

UNIVERSITY OF EDUCATION, WINNEBA

**PUBLIC SECTOR REFORMS IN GHANA: THE IMPACT OF
COMPENSATION REFORMS ON TEACHER ATTRITION**



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PUBLIC SECTOR REFORMS IN GHANA: THE IMPACT OF
COMPENSATION REFORMS ON TEACHER ATTRITION

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Studies) Degree.

JULY 2016

DECLARATION

STUDENT'S DECLARATION

I, Isaac Brako, declare that this Dissertation, with the exception of quotations and references contained in published works which have all been identified and duly acknowledged, is entirely my own original work and it has not been submitted, either in part or whole for another degree elsewhere.

Signature.....

Date.....

SUPERVISORS' DECLARATION

I hereby declare that the preparation and presentation of this work was supervised in accordance with the guidelines for supervision of Dissertation as laid down by the University of Education, Winneba.

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DEDICATION

This work is dedicated to my wife, my children Shadrack, Bright, Gertrude, Joycelyne and Irene for their support and prayers.



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ABBREVIATIONS

AB	Appellate Body
AFRC	Armed Forces Revolutionary Council
ANC	African National Congress
ARP	Administrative Reform Programme
BPSR	Bureau of Public Service Reform
CBA	Collective Bargaining Agreement
CCP	Chinese Communist Party
CMB	Central Management Board
CSAG	Civil Servant Association of Ghana
CSIR	Council for Scientific and Industrial Research
CSPIP	Civil Service Performance Improvement Programme
CSR	Civil Service Reform Programme
CTAG	Concerned Teachers Association of Ghana
ECA	Economic Commission for Africa
ERP	Economic Recovery Programme
EU	European Union
FMIS	Financial Management Information System
FPMIP	Financial and Programme Management Improvement Project
FWSC	Fair Wages and Salaries Commission
GDP	Gross Domestic Product
GES	Ghana Education Service
GIMPA	Ghana Institute of Management and Public Administration
GNAT	Ghana National Association of Teachers
GUSS	Ghana Universal Salary Structure

HIPC	Heavily Indebted Poor Countries
HRMIS	Human Resources Management Information System
IMF	International Monetary Fund
LAC	Latin America and Caribbean
MDA	Ministries, Departments and Agencies
MDPI	Management Development and Productivity Institute
MPS	Ministry of the Public Service
MPSR	Ministry of Public Sector Reforms
NAGRAT	National Association of Graduate Teachers
NCWSR	National Committee for Wage and Salary Rationalization
NDC	National Democratic Congress
NGO	Non-Governmental Organization
NIRP	National Institutional Renewal Programme
NLC	National Liberation Council
NPM	New Public Management
NPP	New Patriotic Party
NRC	National Redemption Council
NSPRP	National Strategy for Public Service Reform
OECD	Organization for Economic Co-operation and Development
OHES	Universities and Office of the Head of Civil Service
PAS	Public Administration System
PFR	Public Financial Reform
PIB	Prices and Incomes Board
PNDC	Provisional National Defence Council
PNP	People's National Party

PSC	Public Services Commission
PSIN	Public Service Institute of Nigeria
PSMP	Public Sector Modernization Programme
PSPAS	Public Service Pay Administration System
PSR	Public sector reforms
PSSWC	Public Service Salary and Wages Commission
PTA	Parent- Teacher Association
SAP	Structural Adjustment Programme
SMC	Supreme Military Council
SSA	Sub-Sahara Africa
SSSP	Single Spine Salary Policy
SSSS	Single Spine Salary Structure
TEWU	Teachers and Educational Workers Union
UK	United Kingdom
UNDP	United Nations Development Programme
US	United States
WAEMU	West Africa Economic and Monetary Union
WB	World Bank

ABSTRACT

Successive governments in Ghana have pursued numerous public sector compensation reform programmes with the object of attracting and retaining a high calibre of trained professionals capable of rendering quality service in the public sector. In spite of the laudable goal, teachers in the country's public service continue to search for greener economic pastures and as and when they find the opportunity elsewhere, they quit the profession, thus raising attrition of teachers. The study was set to examine the extent to which compensation influences teacher attrition and assess the impact of the phenomenon. Guided by a combination of snowballing and purposive sampling strategies, twenty retired graduate teachers and thirty former teachers who have quit the service and taken up new appointments outside the teaching profession were selected from the Ashanti and Central regions of Ghana to constitute the first group of respondents. Focus group discussions were employed to elicit their responses. Systematic sampling technique was also used to draw one hundred and fifty teachers in active service from public senior high schools in the two regions to participate in a survey in which questionnaire was administered to elicit their responses on the factors that influence their attrition intentions. Findings of the study indicate that factors including pay, external opportunity, organizational commitment, training and tenure influence the attrition intentions of teachers. The study established that graduate professional teachers with diploma in education are those who had high attrition intentions. Based on the findings, the study advocates that the compensation of teachers should be improved by not only enhancing the basic pay, but also to introduce some other allowances to make the profession attractive. It further advocates the introduction of facilities which are non-existent in the teaching service but which are enjoyed by personnel in other sectors of the public service such

as subsidized housing scheme and leave allowance to stem the tide of attrition of teachers. Again, community subsidy, timely and adequate supply of educational resources and organization of frequent seminars and contacts will also go a long way to reduce the incidence of attrition in the teaching



CHAPTER ONE

INTRODUCTION

1.1 Introduction

From time to time, governments initiate activities to reform the public sector to make it effective. As far back as 1883, the United States (US) government introduced the Pendleton Act to replace the “spoils” or patronage system with the career civil service. The passing of the Act was the American Congress’ response to the assassination of President Abram Garfield by a disappointed and an unbalanced job-seeker, Charles Julius Guiteau, on July 2 1881. The comprehensive civil service bill, which was sponsored by Senator George H. Pendleton of Ohio, was passed to replace the spoils system that was fraught with incompetence, graft, corruption and theft in public service (Reyburn, 1894; Ahler, 2011). The government of the United Kingdom had earlier implemented similar measures to reform the country’s public service to replace the “patronage” system with a career civil service model from 1854 onwards (Vandenabeele & Horton, 2005). The implementation of Northcote-Trevelyan recommendations of 1854 led to the introduction of civil service reform in the United Kingdom (Northcote & Trevelyan, 1854). This indicates that reform in the public sector by governments is not a recent development. Public sector reforms have since the nineteenth century experiences in both the United States and United Kingdom been a regular feature in the administration of most countries.

Public sector reforms can be explained as a deliberate process to re-organise both the structure and procedures of the public bureaucracy and the change in attitudes and behaviour of the staff involved so as to ensure efficiency and effectiveness of the institution in service delivery (Ayee, 2008).It involves changes

and innovations which are deliberately made to put the public sector institutions on a sound pedestal such that they can effectively and efficiently render services to ensure political equality, social justice and economic advancement (Ohemeng & Anebo, 2012). The activities to reform the public service have always included efforts to make government more organised, affordable, honest and responsive so as to bring it closer to the people it is intended to serve and also to make it perform and deliver more efficiently (Rao, 2013).

