

## Factors Influencing Employees' Retention in the Banking Industry of Ghana

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### Abstract

It cost organizations twice to engage the services of new workers than to maintain the existing ones. The study looked at the factors influencing employees' retention by selecting eight factors after a comprehensive literature review and their significance in terms of helping banks in Ghana to retain their existing employees. The researchers adopted convenience sampling because of confidentiality and the busy nature of employees who work in banks to obtain the one hundred and six (106) employees for the study. The appropriate data collection instrument used was mainly questionnaires. The results of the Probit regression model adopted for the study based on the eight selected factors showed that employees retention in the banking industry of Ghana depends on how banks design and implement their compensation and reward systems to meet employees expectation, how they are able to deal with issues regarding work life balance, build good image and create favorable working environment, provide permanent jobs, ensure that the values and beliefs of these banks are aligned with that of their employees, ability of banks to ensure fairness in the management of their staff and encouraging managers and supervisors to develop good relations with subordinates. Based on the limitation of the research in terms of its scope, the study recommends for future research on how employee demographic characteristics influence employee retention in the Ghana's banking industry.

**Keywords:** Employee retention; Probit model; Banks

### Introduction

The most valuable asset of any organization is its human resource and it is this type of asset that dictates how efficiently other assets of the organization are managed and utilized. Organizations human capital which involves the stock of knowledge, skills and abilities (SKAs) within its portfolio largely determines the competitive position of that organization. It takes a while for organizations to build their stock of SKAs and the longer employees stay in their organizations the more these SKAs appreciate as employees learn new skills and also acquire new knowledge to add to the human capital of the organization. Though many researchers have argued that it cost organizations less to maintain their existing employees than to hire new ones, what seems to be missing by many commentators on this assertion is that the cost incurred by organizations when they allow their employees to leave cannot be the same for all sectors. In the service sector especially the banking industry, since there is a high level of customer contact, customers develop, build relationships and trust with employees of the organization and frequent change of these existing employees as a result of turnover can affect loyalty and commitment of customers in terms of continuous procurement of service from the organization. In the literature of Koys [1] retaining employees is very important since turnover destroys customers' confidence in the company. The above literature points to the fact that maintaining existing employees in order to enjoy customers confidence and trust cannot be regarded as an option particularly in the banking industry where customers build strong relationships with employees based on continuous service encounter.

Many researchers such as Cascio [2], Heneman and Judge [3] and Gberville [4] are of the view that the major challenge facing organizations today is their ability to recruit competent employees and retain them to achieve organizational goals. This means that getting employees to remain for a longer period or till their end of contract with organizations cannot be achieved in a vacuum as policy formulators in organizations should put certain measures that meet the expectation of their employees in order to achieve the objective of maintaining their existing staff. Maintaining existing employees involves meeting

and exceeding their expectations and therefore it is necessary for organizations to clearly identify the factors that influence employees to stay and remain loyal so that these factors are dealt with to get the confidence that employees may pose in their organizations. Researchers such as Hocquet [5], Chipunza and Ranger [6] have identified that lack of training and development opportunities is one of the major triggers of employee turnover. To the writers, if employees are not provided with the opportunity to catch up with the specification of their new job when promoted, they tend to get frustrated as too many errors are committed on the job and that can be a recipe for employees to leave their current organization. Most employees enter organizations with the ambition of developing their career and hoping to achieve their full potential through promotion, training and developmental programmes offered by their organizations. In this case, employees tend to enjoy satisfaction when career development opportunities are available within the establishment in which they find themselves. Researchers such as Bhatnagar [7], Hassan [8], Kim [9] and Vos and Meganck [10] have argued and established strong positive relationship between employees' retention and provision of career development opportunities by organizations. Most organizations in the Ghana's banking industry based on the experience of the researchers' show that some banks have failed to retain their employees because of the employees' eagerness to develop their career by furthering their education which had been resisted by their organizations.

In the views of Kinnunen and Mauno [11], Hammer et al. [12],

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Thompson et al. [13] and Parasuraman and Simmers [14] when employees are not enthused with their working hours as well as the rest periods provided by organizations, they tend to leave their organizations and find alternate organizations that can provide them with jobs that will help them meet their social obligations as well. To the writers, many work-family conflicts have resulted due to unfavorable working hours and leave policies of most organizations. Looking at these writers and their argument for organizations to take the concept of work life balance seriously, it means that organizations need to adopt flexible time policies as propounded by Ling and Phillips [15] so that employees can balance social ties with work related issues especially in the Ghana's banking industry where employees work for not less than ten hours a day.

