward and recognition is being introduced. However, incentives on the other hand can sometimes cause unhealthy competition among employees which could lead to an employee sabotaging a colleague.

2.3 Various Practices and Strategies of Employee Retention

In today's highly competitive labor market, there is extensive evidence that organization regardless of size, technical advances, market focus and other factors facing retention challenges, there are indeed many employee retention practices in many organizations but these are rarely developed from sound theories. Swanson and Holton (2001) emphasized that theory is required to be both scholarly in itself and validated in practice. Given a nod in employee retention efforts within organizations, it is necessary to identify, analyze and critique the motivation theories underlying employee retention strategies in organizations by showing the relationship between motivation and employee retention.

To be able to manage change, organizations must have employees committed to demand of change and committed employees are the source of competitive advantage (Dressler,

1993). In his recent research found out that commitment is critical to original performance, and achieving important organizational goals, there is need to be a mix and when these are blended in the right complements motivation is the results (O'Malley, 2000).

Motivation can therefore be explained as the willingness to exert high levels of efforts toward organizational goals, conditioned by efforts, ability to satisfy some individual need (Robbins, 1993). The needs of individuals in the employment context are the internal state that makes certain outcomes appears attractive. When the need of an individual is not satisfied tension is created and it stimulates drive within the person. When these needs are there, it generates a behavior to find particular goals, that if attained will satisfy the need to lead to reduction of tension. There are numerous theories of motivation. Few of them could be explained and how motivation can impact employee commitment in an organization.

Under modern theories of human motivation, we have the following motivation theories of need, equity theory, and expectancy theory. The need theory focuses on achievement power and affiliation. The need for achievement can be explained as the need to excel, as achieve set standards. Also it is desire to accomplish something difficult (Kreitner and Kinicki, 1998) also says that the need for achievement as mastering, manipulating organizations physical objects, human beings and ideas. High achievers are more likely to be successful entrepreneurs. The need for power on the other hand can be explained as the way others behave or do things in a way that they would not have behaved otherwise.

The need for power reflects an individual's desire to influence, coach, teach and encourage others to achieve. Effective managers positively influence others. McClelland proposes that top managers should have a high need for power coupled with a low need for affiliation (Kireitner, 1998). The need for affiliation is when the desire for friendly and close interpersonal relationships. People with high need for affiliation prefer to spend time maintaining social relationships, joining groups and wanting to be loved. Individuals with this type of need are not sometimes the most effective managers or leaders because they have hard time making different decisions without worrying about being disliked (Kreitner, 1998).

Swanson and Holton (2001) identify the following as the basic practices which should be kept in mind in the employee retention strategies: Hire the right people in the first place; Empower the employees; Give the employees the authority to get things done; Make employees realize that they are the most valuable asset of the organization; Have faith in them, trust them and respect them; Provide them information and knowledge; Keep providing them feedback on their performance; Recognize and appreciate their achievements; Keep their morale high; and Create an environment where the employees want to work and have fun.

2.4 Fairness and Equity

Employees would always like to be treated and rewarded in a fair and equitable manner regardless of age, gender, ethnicity, disability or geographical location. With increasing effort and higher performances, employees expect to be rewarded more significantly than counterparts who provide output below the norm. An outcome or reward which is

perceived to be highly important can result in a higher level of effort and performance by the individual employee. With regards to equity, when people perceive an imbalance in their outcome or input relative to others, tension is created. This concept of equity is most often interpreted in weak organizations as a positive association between an employee's efforts and other contributors. The challenge put before organizations is to therefore develop rewards systems that are perceived to be fair and equitable, distributing the reward in accordance with employees' belief about their own value in the organization.

However the consequences of employees perceiving that they are being treated unfairly create a variety of options for the employee. These options include the employee reducing their input by demanding salary increases or the employee could possibly withdraw from the situation, quit the job and seek employment elsewhere (Champagne and McAfee, 1989).

2.4.1 Recruitment and Training

Recruitment of staff is one of the most important aspects in every organization. This is because if the qualified people are not employed, it could lead to collapse of the business. Keeping efficient employees over a long period in the organization help reduce the cost of recruiting when there is an employee turnover. Employee retention could be improved by ensuring a good understanding of the company's workplace culture and ethics, the organizations way of doing business, the motivation of employees, qualities, respect, interest and value attached to the things done within the workplace.

Organizational cultures are considered strong when the core values are both intensively held and widely shared. In a strong culture where people share assumptions and values, the workplace become an environment in which people thrive and learn strong cultures to foster high agreement among individuals, building loyalty, commitment, and cohesiveness. As a result employees show lower level of absenteeism and less likely to leave organizations. For instance senior managers of organizations hire and retain employees who think and feel the same way they do. When newly hired employees are given an induction course, it boosts their level of being part of the organization which helps develop the culture of trust and commitment. Building a culture of trust and commitment is very essential for an organizations survival (Pynes, 2008).

In business as in life, trust is an essential building block in developing human relations with customers, supervisors, suppliers, co-workers and management. The traditional hierarchical organizational structure is now being replaced with trust-bound entities and flexible networks. Lewis (1987) in their research paper found out that ‘trust and credibility are potential barriers to communication. People generally will not follow a leader that they do not trust since trust is a positive expectation about another person’s intentions and actions towards us in risky situations’. Aside building trust and commitment, communication in organizations is also emphasized.

Communication is seen as a key process underlying all aspects of organizational operations. Communication can be explained as the social glue that continue to keep the organization tied together and the essence of organization (Greenberg and Edwards, 2009). One key purpose of organizational communication is to direct action that is by

getting others behave in a desired fashion. For an organization to function, individuals and groups must carefully conduct their efforts and activities so emphasis is laid on communication for newly hired persons to understand the essence of communication which enhance performance and productivity in general. Apart from it being the core of all original activities, it focuses on the social relations between people, purposing on developing friendship and building trust, and acceptance. Through communication, newly hired persons are studied and trust is built.

Good orientations to newly hired persons help integrate the person into the workplace as to how to access information in the organization. If there is a shortfall of failing to effectively orient employees it may impose a significant separation and replacement cost on the company. According to Hacker (1999) 'bad hiring decisions' may cover a number of considerations including hasty selection processes that fail to ensure that the right candidates for the job are hired.

2.4.2 Organizational Culture

Every workplace has a culture that is unique to the place. Cultures generally refer to the system of shared beliefs, values, norms and a way of life that shape behavior in a particular workplace. Thus when we think of culture we look at religion, language fashion, authority, power, philosophy, identity and similarities among a certain group and differences with another group. Most workplaces share certain body of laws imposed upon them from greater society. Much can be discovered about a workplace culture by looking at how conflict is managed and disputes are resolved (Keyton, 2010).

As part of retention strategy and practice most managers are unable to resolve conflict in organizations which is sometimes battled over for a long time before it is resolved affects performance resulting in low productivity. Work places that rely primarily on power based process in resolving conflict are likely to be more authoritative on imposing conflict resolution on the parties involved which is not healthy for the workplace. Taylor (2003) spoke extensively on the need for organizations to ensure retention by nurturing affective commitment or an employee's desire to remain a member of an organization for motives beyond compensation. According to him, a culture of commitment is more than just the sum of a particular set of policies.

2.4.3 Health and Safety

Safety cultures in organizations are fundamental determinant of the level of safety prevention in organizations. At AngloGold Ashanti Obuasi, safety is their first value. They place and correspondingly put the highest priority on safety, health practices and systems of work. It is against this background that safety culture at the sites are measured to proactively manage this important aspect of safety which is done by engaging the services of a consulting company which specializes in using the safety culture technology. This allowed for the easy identification of site-wide strengths and weaknesses as well as department specific strength and weakness. Workplace health and safety initiatives make fundamental contribution to business performance as well as improved health and well-being of employees (AngloGold Ashanti Annual report, 2008).

This perception is brewed among employees because in our Ghanaian culture safety gadgets provided are not effectively and appropriately used by employees therefore management tends to relax about safety gadgets. Managers somehow believe that people will have to break safety rules to get jobs done which is but a poor perception of some managers. By redefining the role of safety and development among employees, managing a common approach to safety beyond a personal commitment, safety will become a key driver in change management. Lowe's (2003) analysis of data from a survey of Canadian workers indicated that many Canadian workers link psychosocial factors, including relationship with supervisors, interpersonal relationships and the availability of other forms of support to perception of how healthy a workplace may be.

2.4.4 Benefit of Employee Retention

Ensuring employee stay in the organization is critical to sustaining the growth and success of the organization, understanding employees do not live to work but work to live will help companies improve their retention levels. When employers recognize employee regularity, keep them learning new task and reward them both financially and mentally, all parties win and employees remain loyal. Employee retention also improves manager employee relationship. Good employee retention encourages succession planning. Organizations need to identify roles which employees may be suited in, in the future and work with them on designing their succession plan within the organization (Lowe, 2003).

2.4.5 How to Improve Employee Performance

Employee retention can be improved by retaining their quality workforce since retaining quality performances contribute to productivity of the organization and increase morale among employees. Command and control style of management is resisted by employees in today's workforce. Commands, decisions, strategic planning and other forms of decision making that do not acknowledge differences such as age, color, religion, gender helps in a good administration in organizations. A culture of open communication enforces loyalty among employees. It tends to keep employees informed on key issues. Most importantly they need to know that their opinions matter and that management is fully interested in their input and effort (Kirkpatrick, 2006).