A major challenge policy makers the world over are usually confronted with is how to make the public sector vibrant, more efficient and responsive to the needs of the public. One of the most promising answers lies in motivation and retooling of the staff of the sector to reposition the institution to perform its new roles. This indeed has financial implications; public sector workers are among the most vociferous and influential interest groups in any society. They will strongly resist any policy measure that will adversely affect their interests, and thereby derailing reform programmes. Employees in the public sector have in most cases claimed that they are underpaid compared to their counterparts in the private sector, hence their incessant demands for pay increases which take a toll on wage bill. Taking on new roles and additional responsibilities usually goes with enhanced remuneration. Increasing demands for efficiency and effectiveness means more efforts from public sector employees leading to a corresponding increase in demand for better remuneration and because of this, reforms in the public sector have traditionally almost always been accompanied by compensation reforms. It is pertinent to note that during the period of widespread implementation of civil service reform in the US, public servants earned as much as 40 per cent more per hour as they worked 16 to 17 per cent fewer hours per week, and earned 22 per cent more per week than their counterparts of comparable status in the

private sector (Troesken, 1999). One factor that occasions compensation reforms to be made in the public sector is the ever rising cost of living caused by deteriorating economic conditions of workers. Most often commissions or committees of enquiries are set up by the government to advise it on measures to improve service delivery and corresponding attractive remuneration package to motivate and retain competent staff to render efficient services.

The massive implementation of public sector reform programmes, particularly in Africa was triggered by the oil price shocks of the 1970s and 1980s, which nearly paralysed the economies of most developing countries, leading to huge borrowings of the said states from the Bretton Woods institutions (BWIs). As a means of getting back their money lent to the countries, the World Bank (WB) and International Monetary Fund (IMF), imposed structural adjustment programmes (SAPs) on them to restructure their economies and make them efficient (Brako,2003). Implementing countries were to among other things, privatize the non-performing state owned enterprises and reduce government expenditure. The implementation of public sector reforms was not done at a go; it was carried out in phases. The first wave started in the 19th century, while the second and the third phases occurred in the 20th century (Hughes, 1998).

Ghana started the implementation of public sector reforms as far back as 1949 with the implementation of Saloway Committee on Africanization report. This was followed by implementation of Watson Commission and Coussey Committee reports in the 1950s through the 1960s and has continued to date (Wereko, 2009).The importance of improved compensation in promoting efficient public sector organizations cannot be overemphasised. Increasing employees' remuneration would not only stem the flight of workers from the public sector, but could also reduce

corruption and motivate the workers to give of their best. On cue, the government of Ghana, from time to time, sets up salary review bodies to advise it on how to revise the salary structure for public sector workers. In her almost six decades of existence as an independent state, Ghana has implemented the recommendations of seven salary review bodies, namely the Mills-Odoi Commission, the Issifu-Ali Committee, the Azu-Crabbe Commission, the National Committee for Salary and Wage Rationalization, the Gyampoh Salary Review Committee, the Price Waterhouse and Associates and the Fair Wages and Salaries Commission (Adupaku, 2006; Aggrey-Darkoh, 2001). A detailed study of these salary review bodies, their terms of reference, the recommendations made and how they were implemented by successive governments are discussed in Chapter Three. It is however, regrettable to note that the far-reaching recommendations made by these bodies created by the government were implemented piecemeal. The failure to implement reform recommendations comprehensively led to the compounding of the challenges in the Public Service and by the 1980s, the service was in a very poor state (Quartey, 2007).

In spite of the numerous compensation reforms, the country continues to witness intra-public sector shifts and employee migration from the public sector to the private sector. One of the professions worst affected by the exodus is teaching. It is estimated that 10 000 teachers leave the service for various reasons every year (Daily Graphic, 2010; Asamani, Cobbold & Dai-Kosi, 2015). This is very alarming considering the fact that the country's 38 Colleges of Education can only produce 9 000 teachers on yearly basis thus, leaving a teacher deficit of 1 000 per year. In the year 2012, the Ghana Education Service (GES) reported that the country had a 60 000 teacher deficit at the basic level of education alone with the over 80 000 pupil teachers filling the classroom as a stop gap measure (Ghanaian Chronicle, 2012). The

very fact that the personnel of the GES are those responsible for training of the country's human resource makes the high rate of attrition in the sector very alarming. Attrition has always been a great concern for organizations. The concept of attrition may be understood as the shrinking or gradual reduction in work force of an organization without firing of personnel, as when workers resign or retire and are not replaced. It happens when an employee quits an organization or profession through termination, death, retirement or on their own volition, thus causing reduction in physical labour force (Oke, Ajagbe, Ogbari & Adeyeye, 2016; Jha & Goswami, 2012). It is also known as turnover or separation. The concept can be explained simply as the employee leaving an organization or profession on their own volition (Jha, 2009). Employee attrition refers to the loss of employees through a number of circumstances such as resignation and retirement. This study is interested only in those employees who quit the job on their own volition and does not take into account the remedy taken by the affected employers to replace those who exit. Labour or employee attrition can be voluntary or involuntary. Voluntary attrition occurs when an employee on their own free will chooses to leave an organization either by resignation to pursue another career opportunity, relocates with a spouse or leaves the work force, or for many other varied reasons. Involuntary attrition on the other hand occurs when an employee quits an organization or profession for reasons other than a personal decision, that is, when the employer terminates the contract of employment of an employee or asks an employee to resign. In voluntary attrition the termination is initiated by the employee himself or herself, but in involuntary attrition, the employee has no choice in the termination. Factors that can occasion involuntary attrition include layoffs, dismissals and compulsory retirement, death, long term illness or moving abroad (Allen, Shore & Griffeth, 2003; Boxall & Purcell, 2003).

Employees do not just quit job or profession. Such intentions are caused or influenced by a battery of factors which are psychological, economic and demographic. The psychological factors that influence attrition refer to the employee's mental process and behaviour such as expectations, job satisfaction, job involvement or affectivity and organizational commitment. They are factors that are influenced by employee's emotions, attitudes or perceptions. An individual employee's belief regarding the terms and conditions of a reciprocal exchange agreement that exists between the individual and the employer is what is referred to as psychological contract (Rousseau et al, 1999). Man lived by bread alone in the times past. That was when people worked in organizations to satisfy their financial needs only. In recent times however, people need more than pay in their employment relationship. The economic factors influencing attrition include compensation or pay, external opportunities, training and organization size. Age, gender and tenure are some of the demographic factors that fuel attrition.

High production and performance, which is one of the cardinal goals of implementing public sector reforms cannot be realised without the employees' commitment, support and contribution. This is because employees play instrumental role in the realization of organization's goals. As a corollary from this, employers should be more concerned with the problems and issues their employees encounter in the organization.

Labour attrition in the teaching profession in Ghana can have disastrous consequences due to the fact that the Ghana Education Service (GES), the organization responsible for the recruitment of teachers in the country's pre-tertiary educational level, stands to lose not only the knowledge, but the acquired skills of the

staff who quit the service. The excessive turnover currently being witnessed in the GES can be fatal because of the shortage of expertise in the job and the high cost of training new employees to replace those who leave (Igharia & Greenhaus, 1992). Measures need to be put in place to avert the situation from getting worse.

1.2 Statement of the problem

The numerous public sector reforms undertaken by governments of Ghana have not achieved their desired objectives. One reason for this is that the reforms have not adequately addressed a critical aspect which is compensation reforms. Adequate and equitable compensation regime is vital if employees are to give of their best. All other aspects of reform without improvement in the compensation regime will not engender the much-expected improved performance in the public sector since there is a strong correlation between reward and performance. Kiltgaard (1997) and Grindle (1997) argue that there is a positive relationship between remuneration and public sector performance. If this assertion is true, then salaries should be higher in good performing organizations. Conversely, if salaries are low, then performance should be poor.