Organizational values and beliefs also play important role when it comes to employees' retention as many researchers such as Sheridan, Singh and Chatman [16-18] have indicated how discrepancies in values and beliefs between employees and the organizations they work in can bring employee turnover. Going by the assertion of these writers, then it will not be in the wrong direction for organizations to discriminate on religious grounds when it comes to engaging staff. Banks that are established and strictly go by Christian or Muslim principles may ensure that discrepancy in values and beliefs between them and their employees will not occur which can lead to turnover by engaging in staff who already appreciates these principles, values and beliefs. Apart from organizational values and beliefs, other factors such as level of reward and compensation as well as organizational justice have been found major factors contributing to employee retention. In the literature by Lawler, Brannick, Ihsan, Cropanzano and Randall, Mowday, Colwell, Cropanzano and Greenberg [19-25], organizations find it difficult to retain their employees if the reward or compensation offered is less than the anticipated market value of these employees. To the writers especially Cropanzano and Randall [23], the availability of information makes it easier for employees to compare whether their organizations had treated them fairly based on what similar organizations are rewarding for the same skills or jobs in those organizations. Therefore, the writer cautions organizations to pay much attention to the level of reward and compensation as well as its fairness or how equitable they are when compared to similar organizations since they can be a major factor that can influence employees to be committed and loyal to their organizations

Job security, the image organizations have built for themselves and supervisors support have all proven to be contributing factors influencing employees' retention. Researchers such as Silbert, Freyermuth, Hytter and Ramlall [26-29], have done extensive work on how these factors influence employees retention though their work was not on the banking industry. To the writers, employees tend to be frustrated when their supervisors exhibit leadership styles that are not appropriate or when they find themselves in a job that has no security of tenure. They also added that employees feel secure and proud when they work in organizations that have been accepted by the society in terms of the way they conduct their business and also fulfill their social responsibility obligations.

Looking at the above literature on factors influencing employees' retention, it could be seen that all the researchers did not link their research to a specific industry. In terms of examining the factors that influence employees' retention in the Ghana's banking industry as a whole, by scanning the numerous research that has been done on employees' retention, the researchers could not find such a literature that is linked to the banking industry in Ghana though other researchers

tried to adopt the case study method by looking at employees' retention with reference to some specific banks in Ghana. The researchers after identifying this gap in the literature and also their interest in the banking industry conducted this research in order to fill this literature gap.

## The Study Industry

The Ghana banking industry over the years has seen a phenomenal growth with more banks entering the industry. Currently as at 23<sup>rd</sup> June 2017, there were thirty six (36) commercial banks that had been licensed by the Bank of Ghana and these comprise of Access Bank (Ghana) Limited, ADB Bank Limited, Bank of Africa (Ghana) Limited, Bank of Baroda (Ghana) Limited, Banque Sahélo-Saharienne pour l'Investissement et le Commerce (BSIC Ghana Limited), Barclays Bank of (Ghana) Limited, CAL Bank Limited, Ecobank (Ghana) Limited, Energy Bank (Ghana) Limited, FBN Bank (Ghana) Limited, Fidelity Bank Limited, First Atlantic Bank Limited, Capital Bank Limited, First National Bank (Ghana), GCB Bank Limited, GN Bank Limited, Guaranty Trust Bank (Ghana) Limited, HFC Bank (Ghana) Limited, National Investment Bank, Prudential Bank Limited, Societe General (Ghana) Limited, Stanbic Bank (Ghana) Limited, Standard Chartered Bank (Ghana), The Royal Bank Limited, UniBank (Ghana) Limited, United Bank for Africa (Ghana), Universal Merchant Bank (Ghana), UT Bank Limited, Zenith Bank (Ghana) Limited, Sovereign Bank Limited, Premium Bank Limited, OmniBank (Ghana) Limited, Heritage Bank Limited, The Construction Bank (Ghana) Limited and GH Bank Limited. These banks are both local and foreign but the foreign commercial banks in the industry are more than the local.