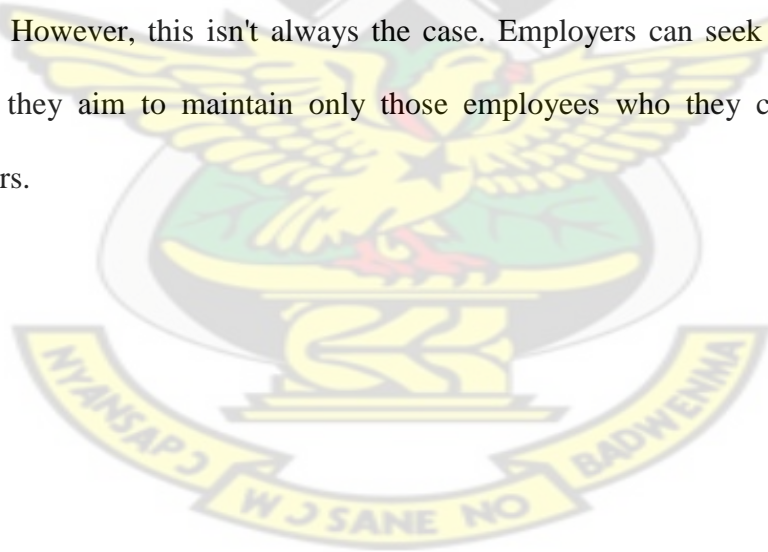
Additionally workshops on occupational stress will have to be organized for employee since it has several benefits. It sends messages to employees that the organization is concerned about them and their stress levels.

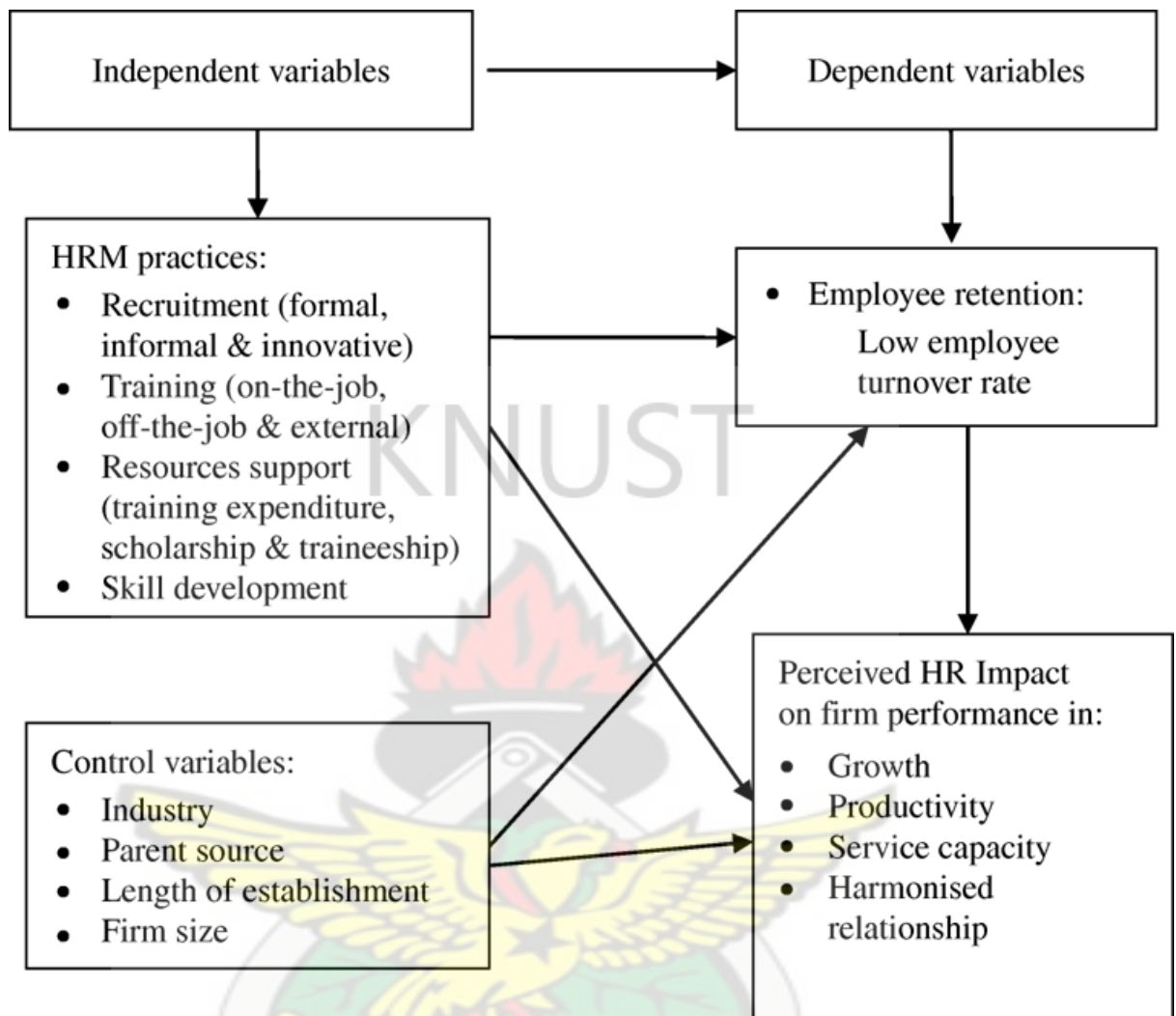
2.5 CONCEPTUAL FRAMEWORK

Most managers understand the importance of employee retention and its impact on the overall health and vitality of an organization. Business organizations come in all shapes and sizes and often exhibit more differences than similarities. But one factor common to all is that success is highly dependent on the skills, knowledge and experience of the employees within them. There's no doubt that attracting and retaining key employees should be a top priority for any company worth its salt. This is largely dependent on HRM practices within the organization. For many though, this issue lies well down the pecking order behind countless other things mistakenly deemed more important.

According to Armstrong (2002) organizations devise policies and practices to improve relations with employees and subsequently increase their motivation, commitment and loyalty. The implication is that effective employee retention measures can help boost corporate image among current and prospective employees, various other stakeholders and within the community where it is based. Again, organizational performance with regards to productivity, service capacity among others are also enhanced (see Figure2.1)

In a Business setting, the goal of employers is usually to decrease employee turnover, thereby decreasing training costs, recruitment costs and loss of talent and organizational knowledge. By implementing lessons learned from key organizational behavior concepts employers can improve retention rates and decrease the associated costs of high turnover. However, this isn't always the case. Employers can seek "positive turnover" whereby they aim to maintain only those employees who they consider to be high performers.





Source: Mitchell et al. (2001)

Figure 2.1: Conceptual Framework for Employee Retention Strategies and Organizational Effect

CHAPTER THREE

METHODOLOGY AND ORGANIZATIONAL PROFILE

3.0 Introduction

The purpose for this chapter is to describe and explain the methodology used in carrying out the research. It further elaborates how the researcher collected data, analyzed it. The first part of the chapter, deals with the various sources of data obtained for instance information on the population, data collection instruments, tools for data analysis, sampling and methods of data presentation. The second part generally talks about the organizational profile and background of the organization, the main vision or major objective of the company, as well as organizational structure

3.1 Research Design

This study employs case study as its research design. The researcher adopted case study as a research design to highlight the thorough examination of the setting. Again, the researcher finds it viable to use the case study design since it provides a vehicle through which several qualitative and quantitative methods can be combined to avoid reliance on one single approach.

3.2 Research Strategy

Research strategy refers to the general orientation to the conduct of social research (Yin, 2009). The study was conducted using both the qualitative and quantitative approach. The qualitative method involves the gathering of a lot of information from few examination units through interviews and observations. The quantitative method

involves collecting, analyzing, and interpreting data by observing what people do and say. Case studies frequently make use of qualitative and quantitative data.

3.3 Sources of Data

Data may be derived from several sources. Data can be classified as primary data and secondary data. Primary data is data gathered for the first time by the researcher; secondary data is data taken by the researcher from secondary sources, internal or external. Secondary data is of two kinds, internal and external. Secondary data – whether internal or external – is data already collected by others, for purposes other than the solution of the problem on hand.

3.3.1 Primary Data

The primary data was gathered mainly from field work carried out based on the objectives of the research. On the field, questionnaire was used for the set group of non-union staff. For a successful data collection, thirty questions were used for respondents.

3.3.2 Secondary Data

Secondary data used for the research was obtained from the company's data base, books, website information, reports, journals research works and newsletters (Mark et al., 2007).

3.4 Population

The population for the research comprises the non-unionized staff of AngloGold Ashanti. These were mainly staff of outsourced sections and departments and other staff who were mainly casual workers.

3.4.1 Sampling Process

A non-probability sampling technique, being the quota sampling technique was chosen. This technique was chosen because when used, it represents the population as the variability in sample for various quotas. In quota sampling, a specific number of respondents are assigned to each group as shown in Table 3.1 below. A sample size of 150 non-unionized workers were selected and interviewed for the study. The category of workers used in the study included management, junior staff and senior staff members from the various departments.

Table 3.1: Sample size used in the study

Departments	population	Sample size
Out sourced employees	175	120
Secretaries	11	10
Industrial relations	10	10
Management	80	10
Total	276	150

Source: Survey data (2011)

3.5 Data Collection Instrument

Questionnaires were used as the data collection instrument for the study.

3.5.1 Questionnaire

Questionnaires used for the data collection is made up of close and open ended type of questions. The questionnaire is structured in such a way that it is easily answered by respondents regardless of your position or educational level in the organization. It is also such that there is a high level of confidentiality. Respondents were given a period of three weeks to answer questionnaires. The questions made room for respondents who were interested in expressing their view and probably giving suggestions to questions asked. But on the whole about ninety percent were able to finish answering their questions within stipulated time.

3.5.2 Interview

Non-unionized employees were selected and interviewed as part of the data gathering process. Both structured and unstructured interview format were adopted to gather relevant information from the respondents. This was done for relational analysis, know their views and for other confirmatory response given by the respondents. The use of interviews in this study was deemed appropriate in order to get closer to the interviewee and to be able to solicit information which might not be divulged on the questionnaire. The use of interviews was also intended to afford interviewee the opportunity to express themselves and to afford interviewer the choice to ask other relevant questions pertinent to the study.