The compensation system for teachers, who are one of the principal actors in the Ghana Education Service (GES), has been relatively low at all times since the inception of public sector reforms in the country. This lowers the morale of teachers and thus, leads to a correspondingly low productivity in the education sector. A critical study of the pay reforms implemented by the government of Ghana gives the indication that the reward granted has not adequately compensated the public-sector employees, most especially teachers. What is more disturbing is the attrition rate of teachers in the country. It is estimated that about ten thousand teachers quit the service every year either to seek greener pastures elsewhere or to further their

education. The rate at which new teachers are exiting the classroom, especially within the first three years after the completion of their training, is described as alarming (Cobold, 2007; Daily Graphic, 2010). A good chunk of those who go to further their education fail to return to the Ghana Education Service and even those who return feverishly begin to look elsewhere to seek greener pastures just after spending a short period in the service. Studies on new teacher attrition put the rate of attrition at 20 per cent with regard to those who quit the profession in their first three years of teaching and 60 per cent regarding those who exit within the first five years (Darling-Hammond, 1999; Odell, 1990). Studies conducted in other parts of the world on causes of teacher attrition identified inadequate remuneration as one of the principal factors responsible for the occurrence of the teacher attrition phenomenon (Adelabu, 2005; Hess, 2006; Liza, Michelle & John, 2008; Osunde & Omoruyi, 2005; Wushishi *et al*, 2013).

In a study, particularly on poor salary, Brewer (1996) asserted that higher wages reduce teachers' attrition propensity. Osunde and Omoroyi (2005), in separate studies concluded that low salary serves as one of the major factors that influence teachers to exit teaching for other fields whenever the opportunity comes their way. Teachers complained of low salary as a major factor that affects their decision to quit or remain in teaching (Webb, Vulliamy, Hamalizen, Sanga, Kimonen & Nevalainen, 2004). Between 2002 and 2004, more than 50 per cent of teachers who left teaching in Florida mentioned low remuneration as the principal cause for their departure (Gladis, Robert & Gary, 2007).

In most African countries, teachers receive less than three dollars a day. For this reason, some of them are unable to meet their basic needs of life, and in their attempt to sustain themselves some of them engage in moonlighting or take on other

jobs alongside teaching (Paul & Kwame, 2007; Osei, 2006; Wushishi, Fooi, Basri & Baki, 2013). Low salaries and poor conditions of service for teachers have been identified as key conditions that have contributed to the low morale of teachers in Ghana. This condition compels most teachers to take on multiple jobs, which in turn greatly affects the quality of teaching. As the working conditions of teachers fall, the number of teachers leaving the classroom for greener pastures increases (GNAT & TEWU, 2009).

In spite of the numerous public sector compensation reforms introduced by successive governments, teacher deficit in the country's education sector continues to rise. With the current shortage of teachers in most public schools, conflated with the high demand for teachers, the education sector is facing a challenge of losing those highly trained educators that are in the field. The situation regarding teacher attrition in Ghana seems complex due to a variety of factors. It is believed that compensation is cardinal among the multiplicity of possible factors that cause teacher attrition in Ghana as earlier studies elsewhere have shown. Compensation plays a crucial role in employees' decision to stay or quit their current employment as well as in the choice of a possible future employment. The lower the salary in an employee's current organisation, the more the employee will aim to change this situation. It is also assumed that the better paid employees within the same hierarchical level tend to stay in the organisation (Hemeberger & Sousa- Poza, 2002).

Distortions, disparities and inequities in the compensation regimes were identified as one major cause of the intra-public sector shift and migration of personnel from the public to the private sector (Republic of Ghana, 1974). The introduction of the single spine salary policy was, therefore, meant to correct this anomaly and stem the tide as it sought to reward public servants who do equal value

of work and hold equal qualifications with equal salary. With the implementation of the new salary regime however, the attrition rate, particularly of graduate teachers, continues to soar and many teachers continue to nurse the ambition to quit the service. It is more expensive to recruit and train replacements of employees who quit jobs than to retain them. This makes an investigation into the actual causes of graduate teacher attrition in Ghana in spite of the numerous studies and various commissions of enquiry extremely important. The drive and drag factors of attrition of teachers need a thorough study. If low levels and disparities in compensation are the principal driving forces of attrition, how come that the phenomenon prevails even after the implementation of the single spine pay policy which sought to give equitable reward to public sector employees? What is it that teachers want in order to be satisfied and stay on the job? Are there some prevailing conditions elsewhere in the public sector which teachers are not entitled to and that is why they are leaving in droves? If salary levels are the same for holders of equal qualifications who are performing equal value of work, then teacher attrition, particularly the intra-public sector shift and migration of personnel from the public to the private sector should reduce, particularly after the introduction of the single spine pay policy. Employee attrition in the post-single spine pay policy regime has not been adequately investigated by researchers, thus leaving a yawning gap that needs to be filled, hence this study.

The main thrust of the present study is to take this discussion a step further by finding out in the Ghanaian situation the factors that cause teacher attrition. The current study seeks to delve into the aspects of compensation that have been the driving force of teacher attrition in recent times. Unlike the previous studies which focused mainly on the rate of teacher attrition and quantitative analysis of the phenomenon particularly in countries outside Ghana, this study sought to use a blend

of quantitative and qualitative data to explain the real causes of graduate teacher attrition in Ghana. The research findings presented in this thesis may ultimately contribute towards the extension of the frontiers of existing research findings.

1.3 Purpose of the study

The main purpose of the study is to examine the extent to which the compensation regime in the public sector has influenced the attrition of graduate teachers and to recommend appropriate measures that will help retain teachers in the Ghana Education Service (GES). The specific objectives of the study are to:

- i. Examine the extent to which compensation reforms feature in public sector reforms;
- ii. Investigate the rationale for the implementation of public sector compensation reforms;
- iii. Examine the extent to which compensation influence teacher attrition;
- iv. Assess the impact of teacher attrition;
- v. Suggest ways to deal with the problem of teacher attrition.

1.4 Research questions

The study will be guided by the following research questions:

- i. To what extent do public sector compensation packages feature in public sector reforms in Ghana?
- ii. What explains the multiplicity of public sector compensation reforms in Ghana?
- iii. Does compensation influence teacher attrition?
- iv. What are the consequences of teacher attrition?
- v. What measures should be put in place to reduce or eliminate teacher attrition.

1.5 Hypotheses

The research will test the following hypotheses:

H1: If the employee perceives the psychological contract as broken, then attrition intentions would be higher

The equity theory provided the basis for the derivation of this hypothesis.

Psychological contract is a description of what an employee expects to contribute in an employment relationship in exchange for those contributions that the employer will provide the employee (Noe *et al*, 2011). It thus refers to the employee's belief about reciprocal and promissory obligations between himself and the organisation. The contract in effect, reflects the individual's belief about mutual obligations in the context of the employment relationship between the employer and employee (Rousseau, 1990). The contract is predicated on the view that employees' motivation and the level of their performance have to be maintained by the organization through incentives and rewards (Brinkman & Stapf, 2005). As the name suggests, psychological contract unlike a written contract, is not formally put into words. It describes the unspoken expectations, hopes and wishes that are widely held by employers and employees (Noe *et al*, 2011; Brinkmann, 2005). Each lopsided accomplishment leads to disequilibrium of the psychological contract. Lopsidedness occurs when an organization considers the employee only on the formal contract, such as wage payment. It signifies a negligence and contempt of individual motives of employees and leads to insufficient dedication. If a worker is not able to compel changes, then work dissatisfaction will occur and then he or she will feel a breach of the psychological contract.