Again, in the industry are financial institutions which are savings and loans and community rural banks which comes under the umbrella of the ARB Apex bank. All the commercial banks in the industry are regulated by the Central Bank of Ghana which is headed by a governor and assisted by deputy governors. The bankable segment of the total population in Ghana is 10% and all the thirty-six commercial banks have to compete with this percentage of the total population. In the area of technology, the industry has experienced some major growth as internet; telephone banking and automated teller machines are available to increase customer satisfaction for those who experience services from banks in the industry. According to a report from KPMG [30] in 2016, Standard Chartered and Fidelity Banks were ranked as the best banks when it comes to providing customer satisfaction in the industry and the two major reasons why people in Ghana choose a particular bank to be associated with are how excellent their services are and also proximity of the branches of these banks.

## Methodology

The target population for the study comprises of all the thirty-six (36) commercial banks that had been licensed by the Bank of Ghana as captured in 2.0 (the study industry). Since all these banks have their headquarters in one geographical location which is Accra, the researchers decided to include all of them in the study to form the sample population.

Since it was necessary to know the factors that influence employees of these banks to remain in their organizations, it was imperative for the researchers to select employees from all these banks in order to achieve this objective. Taking into consideration, the confidentiality of information in the banking sector and the tight schedule of the employees who work in these banks, the researchers resolved that using convenience sampling is best sampling technique to be adopted

for the study. By using this sampling technique, employees who were less busy at the time the researchers visited these banks were chosen to be included in the sample. In total, one hundred and eight (108) employees with three (3) employees each from these banks were selected for the study. The employees were made up of both managerial and non-managerial staff.

The data collection instrument mainly used for the study was questionnaires and this was directed to all the employees selected for the study with 106 of the questionnaires returned (98%) and meaningful for analysis. The variables that were considered in the questionnaires were employee retention, level of reward and compensation, work life balance, organizational image and environment, organizational justice, job security, opportunity for career development, organizational values and beliefs and supervisors support. These factors were chosen based on existing literature provided by Hocquet [5]; Chipunza; Ranger [6]; Kinnunen and Mauno [11]; Parasurama and Simmer [14-15] Bhatnagar, Hassan, Kim, Vos and Meganck [7-10]; Thompson et al [13]; Sheridan, Singh, Chatman, Lawler, Smith, Brannick, Ihsan, Naeem, Cropanzano, Mowday, Colwell, Cropanzano, Greenberg, Silbert, Freyermuth, Hytter, Ramlall [16-29]; Hammer et al. [12] on what influences employees retention. Only factors that were common in the literature provided by at least three authors were selected. This means that if a factor appears once in the literature of an author and was not captured as an influencing factor by at least two of the above authors, then it was not part of the eight factors that the researchers selected for the study.

Employees sampled for the study were asked to indicate whether the above factors influence them to stay or leave their current organization and their reasons for such a variable been an influencing factor. In order for the researchers to obtain composite data for the selected variables, the researchers aggregated all the data obtained from the different banks on each of the variables after which Probit Regression Model was used to analyse the factors influencing employees' retention in the Ghana's banking industry. Journals, publications on the internet, newsletters and Acts that were relevant to the banking industry constitute the main source of secondary data for this study.

### Analytical framework

Descriptive statistics mainly in the form of frequency tables and percentages were used to describe the demographic characteristics of the respondents whilst the researchers used the Probit Regression Model to analyse the factors that influence employees in these banks to remain or not to remain in their current organization. Whether or not the employee is influenced by the selected variables to remain in their current organization (dependent variable) is dichotomized, involving two mutually exclusive alternatives. Models for estimating such phenomena in which the dependent variable is binary have been propounded by various authors such as Collet, Agresti [31,32]. The framework for such analysis has its root in the threshold theory of decision making in which a reaction occurs only after the strength of a stimulus increases beyond the individual's reaction threshold [33]. This means that if employees are confronted with choice, they have reaction threshold which are influenced by so many factors [34]. This yields a binary dependent variable,  $y_i$  which takes on the values of zero (the employee will not remain) and one (the employee will remain). The probability of observing a value of one is:

$$P_r \left( y_i = \frac{1}{x_i \beta_i} \right) = 1 - F(-x_i \beta_i) \quad (1)$$

Where F is a cumulative distribution function and is a continuous, strictly increasing function that takes a real value and returns a value which ranges from 0 to 1. Then, it follows that the probability of observing a value of zero is:

$$P_r \left( y_i = \frac{0}{x_i \beta_i} \right) = F(-x_i \beta_i) \quad (2)$$

Given such a specification, the researchers determine the parameters for estimating this model using the maximum likelihood estimation approach. The dependent variable is an unobserved latent variable that is linearly related to  $y_i$  by the equation:

$$y_i = \beta_i x_i + u_i \quad (3)$$

Where  $u_i$  is a random disturbance term? The observed dependent variable is determined by whether  $y_i$  exceeds the threshold value or otherwise.