3.6 DATA ANALYSIS TOOLS

The tool used for the data analysis is statistical package software such as the Statistical Package for Social Sciences (SPSS). It is a type of computer programming software

used for statistical analysis. It is a data management program used to perform a number of data analysis and presentation of statistical analysis, presentation functions and geographical presentation of data. Some reasons that will instigate a researcher to choose a Statistical Package for Social Science is that is widely used for data analysis and it is one of the easiest and widely used statistical technique for used for data analysis

3.7 PROFILE OF THE ORGANIZATION

The gold operation at Obuasi, 200km North West of Accra in Ghana, was the major asset of Ashanti Goldfields Company (AGC), established in London in 1897. AGC started underground mining in 1907; Lonrho purchased AGC in 1969; and the Ghanaian Government reduced its holding in 1994, leaving Lonrho (now Lonmin) with a 33% stake and corporate plus private investors holding the remainder. In the mid-1980s, the company launched a capital-intensive mechanization programme that was completed during 1998/9. However, these efforts did not achieve the targeted gold output of 550,000oz/y to 650,000oz/y at a cash cost below \$200/oz.

AGC reduced staffing at Obuasi from approximately 10,000 in 1996 to less than 6,600 in 2003 and invested in underground development and plant – an investment of US\$37.6m during 2003, for instance. Even so, the management team formed after the April 2004 merger with AngloGold to form AngloGold Ashanti regarded the operation as being under-capitalized (AngloGold Ashanti Annual report, 2008).

3.7.1 Geology and Reserves

The Obuasi deposits occur along a zone of intense shearing and faulting within Precambrian greenstones. Mineralization comprises of two main types: quartz veins containing high-grade free gold and the main sulphide ore in which narrow veins contain gold trapped within arsenopyrite. At end-2003, proven and probable reserves totaled 56.8Mt at 6.19g/t gold, while measured and indicated resources totaled 117.1Mt grading 8.71g/t gold.

The amount of developed material was inadequate and the reserves were also restated – in light of intensive drilling and without remnant blocks and some surface reserves – at the end of 2004. Proved ore totaled 14.2Mt grading 2.95g/t, probable reserves were 36.3Mt at 7.05g/t, and measured plus indicated resources stood at 108.6Mt at 8.38g/t, giving 130.4t of contained gold in all. In mid-2006 AngloGold Ashanti cited proved ore reserves at 10.7Mt and measured resources at 60.5Mt. The feasibility of developing the Obuasi Deeps deposits is the subject of intensive studies as exploiting this ore could extend the mine's life by 35 years (AngloGold Ashanti Annual report, 2008).

3.7.2 Mining

"The feasibility of developing the Obuasi Deeps deposits is the subject of intensive studies as exploiting this ore could extend the mine's life by 35 years." The mine has worked surface and underground mineralization along an 8km north-south strike length but mining is now mainly underground, extending to depths of 1,600m. The mainly flat-back, cut-and-fill stopes used to exploit several ore blocks are being converted to mechanized open stopes. There are 15 shafts but the main hoisting shafts are modern –

George Cappendell, Kwesi Mensah, Kwesi Renner (Stonewall) and Sansu. Obuasi has made extensive use of raise boring in developing the underground mine and has one of the world's larger fleets of raise boring machines. During 2002–03, AGC upgraded the Brown sub-vertical shaft and bored a new ventilation shaft. Total hoisting capacity will remain at 6.2Mt/y between the Kwesi Renner, Kwesi Mensah and Sansu shafts. The shafts are linked by an electric rail haulage system serving six dump stations on the 41 level. Designed by Nordic Mining Technology, this system comprises two eight-car trains of 14m³ side-hinged cars, hauled by 15t locomotives supplied by British manufacturer Clayton. The dump stations are fed by conveyors from ore passes to the haulage level. Late in 2004, Obuasi took delivery of new LHDs and haul trucks from Atlas Cop co.

During the 1990s, AGC boosted output by surface mining and surface tonnage overtook underground in the middle of the decade. Having ceased surface mining during 2000 to contain costs, Ashanti opened the Homase pit in 2002, completed mining it during 2003 and started two more surface operations at the Kunka and Adubrem deposits. During 2003, underground production totaled over 2.3Mt, surface mining added 476,000t, and tailings recovery almost 2Mt (AngloGold Ashanti Annual report, 2008).

3.7.3 Ore Processing

Up to 7Mt/y of Obuasi ores have been processed in five treatment plants, but in 2000 throughput was reduced to 5.3Mt, with Pompora (built 1947) and the Oxide Treatment Plant (OTP) put on care-and-maintenance, while the Heap Leach plant did not operate at all. The Sulphide Treatment Plant (STP, commissioned 1994), which incorporates a

large bio-oxidation facility and modern gravity separation circuits, treated 2.33Mt at 7.0g/t in 2003 with a recovery of 83.4%. With the restart of surface mining in 2002, the oxide plant was brought back into action and the Tailings Treatment Plant (TTP) increased throughput. However, by 2004 the oxide plant was only being used occasionally, and will be shut in 2006 (AngloGold Ashanti Annual report, 2008).

3.7.4 Gold Production

With renewed surface mining and increased tailings throughput, the three active process plants treated a total of 5.22Mt of ore in 2003, yielding 513,163oz at an average cash cost of \$217/oz. However, for much of 2004 output was hampered by insufficient trackless-mining equipment and unplanned mill shutdowns.

During the period from May 2004, when AngloGold Ashanti started work, to the year-end, gold production totaled 255,000oz from 2.6Mt of ore, at total cash costs of US\$305/oz. The company reported an increase in gold production to 391,000oz for the whole of 2005, at total cash costs of US\$345/oz and total production costs of US\$481/oz. The target for 2006 was 407,000–423,000 oz at a total cash cost of US\$319–332/oz (AngloGold Ashanti Annual report, 2008).

3.7.5 Staffing Situation

AngloGold Ashanti Obuasi mine is made of nine departments which are the: Mining department, Finance, Human Resources Management, Mineral Resources Management, Processing Department, Health, Safety and Environment, Engineering and Sustainable

Development. As of July 2011, the organization has permanent staff of 4500. Staff of the company is made up of both locals and expatriates.

The staff of the mine is mainly dominated by males. The few female staff works across all departments in the company in the surface working environment. Few ladies work underground who are drillers. This is primarily due to the physical and difficult nature of underground mining. Each of the nine departments is headed and manned by a General Manager. The organizational structure of the company is the tall type (AngloGold Ashanti Annual report, 2008).



CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

This chapter presents the descriptive analysis of the demographic characteristics. The chapter also analyses findings based on the following research objectives; to identify current employee retention strategies of non-unionized employees at AngloGold Ashanti, to assess the effectiveness of current retention strategies of non-unionized employees at AngloGold Ashanti, to identify and examine factors that will encourage employees to stay or to evaluate the labour turnover rates among non-unionized employees at AngloGold Ashanti, and to make appropriate recommendations on how AngloGold Ashanti can retain core non-unionized employees.

4.1 Sample and Response Rate from the Selected Companies

This study describes non-unionized employees as employees who do not join any union in the company; therefore the matter of relying on any collective bargaining agreement is not really used when it comes to salary negotiations. In our focus organization, apart from some casual workers who were in the non-unionized category of workers, a large number of non-unionized employees were mostly identified with departments and sections that had been fully or partially outsourced. However, occurring in the context of AngloGold Ashanti, the researcher found it suitable and relevant for the current study.

The study used a sample size of one hundred and fifty (150) respondents from four categories of respondents in the study area. These were drawn from the out sourced

companies, secretaries, industrial relations and management. Table 4.1 depicts the response rate form the selected category of respondents.

Table 4.1: Sample and response Rate

Category of respondents	Sample size	No. of Responses	Response Rate (%)
Out sourced companies	120	114	95%
Secretaries	10	10	100%
Industrial relations	10	10	100%
Management	10	10	100%
Total	150	144	

Source: Survey data (2011)

4.2 Demographic Characteristics

The demographic characteristics discussed include age, gender, marital status and educational level. Analysis of these variables provided an overview of the sampled one hundred and fifty respondents. As indicated in Table 4.2, 29% of the respondents were within the age interval 21-30 years, 33% of the respondents fell within the age bracket 31-40, 20% of the respondents were within 41-50 and 18% were all above 50 years interval.

This age distribution depicted in Table 4.2 gives an indication that, most respondents sampled were within the age interval 21-30 and 31-40 years. The dominance of these age groups reflects the true nature of the focus industry. Because of the physical nature of mining and related activities most workers are in the category that can be described as

the youth. The gender of respondents was also sampled. From Table 4.2, 89% were sampled as male and 11% of the respondents were females. This finding is expected given the laborious nature of most activities in the mining sector

In addition the educational background and marital status of respondents were examined. Findings revealed that majority of the workers representing 55% were single, 30% were married, and 10% were divorced while the remaining 5% were separated. Studies have revealed that most workers in the mining sector are polygamous. This, the researcher believes accounted for the large number of respondents who were found single.

The breakdown of all selected respondents with respect to the demographic characteristics is explained in Table 4.3.