People endeavour to maximize benefits and minimize costs. Contract violation can lead to negative responses such as lower performance or turnover intent

(Brinkmann, 2005). Harriet *et al.* (1997), have identified eleven (11) items in the psychological contract, namely job content, development opportunities, job security, work climate, intra organisational mobility, work-family balance, autonomy, salary, performance related pay, clarity about the task and promotion opportunities. According to Rouseseau (1989), a violation of psychological contract may lead to an increase in employee turnover.

H2: Job satisfaction decreases attrition

Job satisfaction describes the level of contentment of the employee regarding the terms and condition of his or her employment. The level of satisfaction or dissatisfaction of an employee with regard to the conditions of work goes a long way to influence one's decision to quit current job for a new one or to stay. Egan, Yang and Barlett (2004), have explained job satisfaction as "an employee's affective reactions to a job based on comparing desired outcomes with actual outcomes" (p.5). Employee job satisfaction to an extent reflects how well an employee's expectations of a job are aligned with the reality of their work (Lund, 2003). An employee who feels satisfied with the job demands, environmental factors and conditions of employment usually nurses low intentions to quit job.

H3: Pay has no satisfaction effect on turnover

Pay is a major component in economic analysis of turnover. The dominant proposition in economic model is that high pay in their present employment will reduce turnover. According to Mueller and Price (1990), pay is usually used by an organisation to motivate employees to be compliant with its regulations and rules. The wage payment is crucial in the choice of an employee's current or possible future employment. The lower the salary in an employee's current organisation, the more the

employee will aim at finding means to change this situation. It is also assumed that the better paid employees within the same hierarchical level tend to stay in the organisation (Hemeberger & Sousa-Poza, 2002). It should be stated that, in spite of the premium placed on pay as a motivator by some employees, there are still some individuals who attach importance to other factors which are not related to pay (McGregor, 1957; Armstrong, 2007). It is reported that motivation has some link with job choice and that pay will not be the sole criterion used when people decide to choose a job, or when they decide to continue with an existing job.

H4: If tenure is long then attrition will be low

Studies indicate that there is a negative relationship between tenure and attrition intention. This means that the greater the number of years spent in an employment, the lesser the attrition intentions (Kabungaidze, Mahlasahana & Ngirande, 2013). Secured tenure gives employees job security and thus motivates them to stay on a job for long. Both the employer and the employee stand to benefit if the employment relationship between them is long. It is however, costlier if the relationship is short or truncated. This is the very reason why it is said that tenure is negatively associated with attrition. Tenure is indeed negatively related to attrition, that is, the longer a person stays with an organization, the more likely they are to stay.

H5: High perceived external opportunity produces higher attrition

The hypothesis contends that the higher the perceived external opportunity, the higher the attrition intentions of employees. External opportunity refers to the availability of external alternative, attractive and attainable employment in the economy. The interaction of demand and supply forces in the economy should be taken into consideration in measuring opportunity. Availability in this context is

mainly about the number of opportunities outside the organisation. For Mueller and Price (1990), availability denotes the possession of skills required on the job. Attractiveness also refers to the pay levels of such opportunities. Thus, numerous higher paid jobs for which a worker is qualified should produce a higher attrition. An employee who possesses the requisite qualifications to be employed in a number of higher paid jobs usually has a higher propensity to quit current job.

H6: Higher investment in training will reduce attrition

Employee retention is critical for organisations to generate organisational successes. For this reason, many organisations invest heavily in training in order to increase their employees' knowledge and productivity in the establishment. One key advantage of this move is that it keeps the employee satisfied and hence decreases their mobility. Training is the systematic acquisition and improvement of knowledge, skills and attitudes (Sultana, Irum, Ahmed & Mehmood, 2012). It is an investment in acquisition of skills necessary to enable the employee to deliver efficiently and effectively on the job (Mincer, 1962). Firms can invest in employees by offering training programmes. This is good since it will go a long way to enhance the performance of their employees, but it can be a pitfall since better skilled employees and, therefore, become more attractive and employable in other firms (Berker, 1962). Early studies on the impact of training on turnover intentions showed different conclusions. While some studies showed that training leads to less turnover intentions because employees act reciprocally towards the firm's investment and therefore show increase commitment to the firm (Gouldner, 1960; Leuven, *et al* 2005), others indicated that better skilled employees are also more employable in other firms (Becker, 1962). This means that training can affect employee's turnover intentions, while the current firm pays all the training cost.

H7: Attrition will decrease as age increases

This hypothesis implies that as an employee advances in age their attrition intentions reduce. This is confirmed by a study conducted by Kabungaidze et al (2013), which indicates that there is a negative relationship between age and turnover intentions. The implication is that the greater the age cohort the lesser the turnover intention. In the study, old teachers between the age group of 45 years and above expressed less turnover intentions than those below the age of 25 years. The study concluded that the overall job satisfaction is related to age. Old workers appear to evidence greater satisfaction with their employment than younger workers. Hence older teachers usually stay in the profession for a longer period than younger teachers.

H8: Job insecurity increases attrition

Job insecurity has been explained as an individual's expectation about continuity in a job situation (Davy *et al*, 1997) and an overall concern about the future existence of the job (Rosenblatt & Ruvio, 1996). It is about the employee's fear of the continuity of their engagement by their employers. According to Wesselink and Van (1999: 275), job insecurity denotes "personal concern about the continuity of a job". Employees may feel insecure even though they are not able to give reasons for the insecurity. Generally, job insecurity is more concerned with the future uncertainty about a future job development and its possible discontinuity. Wesselink *et al* (1999) claim that there are two factors that can cause insecurity: the perceived probability and perceived severity. They argue that "The more likely it is that a person will lose his or her job and/or the more severe the consequences of the loss are, the stronger his or her feelings of job insecurity will be" (Wesselink and Van, 1999: 275). Job insecurity results in decreased work effort, resistance to change and intention to

mobility, which together adversely impact organizational commitment (Greenhalgh & Rosenblasth, 1984). Thus, job in security is expected to be related to turnover.

1.6 Definition of terms

Key concepts used in the study are defined for the purposes of ensuring clarity of understanding. They include:

- i. *Compensation-refers* to salaries and wages together with a range of benefits paid workers in return for services rendered.
- ii. *Attrition*-the rate at which employees leave a particular establishment or profession either on their own volition or for some other reasons including the search for better employment opportunities, resignation, retirement, physical or mental incapacity, or death causing reduction in labour force.
- iii. *Attrition intention* refers to the voluntary intention of an employee to leave an organization.
- iv. *Job satisfaction* refers to the contentment an individual has with his or her job.
- v. *Graduate teacher*-a teacher with a minimum qualification of the bachelor's degree.

1.7 Significance of the study

The government of Ghana has implemented a number of public sector compensation reform programmes with the view to improving the efficiency and effectiveness of public sector workers and also to attract and retain competent personnel in the country's public sector. In spite of this, the graduate teachers in the country's pre-tertiary educational levels continue to leave the profession in droves. Factors including tenure, job satisfaction, external opportunities, pay, psychological contract and training have been identified as playing leading roles in influencing the

attrition intentions of most teachers. It is important to indicate that if the reform is to achieve its expected impact on the attainment of objectives, then policy-makers and analysts should focus their attention on the implementation level where there is direct contact between the bureaucrats and the public (Lipsky, 1980). This study which focuses on public sector reform with particular emphasis on compensation reform and how it impacts retention or attrition of teachers, contributes to both theory and practice.