$$y_i = \begin{cases} 1 > 0 \\ 0 \text{ if } y_i^* \leq 0 \end{cases} \quad (4)$$

Where  $y_i$  the threshold is value for  $y_i$  and is assumed to be normally distributed. There are various models for estimating such parameters and these include Probit (standard normal), Logit (logistic) and Tobit (extreme value) but the researchers adopted the Probit model because of its ability to constrain the utility value of the employee retention variable to lie within 0 and 1, and its ability to resolve the problem of heteroscedasticity. The Probit model adopted for the study is specified as:

$$P_i = P(y_i^* < y_i) \\ P_i = P(y_i^* < \beta_0 + \beta_j x_{ji}) = F(y_i) \quad (5)$$

$$P_i = F(y_i) = \frac{1}{\sqrt{2\pi}} \int_{-\infty}^{z_i} e^{-\frac{s^2}{2}} ds$$

Where  $P_i$  is the probability that an individual will make a certain choice (remain or not remain in his or her current organization); is a random variable normally distributed with mean zero and unit variance;  $y_i$  is the dependent variable (remain or not remain);  $y_i$  is the threshold value of the dependent variable. To obtain an estimate of the index  $z_p$ , the inverse of the cumulative normal function is used:

$$y_i = F^{-1}(P_i) = \beta_0 + \beta_j x_i + u_i \quad (6)$$

The parameters  $\beta_0, \beta_1, \beta_2, \beta_3, \dots, \beta_\infty$  of the Probit Model do not provide direct information about the effect of the changes in the explanatory variables on the probability of an employee continuously remaining in his or her current organization. The relative effect of each explanatory variable on the likelihood that an employee will remain (marginal effect) is given by:

$$\frac{\partial P_i}{\partial x_{ij}} = \beta_{ij} f(Z_i) \quad (7)$$

Where  $P_i$  is the mean dependent variable whose value is given in the Probit results as:

$$f(Z_i) = F^{-1}(P_i) \quad (8)$$

$$Z_i = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 \dots + \beta_k x_k \quad (9)$$

$f(Z_i)$ =Density function of the standard normal variable and is given by:

$$f(Z_i) = \frac{1}{\sqrt{2\delta}} e^{-\frac{1}{2}Z^2} \quad (10)$$

The empirical model is specified as:

$$\begin{aligned} \text{REMAIN}_i = & \beta_0 + \beta_1 \text{REACO} + \beta_2 \text{WOLBA} + \\ & \beta_3 \text{OGI AWE} + \beta_4 \text{ORGJUS} + \beta_5 \text{JOSEC} + \beta_6 \text{CARDEV} \\ & + \beta_7 \text{ORGVAB} + \beta_8 \text{SUPSCU} + u_i \end{aligned} \quad (11)$$

Where:

REMAIN<sub>i</sub>=Whether or not an employee would remain in the organization (measured as a dummy, 1 for remain and 0 otherwise). This is the dependent variable.

REACO= Adequate reward and compensation (measured as a dummy, 1 for Adequate and 0 otherwise)

WOLBA= Promote work life balance (measured as a dummy, 1 for favorable leave policy and 0 otherwise)

OGI AWE = Good company image and safe working environment (measured as a dummy, 1 Good image and safe working environment and 0 otherwise)

ORGJUS = Fair treatment of employees (measured as a dummy, 1 for fair treatment and 0 otherwise)

JOSEC = Surety of tenure of office (measured as a dummy, 1 for surety of tenure and 0 otherwise)

CARDEV =Opportunity for self-actualization (measured as a dummy, 1 opportunity and 0 otherwise).

ORGV AB =Link between employee and organization values and beliefs (measured as a dummy, 1 for Link of values and beliefs and 0 otherwise).

SUPSCU =Good relationship with supervisors (measured as a dummy, 1 for good relationship and 0 otherwise)

u<sub>i</sub> = Error term (which is assumed to have zero mean and constant variance).