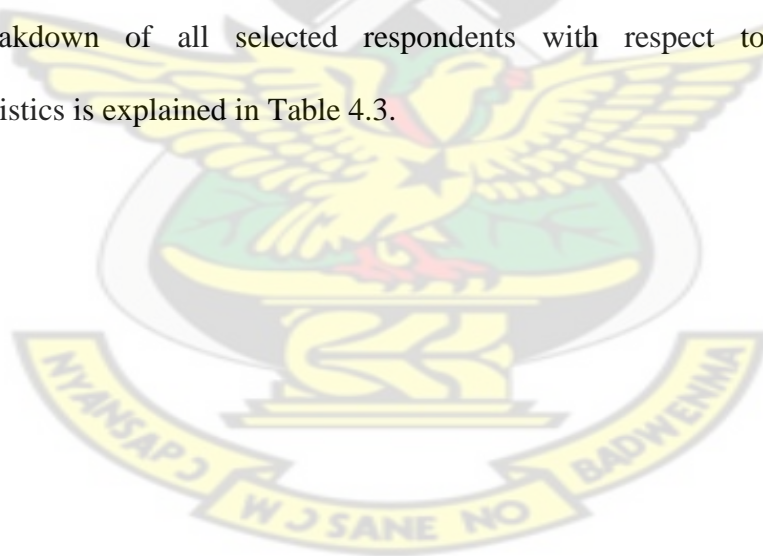


Table 4.2: Demographic characteristics

Variable	Category	Percent
Age	21-30	29.0
	31-40	33.0
	41-50	20.0
	Above 50	18.0
Gender	Male	89.0
	Female	11.0
Marital status	Married	55.0
	Single	30.0
	Divorced	10.0
	Separated	5.0
Educational level	Senior high	70
	HND	25
	First degree	5
	Second degree	-
	PhD	-

Source: Survey data, 2011

4.3 Current Employee Retention Strategies of Non-Unionised Employees at AngloGold Ashanti

Effective employee retention has been explained as the systematic effort by employers to create and foster an environment that encourages current employee to remain employed by having policies and practices in place that address their divers needs.

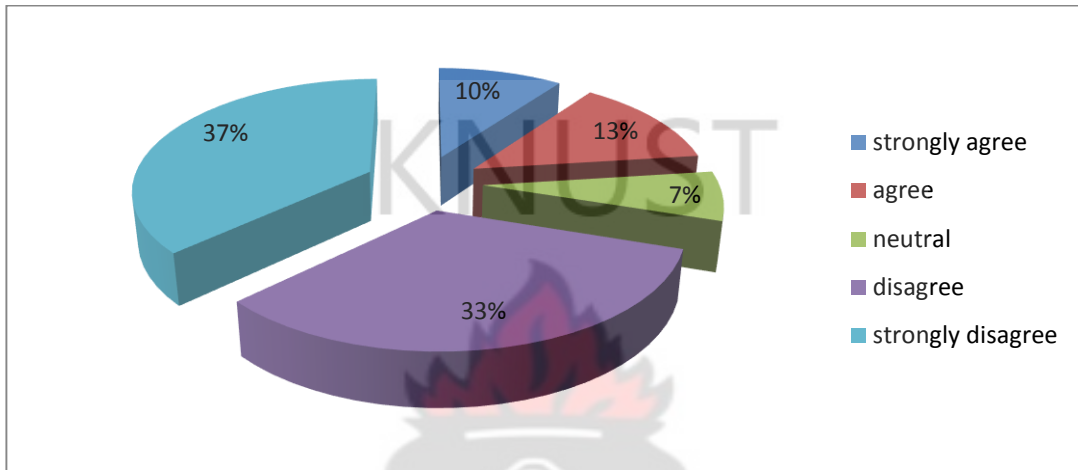
However, maintaining a valuable employee from leaving the job is one of the biggest problems that plague companies in the competitive market.

This objective therefore examined the current retention strategies of non-unionized employees in the AngloGold environment. It was aimed at identifying, in terms of management policy or by evidence, the tools and methodologies that are utilized by the relevant authorities in retaining non-union employees. Responses were measured against identified strategies which included due recognition of employees, feedback mechanism, trust and respect, employee empowerment, and employee moral boosting. These retention strategies are very much encouraged within management.

Apart from employee empowerment which was not a strategy identified with our case organization, most of the findings with respect to retention strategies of non-unionized employees at AngloGold Ashanti were consistent with recommended strategies by Swanson (2001) which included: giving the employees the authority to get things done; making employees realize that they are the most valuable asset of the organization; having faith in them, trust them and respect them; providing them information and knowledge; providing them feedback on their performance; recognizing and appreciate their achievements; keeping their morale high; and creating an environment where the employees want to work and have fun.

On the strategy of ‘employee empowerment in the focus area, most respondents responded in the negative (see Figure 4.1). This finding implies that employee empowerment is not a retention strategy used for non-unionized workers in our study

area. A breakdown revealed the following: 10% strongly agreed to the statement, 13% indicated that they agreed to the statement, 7% could neither agree nor disagree, 33% of the respondents indicated their disagreement and 37% strongly disagreed to the statement.



Source: Field data (2011)

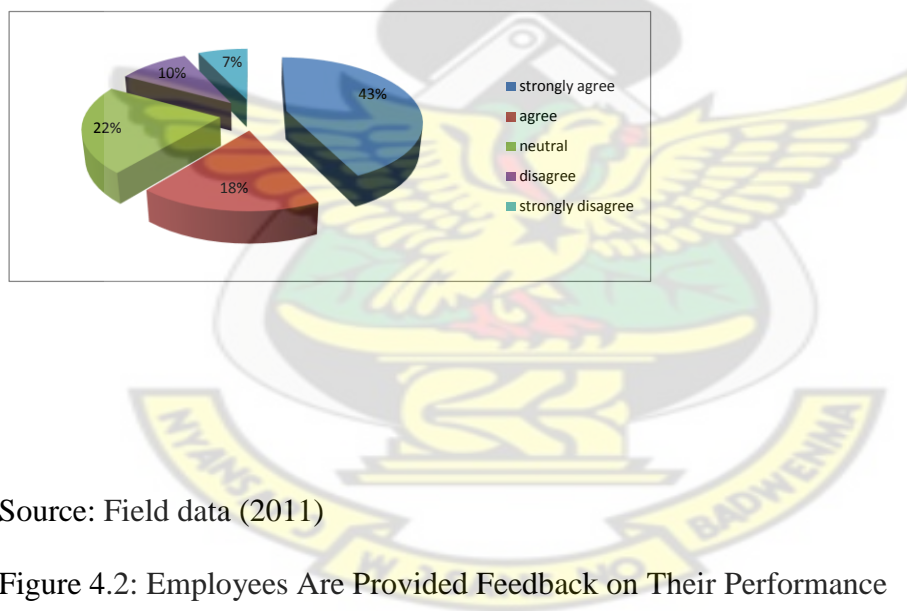
Figure 4.1: Employee empowerment

Similarly, the strategy of making employees ‘the most valued assets’ also largely received a negative response, suggesting that respondents didn’t consider it a strategy used in employee retention in the focus area. Firms in the mining industry should find the tool to retain key members, who increasingly are being courted by competing institutions. Firms should demonstrate to non-represented staff members that they understand and appreciate how hard they have worked.

Retaining employees carries obvious advantages. Long-term employees generally have higher productivity and efficiency on the job than newer employees, due to their length of experience with the firm. Loyal employees also improve operational processes and

train incoming employees. In certain cases, loyal employees can also be loyal customers and avoid word-of-mouth advertisers. Especially for manufacturers and sellers of consumer products, loyal employees' entire families sometimes purchase and use the products.

Evidence pointed to the use of feedback as a strategy in employee retention in the focus area. This reflected in the response which showed that 43% strongly agreed to the statement, 18% indicated that they agreed to the statement, 22% could neither agree nor disagree, 10% of the respondents indicated their disagreement and 7% strongly disagreed to the statement (figure 4.2).



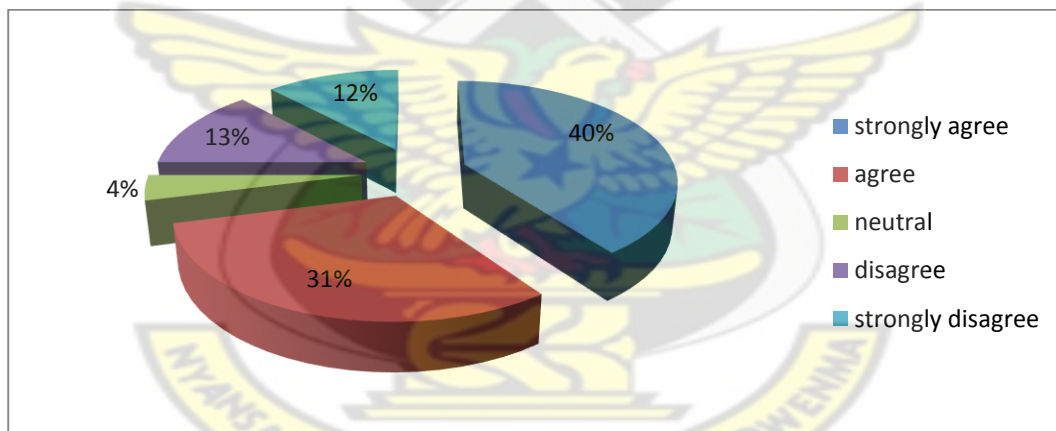
Source: Field data (2011)

Figure 4.2: Employees Are Provided Feedback on Their Performance

Employees are given a feedback on their performance on regular basis. This is used to encourage employees on their progressive contribution to the performance of the company.

A further finding found that an important strategy used for the retention of non-unionized workers is in keeping their morale high. Employee morale can play a huge role in retention of top talents in the organization. Most respondents suggested this when the statement “employees’ morale are kept high” recorded a positive response. A breakdown revealed that 40% strongly agreed to the statement, 31% indicated that they agreed to the statement, 4% could neither agree nor disagree, 13% of the respondents indicated their disagreement and 12 % strongly disagreed to the statement (figure 4.3).

Often times it can be the small things that make a big difference in employee morale for instance stopping by a team mate’s desk to recognize an effort exerted in a recent project that was carried out.