This study assesses how the key independent variables including economic, demographic, and psychological determinants of employee attrition such as pay, age, tenure, external opportunities and job satisfaction, among others influence employees' decision to quit jobs. It is important to state that while some of the variables have been used in earlier studies of employee attrition, few research works have been conducted to examine the pay and attrition from such a theoretical perspective as conjectured by this research. The study which is based on extensive literature review therefore formulates hypothesis between the independent and mediating constructs to determine their impact on the implementation of sound human resource management and policy-making practices.

The study contributes to the theoretical explanations and understanding of policy implementation with respect to the retention of public sector personnel by establishing the necessary empirical evidence. The data collected in this study are to inform human resource management practitioners and policy-makers of the application of the research model to predict the attainment of sound managerial practices. The general notion has always been that once policies are formulated and then put into effect in the public-sector organizations, the intended purposes will be attained. Studies have, however, shown that this is not the case all the time as gaps

exist in establishing empirical evidence that will help policy reformers to predict the achievement of the outcomes of sound practices. The empirical evidence of this study will therefore help to widen the knowledge of the predictive effects of the study by expounding on the strengths of the relationships between the theoretical assumptions and the realities on the ground. In effect, the study aims at bringing out triggers for further academic research through the formulation of a model for investigating public reform implementation with particular reference to compensation management. In this regard, the employment of factual data helps to explain issues better and more clearly.

The study is also of practical relevance to managers of public sector organizations as it underscores the factors that have to be considered in implementing public sector reform in general. This awareness of policy-makers and implementers of the predictive effects of the study will go a long way to broaden the understanding of management practitioners in making informed decisions regarding policy implementation especially, on issues concerning compensation.

1.8 Organization of the work

The thesis is organised into seven chapters. Chapter One deals with the background of the study, the research problem, purpose of the study, research questions, hypotheses and definition of terms.

Chapter Two presents the theoretical framework and also reviews the relevant literature to the study. The chapter is divided into two parts. The first part discusses theories which are used as interpretive guide for the study and are considered relevant in understanding attitudes, perception and behaviour of employees as well as practices at workplaces and how they are influenced by compensation policies of their employers. The second component of the chapter reviews literature related to the

issues under discussion, namely public sector reforms, compensation and attrition. The literature review is divided into three sections; public sector reforms in advanced countries, public sector reforms in developing countries outside Africa, and public sector reforms in Africa.

Chapter Three dilates on public sector compensation reforms in Ghana since the country's independence. Waves of public sector reforms and bodies set up by governments of the country to review public sector compensation are detailed in the chapter.

The Fourth Chapter focuses on the research methodology. It begins with a discussion of the ontological and epistemological underpinnings of the study and the debate surrounding the use of quantitative and qualitative methodologies which provide the justification for the selection of methods adopted both in data collection and analysis. The chapter again provides information on the methods and techniques employed in data collection and analysis. Information on participants, including the research design, population, sample size, sampling techniques, procedures and instruments used in both data collection and analysis are also analysed.

Chapter Five presents the data analysis of the study. Chapter Six discusses the major findings of the research. The seventh chapter contains the summary of findings, conclusions and recommendations. The chapter also indicates how the research has contributed to knowledge. Also, contained in the same chapter are the suggestions for future research.

1.9 Conclusion

The chapter began with the background to the study by briefly explaining the public sector and its components. The chapter also mentioned the role compensation reform plays in the functioning of the public-sector institutions. The chapter also

discussed the concept, types and causes of attrition. It continued with the objectives of the study, research questions, and definition of terms and significance of the study. The following chapter presents the theoretical framework and literature review under the following sub-headings: public sector reform in the advanced countries, public sector reform in Third World countries, public sector reform in Africa and in Ghana.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This Chapter outlines the theoretical framework and also reviews the relevant literature for the study. The theories are in two parts; theories of compensation and theories of attrition. Regarding the literature, there exist a lot of studies on the subject, public sector reforms, and to put the study in context, some of them are reviewed.

2.2 Theoretical framework

The study focuses mainly on compensation and teacher attrition in Ghana. It is therefore important to use theories of attrition and compensation to guide the work. The theories that are discussed in this chapter include economic law of demand and supply, social exchange theory, efficiency wage theory, human capital theory and equity theory.

2.2.1 Theories of compensation

There are several theories of compensation, but very few of them including economic law of demand and supply, the labour exchange theory, the human capital theory and efficiency wage theory will be highlighted. The economic law of demand and supply has been chosen to guide the work because it talks about how the incentives of higher rewards attract workers to enter the labour market. This research work seeks to investigate the factors that influence teachers' decision either to remain or quit the teaching profession. The incentive of higher reward could possibly not be ruled out as one of the motivating factors, hence the use of the theory.

The social exchange, efficiency and equity theories are relevant to the current research in that they all explain prevailing factors and conditions in employment that

retain employees in establishments. The absence of those conditions also serves as push factors leading to labour attrition.

2.2.2 Economic law of demand and supply

The labour market is a factor market which provides a means by which employers find the labour they need, whilst millions of individuals offer their labour services in different jobs. The demand for labour is derived demand (Ragan & Lipsey, 2007). That is, labour is not wanted for its own sake, but for what it can contribute to production. This means that the number of workers a firm wishes to employ is derived from the revenue that can be earned from the sale of what is produced. Therefore, the number of workers a firm wishes to employ depends principally on the revenue that can be earned from what is produced. If demand rises or the price of the products made increases, a firm will usually seek to employ more workers (Lipsey & Crystal, 2007).

The Marginal Productivity Theory is normally used to explain demand for labour. According to this theory the demand for a worker is calculated by the formula $MR \times MPL$, where MR is the marginal revenue a firm generates from selling each additional unit of production (the price it sells its finished product) and MPL is the marginal product of labour, which is defined as the additional units of output that an extra worker produces (Lipsey & Crystal, 2007).

Even though economists have not concurred on the shape of the aggregate supply of labour, there is a general agreement that the supply curve of labour by single individuals shows a backward-bending pattern (Koutsoyiannis, 2002). It is the belief of many economists that in the short run the supply of skilled labour may produce segments of both positive and negative slope. It is interesting to note however that,

supply in the long run young people will be attracted to the labour market where there is incentive of higher wages. In this case even there will be strong motivation for the older people to undertake training and quit old jobs for new ones with higher wages (Koutsoyiannis, 2002). It is the opinion of some economists that improvement in the standard of living may lead to a situation where some people will want to enjoy leisure activities for which reason they will not be interested in working extra harder to earn more income. This implies that higher wages may sometimes cause people to work less hours thus, leading to a situation where new entrants will be attracted into the labour market in the long run (Koutsoyiannis, 2002). Supply of labour is the amount of people offering their labour services at different wage rates. It is the number of workers willing and able to work in a particular job or industry for a given wage. As wages rise, other workers enter the labour market attracted by the incentive of higher rewards. They may have moved from other occupations or they may not have previously held a job, such as housewives or the unemployed. The extent to which a rise in the prevailing wage or salary in an occupation leads to an expansion in the supply of labour depends on the elasticity of labour supply (Ragan & Lipsey, 2007).

2.2.3 Social exchange theory

The social exchange theory, also called the communication theory of social exchange, suggests that human beings make social decisions based on perceived costs and benefits. This hypothesis asserts that people evaluate all social relationships to determine the benefits they will get out of them. It also suggests that someone typically leave a relationship if he or she perceives that the effort or cost of it outweighs any perceived advantages (Thibaut & Kelley, 1959).