## Results and Discussion

### Demographic characteristics of respondents

The demographic characteristics of the respondents were considered important in helping to achieve the objective of the study since age, marital status, gender and educational qualification can largely influence the way people think, reason and react to situations. This means that given the factors that were selected for the study, these demographic characteristics can influence the way the respondents will allow each of the factors to influence their willingness to leave or remain in their organizations. The demographic characteristics of the respondents based on the questionnaires distributed can be presented in Table 1 below:

The Table above indicates higher percentages for employees in the industry who are predominantly males, aged 20 to 39 years old, not married and academic qualification of first degree which are all good indicators that there is high propensity for these employees to leave their organizations given the opportunity. These results are in consistent with the literature by Furnham et al., Kavanaugh et al., Ng and Sorensen, Schroder [35-37]; whose works showed that the above employee demographic characteristics are strong predictors of turnover intentions. Males unlike females can easily adapt to new environment and they are also free from external pressures when they

Variables	Category	Frequency (N=106)	Percentage (%)
Gender	Male	79	74.5
	Female	27	25.5
Age	Below 20	12	11.3
	20-39	58	54.7
	40-59	22	20.8
	60+	14	13.2
Educational qualification	High School	9	8.5
	HND	23	21.7
	1st degree	62	58.5
	Master's degree	11	10.4
	PhD	1	0.94
Marital status	Married	50	47.2
	Unmarried	56	52.8

Source: Field survey data in 2017

Table 1: Demographic characteristics of respondent.

Policies and practices	Yes		No	
	Frequency	Percentage	Frequency	Percentage
Adequacy of reward and compensation	98	92.50%	8	7.50%
Favourable leave policy	84	79.20%	22	20.80%
Good company image and safe working environment	93	87.70%	13	12.30%
Fair treatment of employees	102	96.20%	4	3.80%
Surety of tenure of office	86	81.10%	20	18.90%
Opportunity for self-actualization	95	89.60%	11	10.40%
Link between employee and organizational values and beliefs	68	64.20%	38	35.80%
Good relationship with supervisors	74	69.80%	32	30.20%
Overall employees satisfaction of banks policy and practices	88	83.00%	18	17.00%

Source: Field survey data in 2017

Table 2: Distribution of employee ratings of organizational policies and practices.

are young and are not married and given any undesirable situations they may found themselves, they may leave their current organization. The same also applies to people with tertiary education since their analytical skills help them compare organizations and choose the ones they can easily fit in.

### Employees rating of organizational policies and practices on retention

Employees remain or leave their organizations depending on how the policies and practices of those organizations influence their behavior or are in tandem with their beliefs and expectations. The researchers sought the opinion of the selected employees involved in the study as to whether there is any gap between their expectations with regard to policies and practices used by their banks to manage the employment relationship and what actually the bank provides. This was done through the use of questionnaires as presented in Table 2 below:

The Table above presents the results of employees in the banking industry satisfaction on the various policies and practices offered by banks in the industry. As high as 92.5% are satisfied with the reward and compensation provided by their organization whilst 7.5% believe is not adequate and as such are not satisfy with their organizations reward and



compensation. With regard to favorable leave policy, 79.2% indicated their satisfaction whilst 20.8% were not satisfied with the leave policies of their organizations. As the saying goes that good name is better than riches, so as employees feel very comfortable to work in organizations that are well respected locally, nationally and internationally. Again, providing safe working environment for employees is one of the psychological contracts that bind the employee and the employer. Organizations failure to provide safe working environment can have a serious effect on the work of the employee which the end result can be termination of the employment contract by the employee. The study shows that 87.7% of the selected employees were happy with the name their organizations have created for themselves and the environment which they work whilst 12.3% of the respondents have a different opinion. Talking about organizational justice with regard to fair treatment of employees, a greater number of the employees (96.2%) are satisfied with the fairness of their organization policies and practices whilst 3.8% feels the policies and practices are discriminatory.

Every contract of employment is supposed to have tenure and as such the researchers wanted to find out if they are satisfied with the tenure of employment contract with their respective organizations. A greater number of the employees (81.1%) were satisfied with the tenure of contract with their organizations whilst this was not the case for the rest of the employees that constitutes 18.9%. As propounded by Abraham Maslow in his hierarchy of needs, one of the things that motivates people is when they are able to realize their full potential. From the study, 89.6% of the respondents believe that their institutions have done enough in terms of helping them to realize their dream whilst 10.4% gave responses that are contrarily.