Source: Field data (2011)

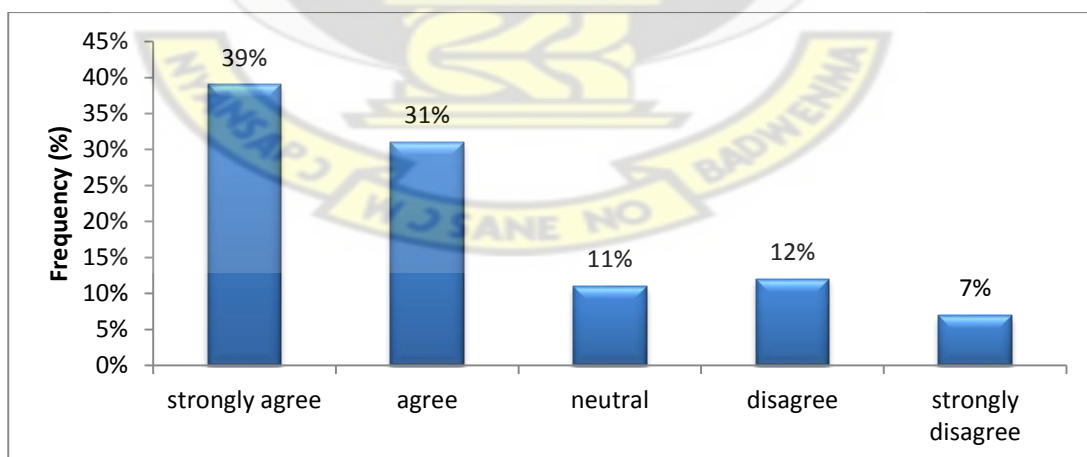
Figure 4.3: Employees’ Morale is Kept High

As suggested by Ramlall (2004), effective employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices that address their divers’ needs.

4.4 Effectiveness of Current Retention Strategies of Non-Unionised Employees at AngloGold Ashanti

This item examined the effectiveness of the retention strategies being used for non-unionized workers in the AngloGold environment. Similarly, responses were measured against identified strategy effects on retention.

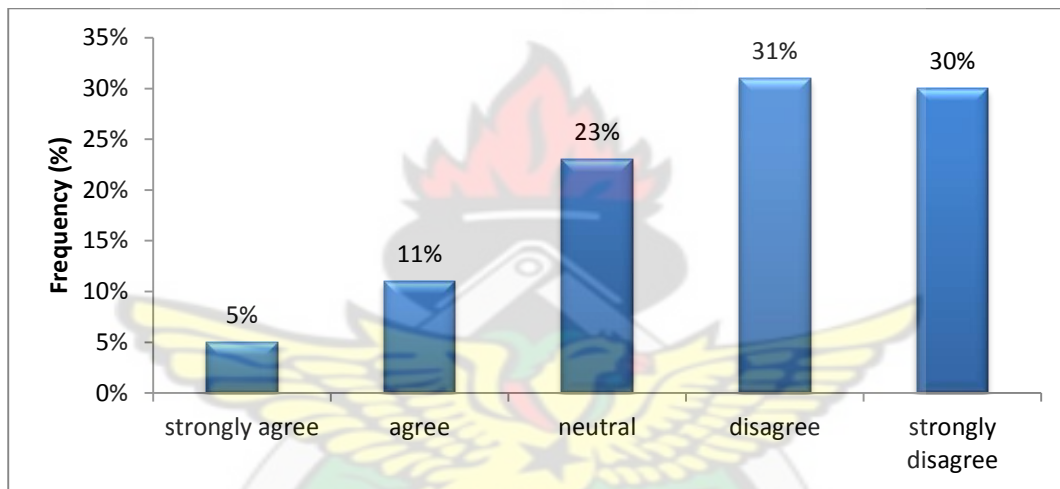
It was evident that turnover rates have significantly been normalized as a result of strategies being used. This was observed when most respondents responding to the statement “Current retention strategies have normalized turnover rates” largely agreed to it. A breakdown revealed that 39% strongly agreed to the statement, 31% indicated that they agreed to the statement, 11% could neither agree nor disagree, 12% of the respondents indicated their disagreement and 7% strongly disagreed to the statement (figure 4.4). According to Lowe (2003), when employers recognize employee regularity, keep them learning new task and reward them both financially and mentally, all parties win and employees remain loyal.



Source: Field data (2011)

Figure 4.4: Current retention strategies have reduced turnover rates

Respondents however did not believe that retention strategies had any significant effect on wage bill (figure 4.5). This was revealed when most respondents largely disagreed to the statement “The Company’s wage bill has been significantly reduced”. Details showed that 5% strongly agreed to the statement, 11% indicated that they agreed to the statement, 23% could neither agree nor disagree, 31% of the respondents indicated their disagreement and 30% strongly disagreed to the statement.



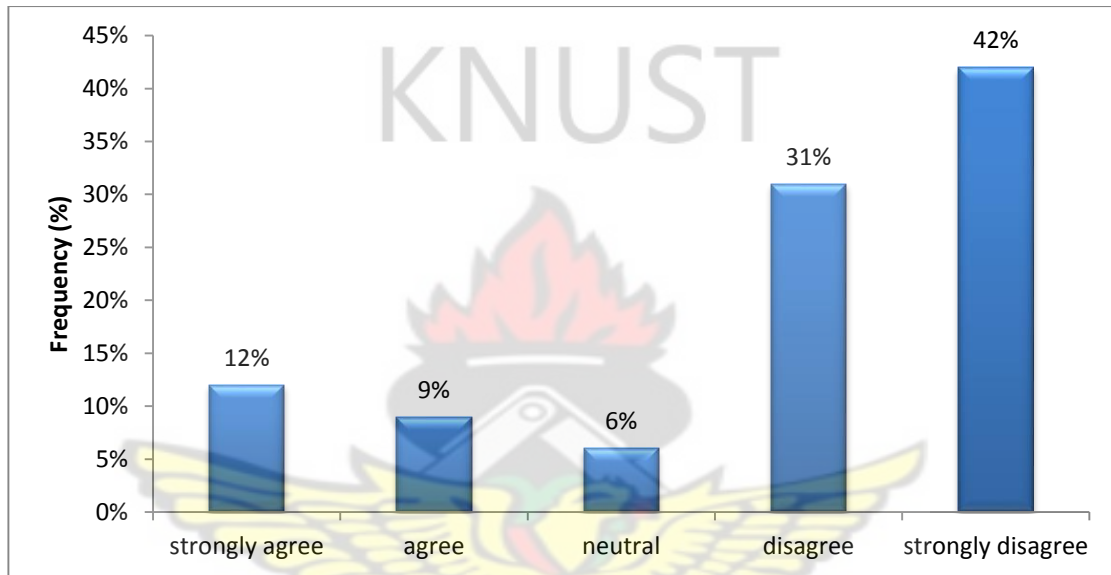
Source: Field data (2011)

Figure 4.5: The Company’s Wage Bill Has Been Significantly Reduced

On a similar score, most respondents did not agree that retention strategies had effect on performance. This was in response to the statement “Employee performance has significantly improved”. A breakdown revealed that 12% strongly agreed to the statement, 9% indicated that they agreed to the statement, 6% could neither agree nor disagree, 31% of the respondents indicated their disagreement and 42% strongly

disagreed to the statement (figure 4.6). Respondents rather attributed improved performance to other factors such as employee incentives, level of competence.

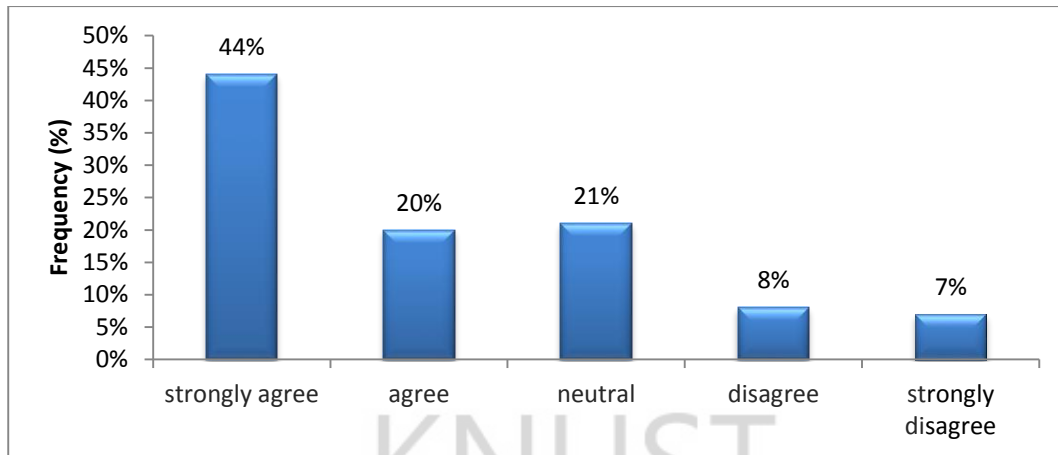
This however contradicts Lowe's (2003) position which suggested that Employee retention also improves performance.