The theory emerged within family sciences in the latter part of the twentieth century, first being considered in a meaningful way in the early 1960s. It arose out of the philosophical traditions of utilitarianism, behaviourism, and neoclassical economics. Early social exchange theory applications in family science arose out of the work of sociologists (Blau, 1964; Homans, 1961; Thibaut & Kelley, 1959), who focused on the rational assessment of self-interest in human social relationships. At its most basic, social exchange theory may be viewed as providing an economic metaphor to social relationships.

The theory's fundamental principle is that humans in social situations choose behaviours that maximize their likelihood of meeting self-interests in those situations. In taking such a view of human social interactions, social exchange theory includes a number of key assumptions. First, social exchange theory operates on the assumption that individuals are generally rational and engage in calculations of costs and benefits in social exchanges. In this respect, they exist as both rational actors and reactors in social exchanges (Blau, 1964; Homans, 1961).

This assumption reflects the perspective that social exchange theory largely attends to issues of decision making. Second, social exchange theory builds on the assumption that those engaged in interactions are rationally seeking to maximize the profits or benefits to be gained from those situations, especially in terms of meeting basic individual needs. In this respect, social exchange theory assumes social exchanges between or among two or more individuals are efforts by participants to fulfil basic needs. Third, exchange processes that produce payoffs or rewards for individuals lead to patterning of social interactions. These patterns of social interaction not only serve individuals' needs but also constrain individuals in how they may ultimately seek to meet those needs. Individuals may seek relationships and

interactions that promote their needs, but are also the recipients of behaviours from others that are motivated by their desires to meet their own needs (Blau, 1964; Homans, 1961).

Social exchange theory further assumes that individuals are goal-oriented in a freely competitive social system. Because of the competitive nature of social systems, exchange processes lead to differentiation of power and privilege in social groups. As in any competitive situation, power in social exchanges lies with those individuals who possess greater resources that provide an advantage in the social exchange. As a result, exchange processes lead to differentiation of power and privilege in social groups. Those with more resources hold more power and, ultimately, are in a better position to benefit from the exchange. The theory uses economic terms such as benefit, gain, cost and payment to describe social situations in terms of what they will have to put in it and relate these to the benefits they think they may get out of it. The greater the potential benefit, the greater the personal investment an individual may make in a relationship (Blau, 1964; Homans, 1961).

2.2.4 Efficiency wage theory

It is most convenient for macroeconomists, to use efficiency wage theory, as possible explanations for equilibrium involuntary unemployment. The theory explains why some firms find it profitable to pay a wage above the market-clearing level. The essence of the theory is that wages do not only determine employment but they also affect employees' productive behaviour or quality, and that is why, under certain conditions, it is optimal for employers to set wages above the market clearing level in order to recruit, retain or motivate employees (Salop, 1979; Shapiro & Stiglitz. 1984; Weiss, 1980).

The efficiency wage model asserts that the productivity of workers in firms is positively correlated with the wages they receive. The model has different explanations as to why this is the case. According to Shapiro and Stiglitz (1984), these explanations in turn can be seen as sub-models to the efficiency wage model. These sub-models are:

The Shirking Model which states that if workers receive a higher wage, the cost of losing their job becomes higher, and this acts as an incentive for workers not to shirk and risk being fired.

The Gift-Exchange Model contends that a higher wage is seen by workers as a gift from the firm, and workers will want to return this gift in the form of higher effort.

The Fair Wage-effort Model holds the view that if workers were paid a wage below what they perceived as fair, they would not apply as much effort as when they got a "fair" wage.

The Adverse Selection Model also states that a wage which is above the labour-market equilibrium wage will draw more workers to the gates of the firm, thus allowing the firm to choose better workers from a bigger pool.

The Turnover Model indicates that if workers are paid a higher wage than they would get at other firms, they are less inclined to quit their jobs, thus decreasing the firm's turnover. The firm thus saves itself the costs of hiring and training new workers.

Implications of the Model

From a point of view of the firm, paying a wage higher than the economy equilibrium level is only worthwhile if the marginal productivity of workers is actually higher than the marginal cost of increasing the wage. This is exactly the case with efficiency wages at the efficient wage level, marginal productivity is exactly

equal to marginal cost, but at a level which is higher than the equilibrium wage-level of the economy (Shapiro & Stiglitz, 1984).

The fact that the efficient wage level is higher than the equilibrium wage level means that more workers are willing to work than at the equilibrium wage level: queues form at the factory gates. This obviously creates involuntary unemployment, since-in addition to the increased number of people looking for jobs-firms now do not want to employ as many workers as with the equilibrium wage level. For firms, there is a trade-off between the employment level and the level of wages they pay: firms ration jobs in order to have marginal productivity equal to marginal cost.

2.2.5 Human capital theory

Human capital refers to the skills the labour force possesses. This is regarded as an important resource or asset (Fisher, 1987). The human capital theory suggests that individuals and society derive economic benefits from investments in people. Types of human capital investment include health, nutrition and education, which consistently emerge as the prime human capital investment for empirical analysis (Schultz, 1997). An explanation for this is that education is perceived to contribute to health and nutritional improvement (Jones, 1992).

Human capital theory formally evolved in recent times, but it was articulated centuries ago by prominent economists such as Adam Smith, J.S. Mill and Alfred Marshall who began to address issues related to human capital. Irving Fisher (1987) is believed to be the first person to use the term “human capital” in economics. It was used to express pivotal arguments to link early economic thought to contemporary human capital methodologies. In his “Inquiry” concerning national wealth, Smith (1977) stated that human effort lies at the root of all wealth. According to Smith, the annual labour of every nation is found in which originally supplies it with all the

necessary and conveniences of life it annually consumes, and consists always either in the immediate produce of the labour, or in what is purchased with that produce from other nations. He further stated that the number of useful and productive labourers is proportional to the quantity of capital stock which is employed in setting them to work, and to the particular way in which it is so employed. Smith identified two components which served as the foundation of all production in his exposition. These are first, labour inputs which are both quantitative and qualitative. The qualitative aspect includes the acquired and or members of the society, and the state of skill, dexterity and judgement with which labour is applied. The second component identified by Smith is the ability acquired through “education, study or apprenticeships, always costs a real expense, which is a capital fixed and realised, as if it were...person” (p.119).

Alfred Marshall in 1890 declared a pluralists’ conception of human capital by defining capital so broadly that personal wealth could be interpreted as capital. For him, capital means all stored-up provision for the production of material goods, for the attainment of those benefits which are commonly reckoned as part of income. He stated that capital is the main stock of wealth regarded as an agent of production rather than as a direct source of gratification (1948, 138).

The theories discussed above examine the attitude and behaviour of employees at the workplace based on their perceived outcome or rewards they obtain from their employees. As rational beings, the employees seek to maximise the benefits to be gained from their employers in terms of meeting their basic needs of life. The employers on the other hand also seek to offer remuneration package that will not only attract, but retain and motivate employees to provide quality service. Employers are alive to the fact that an offer of an attractive compensation package will reduce

attrition intentions which will also save them the cost of recruiting and training fresh employees all the time. On the part of the employees too, good and attractive compensation will motivate them to remain in employment and also urge them to give of their best. While admitting that compensation theories are relevant to serve as a guide to the study, it must be stated that they fail to address other factors such as tenure, psychological contact, organizational size, job insecurity and age among a host of others that can equally influence attrition intentions of employees.

2.3 Theories of attrition

As indicated above, another aspect of the study looks at attrition. There are several theories of attrition including search theory, matching theory, organizational equilibrium theory and equity theory. For the purposes of this work, emphasis is placed on equity theory, which is the main theory to guide the study.