Discrepancy in values and beliefs is one of the major causes of conflict and employee turnover is likely to occur if there is no alignment of organization and employees values and beliefs. The results from the study show that 64.2% of the selected employees are satisfied with the values and beliefs of their organizations and is in line with their own values and beliefs whilst 35.8% have a different opinion with regard to the fit between their values and beliefs and that of their organization. Again, the type of leadership style exhibited by managers can have influence on the perception of employees with regard to how their organizations value them. The study shows that 69.8% are happy with the leadership style of their supervisors and this has created healthy relationship among them and their supervisors whilst 30.2% of the respondents believe otherwise. On the whole as shown in the Table above, 83.0% of the respondents are happy with the policies and practices of their organizations with respect to the selected factors for the study whilst 17.0% believe this cannot be the case.

According to Glen [38] these factors play a major role in retaining existing employees and as such organizations should spend much time involving their employees when drafting policies in these areas so that they will meet their employees' expectation.

### Factors influencing employees retention

Though overall results as shown in Table 2 indicates that a large number of the respondents (83.0%) are happy with the selected factors as provided by their organizations, this results do not give us those factors that are significant. In respect of this, it was necessary for the researchers to use the Probit regression model to estimate the factors influencing employees retention in the Ghana's banking industry as presented in Table 3 below:

From the results as shown in Table 3, it could be seen that a likelihood ratio (LR) statistic of 23.0895 with a Chi-Squared ( $\chi^2$ )

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	1.517287	0.474757	5.184417	0
REACO	0.236458	0.176868***	1.699175	0.0035
WOLBA	0.331728	0.178658**	-2.142522	0.0378
OGIAWE	0.596593	0.323661*	-3.147878	0.0875
ORGJUS	0.142623	0.184675*	0.536456	0.0645
JOSEC	0.014871	0.169235**	0.088473	0.0362
CARDEV	0.370245	0.266917	1.651403	0.133
ORGVAB	0.436185	0.122189***	1.163847	0.0071
SUPSCU	0.373545	0.16729*	-3.156947	0.0881
LR statistic (8 df)	23.0895	McFadden R-squared		0.082743
Probability (LR stat)	0.002209	-	-	-
Obs with Dep=0	18	-	-	-
Obs with Dep=1	88	-	-	-

Key: \*\*\*: Indicates significance at the 1% level. \*\*: Indicates significance at the 5% level; \*: Indicates significance at the 10% level.  
Source: Field Survey data 2017

Table 3: Probit regression coefficients of factors influencing employee retention.

Variable	Coefficient	Marginal Effect
C	1.517287	-
REACO	0.236458	0.0041563
WOLBA	0.331728	0.0038665
OGIAWE	0.596593	0.0067699
ORGJUS	0.142623	0.0031565
JOSEC	0.014871	0.0041678
CARDEV	0.370245	0.0064253
ORGVAB	0.436185	0.0029643
SUPSCU	0.373545	0.0032275

$Z_i=2.628$ ,  $f(Z)=0.0083861$   
Source: Field Survey data 2017

Table 4: Marginal effects of factors influencing employee retention.

distribution at 8 degree of freedom is significant at 1% level. What this means is that some of the selected variables or perceived determinants have significant effect on employees retention. On the whole, seven (7) out of the selected eight factors namely reward and compensations, work life balance, good image and safe working environment, organizational justice, job security, good relationship with supervisors and organizational values and beliefs were considered significant whilst career development or opportunities for employees to achieve their full potential was considered as not significant. The perceived determinant (career development) was found to be insignificant probably because of the argument by many human resource practitioners that career development should be the responsibility of the employee rather than pushing it to the employer. The employer determines where it wants to channel its scarce resources in terms of training and developmental programmes and as such if the strategy and action plans do not fit into the ambition of employees in terms of realizing their full potential, the employer will be under no obligation to take responsibility of developing the employees' career. From this assertion, the absence of this perceived determinant cannot serve as disincentive for employees to leave their current organization. This argument is in line with the literature provided by Gomes [39] who argued that employees should take individual responsibility for their careers by maintaining their individual talent profiles, focusing on personal development, demonstrating company values, and building their professional networks.

In knowing the marginal effects (MEs) of the significant variables

on employee retention, Table 4 below presents the MEs of these variables.