Source: Field data (2011)

Figure 4.6: Employee Performance Has Significantly Improved

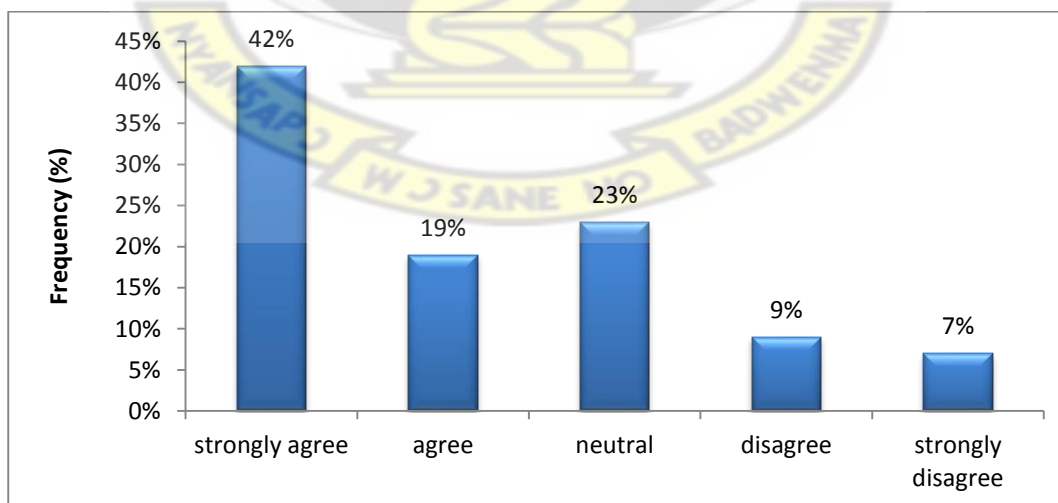
However, findings revealed that retention strategies had significant effect on the level of wastage. This observation was made in respondents' answers to the statement "The level of wastage has reduced" which revealed that 44% strongly agreed to the statement, 20% indicated that they agreed to the statement, 21% could neither agree nor disagree, 8% of the respondents indicated their disagreement and 7 % strongly disagreed to the statement (figure 4.7).



Source: Field data (2011)

Figure 4.7: The level of wastage has reduced

It was also revealed that retention strategies had significant effect on the cost of recruitment. This observation was made in respondents' answers to the statement "Current cost of recruitment has significantly reduced" which revealed that 42% strongly agreed to the statement, 19% indicated that they agreed to the statement, 23% could neither agree nor disagree, 9% of the respondents indicated their disagreement and 7% strongly disagreed to the statement (figure 4.8).



Source: Field data (2011)

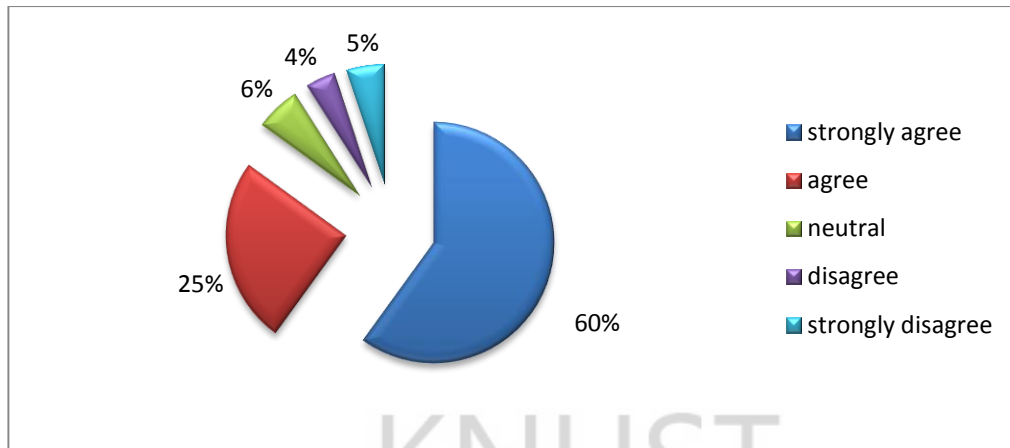
Figure 4.8: Current cost of recruitment has significantly reduced

Retention of employees is crucial given the fact that when an employee leaves the organization, for a direct competitor, there is always the possibility that they will take important business strategies and secrets with them to be exploited by the competitor.

4.5 Labour Turnover Rates among Non-Unionised Employees at AngloGold Ashanti

Turnover in a human resource context refers to the characteristics of a given company or industry relative to the rate at which employers lose or again staff. Non-unionized working environment gives management the upper hand with regards to terms and conditions of employee remuneration. Management in such workplaces generally easily hires, fire and discipline the workforce. The study therefore investigated labour turnover rates among non-unionized workers in the AngloGold environment. This was to establish the relationship between retention strategies and labour turnover.

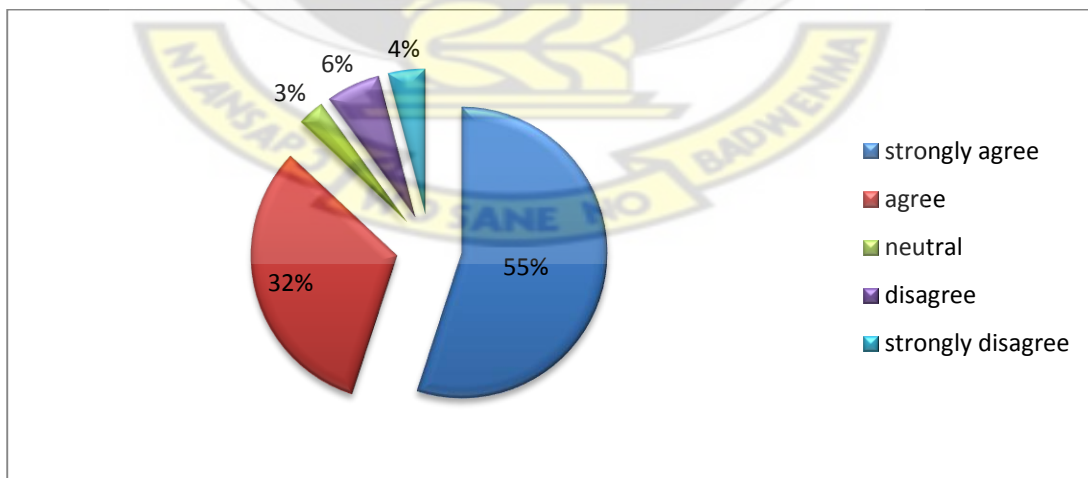
It was observed that Turnover rates have been generally low (see fig 4.9). This was established when respondents generally agreed to the statement “Turnover rates have been generally low”. A breakdown revealed that 60% strongly agreed to the statement, 25% indicated that they agreed to the statement, 6% could neither agree nor disagree, 4% of the respondents indicated their disagreement and 5 % strongly disagreed to the statement. This finding is consistent with the general trend in terms of labour turnover company-wide at AngloGold Ashanti, where for instance, for the period of 2002 and 2009, the annual turnover rate was considered slow. If an employer is said to have a high turnover, it most often means that employee of that company have a shorter tenure (of employees) in a relatively high turnover.



Source: Field data (2011)

Figure 4.9: Turnover rates have been generally low

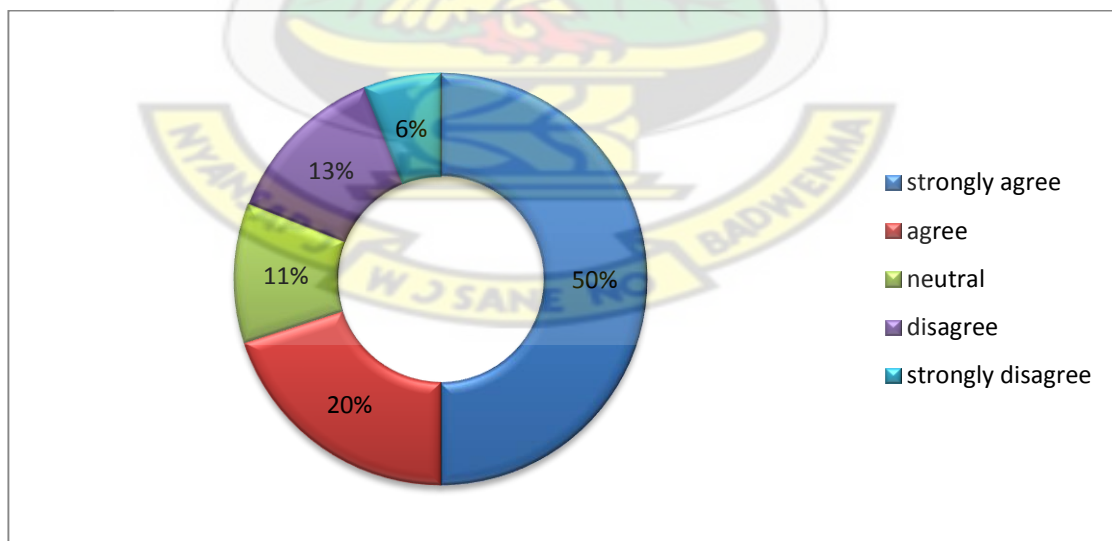
Most respondents believed that turnover rates have been impacted positively by current retention strategies. This was observed in respondents' answer to the statement "Turnover rates have been impacted positively by current retention strategies". A breakdown revealed that 55% strongly agreed to the statement, 32% indicated that they agreed to the statement, 3% could neither agree nor disagree, 6% of the respondents indicated their disagreement and 4% strongly disagreed to the statement.