2.3.1 Equity theory

Salary administration for the public-sector employees in Ghana has undergone a tortuous and a chequered trajectory. The numerous salary reforms made by successive governments for the public-sector workers were aimed basically at adequately rewarding workers so they would give of their best to increase productivity. The purpose of a compensation regime is to motivate qualified persons, who join an organization to put in their maximum efforts to facilitate the attainment of set goals. Employees believe that rendering those services to the organization will help them to satisfy some important needs including the economic needs that are essential for satisfying the basic necessities of life (Long, 2002). There is, therefore, a strong relationship between compensation or reward and the force that drives a person to perform a task. This driving force is known as motivation. Equity theory best

explains the relationship between compensation and performance on the one hand and attrition on the other as it seeks to explain the reasons why people exit a particular workplace in search for what they perceive to be better job opportunity elsewhere. The theory offers an explanation to factors that contribute to the retention and attrition of employees at a particular workplace.

The word motivation is derived from the Latin word “*movere*”, which means to move, to drive or urge (Kinicki & Kreitner 2006; Nelson & Quick, 2006). Various authors have explained the concept of motivation as an internal drive that activates behaviour and gives it direction. Motivation is thus, the force that energizes human behavior. Simply stated, motivation is the process of stimulating action (Miner, 2007; Martin, 2001; Baron & Greenberg, 1990; Robbins & Judge, 2000). Motivation may also be explained as the process of moving or urging oneself and others to work hard enough towards the attainment of individual and organizational objectives. In simple terms, motivation is defined as the inner drive which induces, inspires or prompts people to act in a particular way. In the organizational setting, motivation usually refers to the incentive package management offers to entice or urge their employees to give of their best to increase overall output (Dubrin, 2007). It is widely believed that motivation impacts significantly on work performance and the overall efficiency at the workplace or in an organization. Organizational theorists, researchers and businesses have become more concerned with motivation in recent times because of its supreme importance in organizational set ups and performance of employees at the workplace. A firm’s overall performance depends on the performance of its individuals and groups. Businesses cannot function without these human resources.

There are so many motivation theories and they can be categorized into two broad types namely, needs or content theories and process or cognitive theories.

Needs theories describe the types of needs that must be met in order to motivate individuals. Examples include Abraham Maslow's hierarchy of needs theory, Herzberg's two-factor theory (sometimes called motivation-hygiene theory), Alderfer's ERG theory and McClelland's theory of needs (Martin, 2001; Miner, 2007; Bratton, 2007; Nelson & Quick, 2006). Process theories on the other hand, attempt to explain the actual ways, that is, how and why individuals can be motivated. A typical example of process theories of motivation is John Stacy Adams' Equity theory (Miner, 2007), which is used to guide this study. Other process theories are Expectancy theory and Goal-setting theory (Bratton, 2007). Of the numerous theories, Equity theory is most preferred because it lucidly explains and illustrates the reasons why some employees exit one workplace for another, which is the focus of this study.

According to John Stacy Adams, the chief proponent of the Equity theory, most employees prefer to work in organisations whose working environment and conditions of service are so favourable to them. They tend to develop strong feelings about the relative fairness of the treatment they receive at work. Before reaching a conclusion on fairness, the individual needs a point against which to judge what they actually experience. The comparison is made to find out whether an employee or a group of them are being treated equitably or otherwise and this forms the basis of the equity approach to motivation (Martin 2001). Although the term *equity* is usually used to describe the theory, *inequity* seems to be most appropriate to describe it. The reason is that the major motivating force considered is a force striving for equity, but some degree of inequity must be perceived before this striving force is activated (Miner 2007).

The Equity theory is concerned with the perceptions people have about how they are treated at work as compared with others. The theory is thus a model of

motivation that explains how people strive for fairness and justice in social exchanges or give-and-take relationships (Armstrong, 2009, Kinicki and Kreitner, 2006). The theory is based on cognitive dissonance theory, developed by social psychologist Leon Festinger in the 1950s. According to Festinger's theory, people are motivated to maintain consistency between their cognitive beliefs and their behaviour. He argued that perceived inconsistencies create cognitive dissonance or psychological discomfort, which in turn motivates corrective action. For example, a cigarette smoker who sees a heavy-smoking relative die of lung cancer would probably be motivated to quit smoking if he or she attributes the death to smoking (Kinicki & Kreitner, 2006). Accordingly, when victimised by unfair social exchanges, our resulting cognitive dissonance prompts us to correct the situation. Corrective action may range from a slight change in attitude or behaviour to the extreme case of trying to harm someone (Kinicki & Kreitner, 2006).

A psychologist, John Stacy Adams, was the first person to apply the equity principle at the work place (Robbins & Coulter, 2009; Kinicki & Kreitner, 2006; Robbins & Judge, 2000). Adams developed this theory while he was working as a research psychologist with the General Electric Company in Crotonville, New York. The theory starts with an exchange whereby the individual gives something in exchange for some other thing. What the individual gives may be viewed as inputs or investments in the relationship (Miner, 2007). In return for the inputs, the individual receives the outcomes in the exchange relationship. Both the inputs and outcomes must be recognised by both parties in the exchange relationship if they are to function effectively.

Stacy Adams argued that when people gauge the fairness of their work outcomes relative to others, any perceived inequity is a motivating state of mind

(Schermerthorn, Hunt & Osborn, 2000). The core of equity theory is that employees compare their inputs and outcomes (making social comparisons) with others in the job environment (Dubrin, 2007). An awareness of key components of the individual-organisation exchange relationship is central to the understanding of Adams' equity theory of motivation. These components as indicated are *inputs* and *outcomes*.

Inputs refer to the contributions or services employees make or render to their employers on their jobs including the amount of time expended on the job or tasks assigned to the employee, and for which they expect just returns, the number of units produced, the educational qualifications, experience, skills and efforts brought to the job. Outcomes on the other hand refer to the things the workers believe they get out of their jobs, including pay, fringe benefits, prestige, recognition, promotions, increased status, praise, and supervisor's approval among others, which the organisation provides in exchange for the employees' inputs (Miner, 2007; Gibson *et al*, 2009; Baron & Greenberg, 1990; Dubrin, 2007)).

Every employee is paid a wage or salary together with a range of other benefits to compensate them for the work or task they perform (Martin, 2001). These forms of compensation vis-à-vis the employees' inputs provide many opportunities for comparison. Being human, employees tend to compare themselves with others. The other individual to whom an employee compares himself or herself in the assessment process is referred to as the referent or referent other (Robbins & Coulter, 2009). The referent may include other employees who perform the same job or equal task in the same working environment, the same job in other organisations, friends, neighbours and professional colleagues (Robbins, 2000; Martin, 2001)). For example, public school teachers may compare themselves with their counterparts in private schools and lecturers in public universities will compare themselves with their

colleagues in private universities. Sometimes teachers may compare themselves with nurses, police personnel, fire officers, civil servants or even doctors or lecturers. This is what is referred to as social comparison. In social comparison, employees tend to compare themselves to similar others (referent other or comparison other)-such as people performing the same job, or individuals of the same gender or educational level-rather than dissimilar others (Kinicki & Kreitner, 2006; Kreitner & Kinicki, 1992).

Stacy Adams, the originator of the theory, postulates that workers are motivated to maintain fair or 'equitable' relationships among themselves and to change those relationships that are unfair or 'inequitable'. He noted that in addition to the reward for performance, people also expect those rewards to be fair relative to what others receive. Equity involves feelings and perceptions and is always a comparative process. It must be pointed out that equity is not synonymous with equality, which means giving equal treatment to everyone, since that would be inequitable if they deserve to be treated differently (Gibson *et al*, 2009).