Tables 3 and 4 above shows that employees who are satisfied with their organizations reward and compensation systems will 0.42% more likely to remain or stay in their current organization than those who are dissatisfied with their organizations reward and compensation systems and this significant at 1% level. This is in line with the literature by Scott, MuMullen and Royal [40] who based on their research findings recommended that in order for employers to retain their key employees, it is necessary for organizations to consider paying talented employees above the median of relevant labor market so that it will weaken competitors chance of luring these talented employees away. The results again show that organizations that provide the opportunity for employees to balance work and social ties through flexible working hours and favorable leave policies will 0.39% more likely to retain their employees than those organizations that provide otherwise and this is significant at 5% level. This is in line with the works of Groover and Croocker, Lobel, Kossek, Ozeki [41-43] who posited that work life balance policies help employees in managing their work and family in a better way, enhances their attitudes and behaviors such as organizational attachment, job satisfaction and more importantly intention to stay.

Organizations that are able to build good image over time and also provide good working environment will 0.68% more likely to get their employees loyal and committed and hence want to remain in those organizations than organizations that provide otherwise and this is also significant at 10% level. The results of the study buttress the literature of Collins and Stevens [44] that employer branding is used by potential employees to differentiate between employers. That is organizations that have 'high employer brand value' are perceived by potential employees as more attractive than those with lower employer brand value. The results of Table 4 also indicate that fairness in organizations practice and policies will 0.32% more likely to make employees remain in their current organizations than those whose practices and policies are discriminatory and this is significant at 10% level. This result has a positive correlation with the findings of Tang et al [45] who were of the view that managers need to apply rules fairly and consistently to all employees, and reward them based on performance and merit without personal bias in order to create a positive perception of distributive and procedural justice. To the writers, the perception of unfairness can result in negative reactions which the end result can be the employee leaving the organization. Employees whose opinion was that their organizations provide them job security are 0.42% more likely to be committed and loyal to their organization than those that stated otherwise and this is significant at 5% level. This means that organizations that employ permanent workers are likely to get their commitment and loyalty than those that employ temporary workers.

Fit between organizational and employees' values and beliefs is necessary for encouraging employees' retention [46]. This literature is in line with the findings of this study that employees who believe there is alignment between their beliefs and values of the organizations they work with will 0.30% more likely to remain in their organizations than those organizations that have a misfit with the values and beliefs of their employees and this is significant at 1% level. Finally the study found out that organizations that promote good working relationship between employees and their supervisors will 0.32% more likely to get employees exhausting their terms of employment contract with the employer than those that do not and this is significant at 10% level. This result corroborates the work of Kurtessis [47] who posited that

companies need to focus more on supervisory development and communication skills program since several studies have suggested that good working relationship with supervisors creates a bond of friendship at the workplace which makes it difficult for employees to leave.

## Conclusion

The main objective of the study was to examine the factors influencing employees' retention in the Ghana's banking industry. The study based on the results of the Probit regression analysis showed that the ability of banks in Ghana to retain their existing employees depends on meeting the reward and compensation expectations of employees who work in the industry, dealing with issues of work life balance, building good image and creating favorable working environment, promoting fairness in the management of employees in the industry, ensuring security of tenure of office, encouraging managers and supervisors to develop good relations with subordinates and lastly ensuring that there is a fit between the values and beliefs of organizations in the industry and employees who work in those organizations. This means that if banks are to retain their existing employees, there is the need for them to pay much attention to these factors since by the nature of banks, customers develop trust and confidence in these banks if they meet the same employees they have develop friendship over time than frequently meeting different employees because of turnover.

## Limitations and Recommendations for Future Research

The research touched mainly on organizational policies and practices of the selected banks in relation to eight factors (Table 2) and their influence on employees' retention in these banks. Literature available indicates that the selected eight factors are not exhaustive when it comes to factors that influence employees' retention. It is therefore recommended that different organizational policies and practices other than the ones selected for the study must be looked into and their significance in influencing employees' retention in the banking industry. Secondly, though the research work looked at some of the demographic characteristics of the respondents and its influence on employees' retention yet that was not the focus of the research since the research focus was mainly on organizational policies and practices and how they influence employees' retention. From this, it is recommended that future research should touch on significance of employee demographic characteristics on employees' retention in the banking industry with particular reference to Ghana. Lastly, the research focused only on commercial banks in Ghana to generalize the results for the industry but there are community banks as well as savings and loans in the industry that the study did not consider. It is recommended that future research on factors influencing employees' retention should include all these categories of banks in the industry in order to widen the scope of the study.

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