Source: Field data (2011)

Figure 4.10: Turnover rates have been impacted positively by current retention strategies

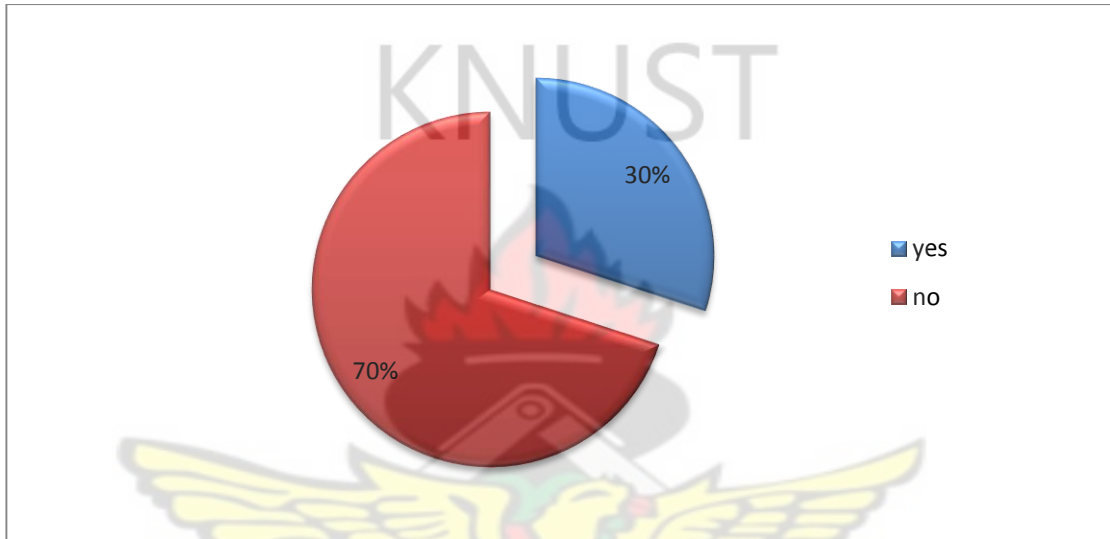
Again, most respondents indicated that turnover rates affect productivity. Respondents suggested this in response to the statement “Turnover rates have affected productivity”. Details revealed that 50% strongly agreed to the statement, 20% indicated that they agreed to the statement, 11% could neither agree nor disagree, 13% of the respondents indicated their disagreement and 6 % strongly disagreed to the statement (figure 4.11). Employee turnover incurs opportunity costs to employers. As experienced workers are replaced by new hires, productivity can drop dramatically. Not only are new hires very unproductive compared to experienced workers, but trainers' productivity drops during training periods as well. The cost of placing employment advertisement and paying head-hunters must be factored in, as well. Others have however argued that the advantage of high turnover is the lower labour expenses associated with employees not sticking around long enough for pay raises. Companies offering positions that do not require skilled labour benefit from the labor-cost savings of higher turnover (Lowe, 2003).



Source: Field data (2011)

Figure 4.11: Turnover rates have been impacted positively by current retention strategies

Some employees (30% of figure 4.12) also indicated their intention to leave their current employment at a point in time. Respondents generally attributed this to the need to change job in the case of any average worker and take up more challenges. This they suggested were reasons that had led to others leaving the company earlier.



Source: Field data (2011)

Figure 4.12: Do you intend to Leave?

The cost of replacing lost talent is 70 to 200 percent of the employee's annual salary. This is because replacing employees involves advertising, recruiting expenses, orientation and training of new employee, which results in decreased productivity until new employees are up to speed. Authorities in our focused area are therefore encouraged to keep turnover rates low.

4.6 Recommended Practices to Retain Core Non-Unionised Employees

Employee retention is an issue in every business sector. The study therefore further assessed methods of retaining core non-unionized employees in the AngloGold environment (see figure 4.13).

Most respondents believe that non-unionized employees should be given more incentives. This opinion was shared by respondents to the statement “Non-unionized members should be given more incentives”. A breakdown revealed that 40% strongly agreed to the statement, 30% indicated that they agreed to the statement, 15% could neither agree nor disagree, 8% of the respondents indicated their disagreement and 7 % strongly disagreed to the statement.

Weaknesses in employee representation has necessitated for non-union representation in organizations. However, respondents generally felt that as an effective retention strategy in the mining sector, employees should be encouraged to belong to unions. This was observed in respondents position on the statement “Members should be encouraged to belong to unions”, which revealed that 45% strongly agreed to the statement, 22% indicated that they agreed to the statement, 13% could neither agree nor disagree, 9% of the respondents indicated their disagreement and 11 % strongly disagreed to the statement.

Though different researchers have different viewpoints regarding union and non- union environment, empirical evidence shows that both forms have their own benefits and drawback in accordance with the business environment in which they are practiced.

Freeman and Medoff (1984) however insist, as discussed in the literature that unions are the key mechanism for improving employee productivity, reducing economic inequality and stabilizing work force.

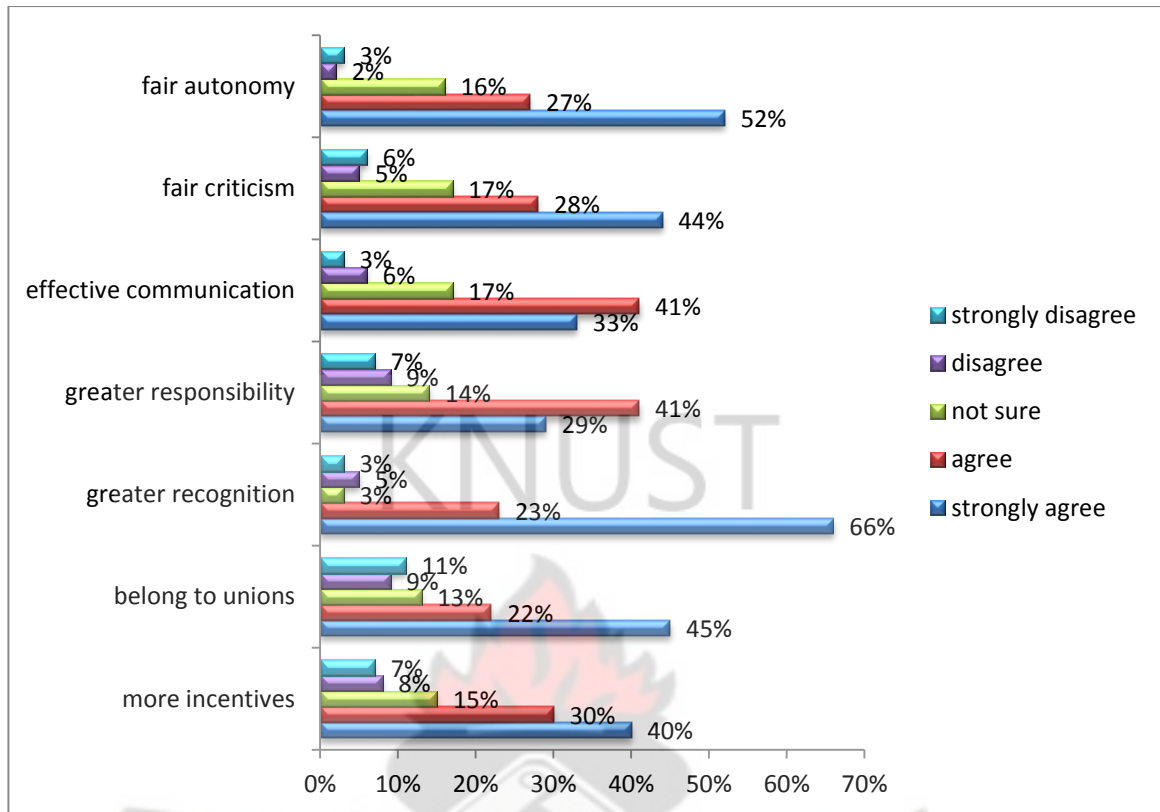
The difference between union and non-union forms of employee representation is the variety of decision making and exercise of power. A key observation made was that most respondents believed that members should be given greater recognition as a key retention strategy. This observation was made when in response to the statement “Members should be given greater recognition” 66% strongly agreed to the statement, 23% indicated that they agreed to the statement, 3% could neither agree nor disagree, 5% of the respondents indicated their disagreement and 3% strongly disagreed to the statement.

However, as mentioned in the literature, Pettinger (1999) believes that many organizations prefer to have a unionized set up for employee voice recognition, rather than following individualistic approach, due to the fact that it consumes less time and resources.

Respondents also indicated that in their opinion workers should be given greater responsibility. They indicated this in response to the statement “Members should be assigned greater responsibilities”. Findings showed that 29% strongly agreed to the statement, 41% indicated that they agreed to the statement, 14% could neither agree nor disagree, 9% of the respondents indicated their disagreement and 7 % strongly disagreed to the statement.

Similarly, it was recorded that respondents generally believed that effective communication should be established with workers in the non-unionized category. This response was to the statement “Effective communication should be established with members” details showed that 33% strongly agreed to the statement, 41% indicated that they agreed to the statement, 17% could neither agree nor disagree, 6% of the respondents indicated their disagreement and 3 % strongly disagreed to the statement. It was also generally found that employee shortcomings should be fairly criticized. The observation was made in respondents’ position on the statement “members should be fairly criticized”. A breakdown revealed that 44% strongly agreed to the statement, 28% indicated that they agreed to the statement, 17% could neither agree nor disagree, 5% of the respondents indicated their disagreement and 6 % strongly disagreed to the statement.

Respondents also suggested that non-unionized workers should be given a fair degree of autonomy in their work. This was in response to the statement “Members should be given a fair degree of autonomy”. A breakdown revealed that 52% strongly agreed to the statement, 27% indicated that they agreed to the statement, 16% could neither agree nor disagree, 2% of the respondents indicated their disagreement and 3 % strongly disagreed to the statement.



Source: Field Data (2011)

Figure 4.13: Recommended Practices to Retain Core Non-Unionized Employees

Ensuring employee stay in the organization is critical to sustaining the growth and success of the organization, understanding employees do not live to work but work to live will help companies improve their retention levels.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a summary of the findings to the following research objectives; current employee retention strategies of non-unionized employees at AngloGold Ashanti, effectiveness of current retention strategies of non-unionized employees at AngloGold Ashanti, factors that will encourage employees to stay or to evaluate the labour turnover rates among non-unionized employees at AngloGold Ashanti, and recommendations on how AngloGold Ashanti can retain core non-unionized employees.

5.1 Sample and Response Rate from the Selected Companies

Apart from some casual workers who were in the non-unionized category of workers, a large number of non-unionized employees used were mostly identified with departments and sections that had been fully or partially outsourced.

The study used a sample size of one hundred and fifty (150) respondents drawn from the industrial relations department, secretaries, management and outsourced companies in the services of contractors, maintenance, transport and management. These sections and departments were used because most non-unionized workers were found there

5.1.1 Demographic Characteristics

29% of the respondents were within the age interval 21-30 years, 33% of the respondents fell within the age bracket 31-40, 20% of the respondents were within 41-50

and 18% were all above 50 years interval. Most respondents sampled were within the age interval 21-30 and 31-40 years, a reflection of the nature of the focus industry. Most respondents sampled were also men.

Findings revealed that majority of the workers representing 55% were single, confirming studies that have revealed that most workers in the mining sector are usually polygamous, therefore making divorce rate very high.

5.2 SUMMARY OF FINDINGS TO RESEARCH OBJECTIVES

5.2.1 Current Employee Retention Strategies of Non-Unionized Employees at AngloGold Ashanti

Most respondents responded in the negative on the strategy of employee empowerment. The study concluded that employee empowerment is not a retention strategy used for non-unionized workers in our study area. Similarly, the strategy of making employees ‘the most valued assets’ also largely received a negative response, suggesting that respondents didn’t consider it a strategy used in employee retention in the focus area.

Evidence pointed to the use of feedback as a strategy in employee retention in the focus area. This reflected in the response which showed that 44% strongly agreed to the statement, 20% indicated that they agreed to the statement, 21% could neither agree nor disagree, 8% of the respondents indicated their disagreement and 7 % strongly disagreed to the statement.

It was found that non-unionized employees are given a feedback on their performance on regular basis. This strategy is used to encourage employees on their progressive contribution to the performance of the company. A further finding revealed that an important strategy used for the retention of non-unionized workers is in keeping their morale high. Employee morale can play a huge role in retention of top talents in the organization. Most respondents suggested this when the statement “employees’ morale are kept high” recorded a positive response.

5.2.2 Effectiveness of Current Retention Strategies of Non-Unionized Employees at AngloGold Ashanti

This item examined the effectiveness of the retention strategies being used for non-unionized workers in the AngloGold environment. Similarly, responses were measured against identified strategy effects on retention.

Findings suggested that turnover rates have significantly been normalized as a result of strategies being used. This was observed when most respondents responding to the statement “Current retention strategies have normalized turnover rates” largely agreed to it. Respondents however did not believe that retention strategies had any significant effect on wage bill.

On a similar score, most respondents did not agree that retention strategies had effect on performance. This was in response to the statement “Employee performance has significantly improved”. Respondents rather attributed improved performance to other factors such as employee incentives, level of competence.

It was observed that retention strategies had significant effect on the level of wastage. It was also revealed that retention strategies had significant effect on the cost of recruitment. This observation was made in respondents' answers to the statement "Current cost of recruitment has significantly reduced" which revealed that 44% strongly agreed to the statement, 20% indicated that they agreed to the statement, 21% could neither agree nor disagree, 8% of the respondents indicated their disagreement and 7% strongly disagreed to the statement.

5.2.3 Labour Turnover Rates among Non-Unionized Employees at AngloGold Ashanti

The study also investigated labour turnover rates among non-unionized workers in the AngloGold environment. This was to establish the relationship between retention strategies and labour turnover.

It was observed that turnover rates have been generally low. This was established when respondents generally agreed to the statement "Turnover rates have been generally low". This finding was consistent with the general trend in terms of labour turnover company-wide at AngloGold Ashanti.

Most respondents believed that turnover rates have been impacted positively by current retention strategies. This was observed in respondents' answer to the statement "Turnover rates have been impacted positively by current retention strategies". Again,

most respondents indicated that turnover rates affect productivity. Respondents suggested this in response to the statement “Turnover rates have affected productivity”. Most employees also indicated their intention to leave their current employment at a point in time. Respondents generally attributed this to the need to change job in the case of any average worker and take up more challenges. This they suggested were reasons that had led to others leaving the company earlier. The researcher found this usual in most industries.

5.2.4 Recommended Practices for Retaining Core Non-Unionized Employees

Employee retention is an issue in every business sector. The study therefore further assessed methods of retaining core non-unionized employees in the AngloGold environment.

Most respondents suggested that non-unionized employees should be given more incentives. This opinion was shared by respondents to the statement “Non-unionized members should be given more incentives”. Again, respondents generally felt that as an effective retention strategy in the mining sector, employees should be encouraged to belong to unions. This was observed in respondents’ position on the statement “Members should be encouraged to belong to unions”,

A key observation made was that most respondents believed that members should be given greater recognition as a key retention strategy. Again, respondents also indicated that in their opinion workers should be given greater responsibility. They indicated this in response to the statement “Members should be assigned greater responsibilities”.

Respondents generally believed that effective communication should be established with workers in the non-unionized category. It was also suggested by respondents that employee shortcomings should be fairly criticized. The observation was made in respondents' position on the statement "members should be fairly criticized". Respondents also suggested that non-unionized workers should be given a fair degree of autonomy in their work. This was in response to the statement "Members should be given a fair degree of autonomy".

5.3 Conclusion

The study has looked at retention strategies of non-unionized workers in the mining environment using AngloGold as a case study. Specifically, the study examined the current employee retention strategies of non-unionized employees at AngloGold Ashanti, effectiveness of current retention strategies of non-unionized employees at AngloGold Ashanti, factors that will encourage employees to stay or to evaluate the labour turnover rates among non-unionized employees at AngloGold Ashanti, and recommendations on how AngloGold Ashanti can retain core non-unionized employees. Several observations and findings were made and discussed.

The study notes that every organization has its share of hurdles to overcome when it comes to training and retraining newly hired employees. In business, time and money are one and the same because it takes both to train new employees and existing employees. Any company that laments its high rate of new staff turnover needs to

evaluate how newly hired staff are trained to determine whether inadequate training may indeed be the cause of exit.

5.4 Recommendations

On the basis of findings made the study makes a number of recommendations for companies in the mining industry.

5.4.1 Focus on Staff Retention

The study revealed that staff turnover has been generally low. The study recommends this to be sustained by continuously focusing practices that will keep turnover rates minimal. There are a number of reasons for staff retention. This is because every organization understands that employees are their best asset and without skilled labour that is good at what they do, any organization would be in serious problem. When organizations are able to put all these strategic measures to effective functioning, they are, at the long run able to retain employees and the possibility of company saving cost becomes greater. Also high performance work system, high involvement decision making strategy and staff retention must be a shared responsibility of both employees and managers in the development and implementation of retention strategies.

5.4.2 Need to exploit other Options of Employee retention

The study revealed that retention strategies used at AngloGold were largely improved morale and feedback strategies. In order to create a successful business company, employers in the mining sector should consider as many options as possible when it comes to retaining employees whether unionized or non-unionized, while at the same

time securing their trust and loyalty so that they have less of a desire to leave in the future.

5.4.3 Need to Review Cultural Values

Again, Kopelman et al. (1990) found out that the variation in employee retention across organizations may be related to organizational culture values. Therefore, companies should review their culture to be consistent with current labour trends.

5.4.4 Need to Cater for the Basic Needs of Staff

Management should make every effort to take care of the basic needs first, such as competitive compensation, benefits, promotion opportunities and bonuses. Companies with high employee retention have learned to focus on intangibles, as well. Creating a relaxed, comfortable culture that includes respect for individuals and opportunities for learning and growth takes a firm's employees' job satisfaction to the next level.

5.5 Recommendation for Further Study

The mining sector in Ghana contributes significantly to Ghana's GDP. Its sustainability is therefore vital for the continuous growth of the economy. Based on findings and discussions made, the study recommends a further research to examine the impact of employee turnover rates of mining companies on performance.

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Appendix 1: Questionnaire

This questionnaire is part of a study that examining the retention of non-unionized employees at AngloGold Ashanti Obuasi'. Kindly indicate your preference among alternative answers for each question by ticking in the appropriate box. Where alternative answers are not provided, fill in the gaps provided. Respondents are assured of the confidentiality of this exercise. Thank you for your contribution.

Section a: Background information

1. Age (1) 20 – 29 [] (2) 30 – 39 [] (3) 40 – 49 [] (4) 50 and above []
2. Sex (1) male [] (2) female []
3. Marital status (1) single [] (2) married [] (3) divorce [] (4) separated []
4. Educational Level (1) Senior Sec. School [] (2) HND/diploma [] (3) bachelors degree [] (4) Second Degree [] (5) PhD []

Section b:

1. What is the company's policy on unionization of employees?

.....

.....

.....

.....

2. Which of the following constitute current employee retention strategies of non-unionized employees at AngloGold Ashanti?

	Tick
employees are empowered	
employees are made the most valuable asset of the organization	
employees are given the necessary trust and respect	
employees are provided with information and knowledge	

employees are provided feedback on their performance	
employees are duly recognized and their achievements appreciated	
employees' morale are kept high	

2. Which of the following depict the effectiveness of current retention strategies of non-unionized employees at AngloGold Ashanti?

	1	2	3	4	5
Current retention strategies have normalized turnover rates					
The company's wage bill has been significantly reduced					
Employee performance has significantly improved					
The level of wastage has reduced					
Current cost of recruitment has significantly reduced					

Which of the following appropriately describe labour turnover rates of non-unionised workers of AngloGold Ashanti?

	1	2	3	4	5
Turnover rates have been generally high					
Turnover rates have been generally low					
Turnover rates have been inconsistent					
Turnover rates have been impacted positively by current retention strategies					
Turnover rates have affected productivity					
Level of skill have been affected by turnover rates					

Recommended practices to retain core non-unionized employees of AngloGold Ashanti

	1	2	3	4	5
Non-unionized members should be given more incentives					
Members should be encouraged to belong to unions					
Members should be given greater recognition					
Members should be assigned greater responsibilities					
Effective communication should be established with members					
Shortcomings should be fairly criticized					

Any other comment

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.....

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.....