Equity theory states, in effect, that people will be better motivated if they are treated equitably and demotivated if they are treated inequitably. Equity theory is basically concerned with people's motivation to escape the negative feelings that result from being treated unfairly on their jobs. Such feelings may result when people engage in the process of social comparison-that is when they compare themselves to other people who may be their professional colleagues, friends and other people with whom they perform almost the same or similar value of tasks. In making the comparison, a person looks at the relationship between what he or she puts into work (inputs) and what he or she gets out of it (outcomes). What constitutes the inputs is usually produced by the employee and they include time expended on the job,

education or training, experience, skills, creativity, seniority, age, effort expended, personal appearance, personality traits and loyalty to the organisation. Outcomes, on the other hand, are usually provided by the employer. They comprise pay or bonus, fringe benefits, job security, status symbols, challenging assignments, career advancement or promotion, pleasant working environment, opportunity for general growth and development, supportive supervision, recognition as well as participation in important decision-making (Miner, 2007).

The comparison by the employees is based on their outcomes and inputs in a form of ratio. They compare their own outcomes/inputs to the ratio of other people's (referent other) outcomes/inputs. These comparisons can produce three results, namely overpayment inequity (positive inequity); underpayment inequity (negative inequity) and equity payment (equitable payment (Baron & Greenberg, 1990; Colquitt, Lepine & Wesson, 2011)). How these results occur are explained with illustrations as follows: Overpayment or positive inequity is produced when for instance an employee X compares his or her inputs- outputs ratio to that of employee Y and finds out that X's ratio is greater than that of Y as illustrated below:

$$\frac{\text{X's outcomes}}{\text{X's inputs}} > \frac{\text{Y's outcomes}}{\text{Y's inputs}}$$

In the case of the above, there is overpayment or positive inequity in favour of X. According to the equity theory an employee who is regarded to be overpaid relative to the referent other will feel guilty and seek to find ways to restore equity. Among the various ways to achieve this is to increase one's inputs, ask for decreased pay or change the comparison other (Kinicki & Kreitner, 2006).

On the other hand, if an employee's ratio of outcomes and inputs to the referent other is negative, under payment inequity results.

$$\frac{\text{X's outcomes}}{\text{X's inputs}} < \frac{\text{Y's outcomes}}{\text{Y's inputs}}$$

With the ratio above, there is underpayment or negative inequity to the detriment of X because X's ratio is less than that of the referent other, Y. The equity theory postulates that whenever there is underpayment or negative inequity, the worse affected employee will feel angry because he or she will feel being underpaid relative to the referent other. Ways by which employees adversely affected in the comparison can restore equity include reduction of inputs. In this case, the employee fails to work as hard as he or she should, leave the workplace early or arrives late or frequently absents him or herself from work. Other means include changing the comparison other, ask for increase outcomes or quit the job altogether to search for a better one (Kinicki & Kreitner, 2006).

There is equitable payment when the ratios of the two employees are equal. Both workers will feel satisfied.

$$\frac{\text{X's outcomes}}{\text{X's inputs}} = \frac{\text{Y's outcomes}}{\text{Y's inputs}}$$

Each of the strategies adopted by the worse affected or favoured employee in the scenarios above is designed to reduce or change the feeling of discomfort and tension created by inequity. The Equity theory predicts that when inequity exists, a person is motivated to take one or more of the strategies explained in order to restore equity (Gibson *et al*, 2009). According to equity theory, people are motivated to

escape these negative emotional states of anger and guilt. It is evident from the foregoing that equity theory recognises several ways of resolving inequitable states.

2.3.2 Dynamics of perceived inequity

- *Thresholds of inequity*

Some people become very upset over the slightest inequity whereas others are not bothered at all. According to Kinicki and Kreitner (2006), people respond differently to the same level of inequity due to an individual difference called equity sensitivity. Equity sensitivity reflects an individual's different preferences for tolerances for, and reactions to the level of equity associated with any given situation. Equity sensitivity spans a continuum ranging from benevolents to sensitives to entitles. Benevolents are people who have a higher tolerance for negative inequity. They are altruistic in the sense that they prefer their outcomes/inputs ratio to be lower than ratios from the comparison others. In contrast, *equity sensitives* are described as individuals who adhere to a strict norm or reciprocity and are quickly motivated to resolve both negative and positive inequity. Finally, the *entitles* have no tolerance for inequity (Kinicki & Kreitner, 2006). They actually expect to obtain greater outcomes/inputs ratio than the comparison others and become upset when this is not the case (Nelson & Quick, 2006).

Generally, people have a lower tolerance for underpayment (negative) inequity than they do for overpayment (positive) inequity. Those who are short changed are more powerfully motivated to correct the situation than those who are excessively rewarded. Underpayment (negative) inequity can erode one's job satisfaction and performance (Kreitner & Kinicki, 2009). Kreitner & Kinicki, (2009) indicate that males respond more strongly to underpayment (negative) inequity than do females.

Males thus are more likely to complain or reduce their inputs when faced with underpayment (negative) inequity (Kreitner & Kinicki, 2009).

2.3.3 Lessons from equity theory

Equity theory is relevant for a number of reasons. First, it offers managers with an explanation of how beliefs and attitudes affect job performance. Second, research on equity theory emphasises the need for managers to pay attention to employers' perceptions of what is fair and equitable. No matter how fair management thinks the organisation's policies, procedures and reward system are, each employee's perceptions of the equity of those factors are what count. Third, managers benefit by allowing employees to participate in making decisions about important work outcomes. Employees are more likely to perceive pay plans as fair when they provide input in developing the plan. Fourth, employees should be given the opportunity to appeal decisions that affect their welfare. This promotes the belief that management treats employees fairly. In turn, perceptions of fair treatment promote job satisfaction and organisational commitment and help to reduce absenteeism and turnover. Finally, perceptions can be monitored through informal conversations, interviews or attitude surveys (Kreitner & Kinicki, 1992).

The theory helps us to understand the world of dynamic engagement in which organizations operate by depicting that employers and employees would be well advised to reflect on the central thesis of the equity theory, especially in recognizing that subjective perceptions are extremely powerful factors in motivation (Cole, 1995). The equity theory is most important because it brings into the limelight employers' disregard for employees' need for money, recognition and achievement.

Notwithstanding the significant benefits, equity theory cannot apply in the same way to intrinsic rewards, such as intrinsic job interest, personal achievement and exercise of responsibility, which are entirely subjective and therefore less capable of comparison in any credible sense.

Several individuals have also questioned the extent to which inequity that results from over payment (rewards) leads to perceived inequity. Locke (cited in Gibson, Ivancevich, Donnelly & Kanopaske, 2009), for instance, argued that employees are seldom told they are overpaid. He believes that individuals are likely to adjust their idea of what constitutes an equitable payment to justify their pay.

Another weakness of the equity theory is that most of the research on the subject focuses on short-term comparisons. What is needed are longitudinal studies that examine inequity over a period of time. What happens over time as the inequity remains, is increased or is decreased? Are the comparison of others always within one's own organization and do they change during a person's work career?

The theory is again criticised on the grounds that it ignores reactions to experienced inequities. Is it not likely that two people will react somewhat differently to the same magnitude of inequity if they believe different things caused the inequity? This defect prompted the discussion that led to the introduction of the notion of referent cognitions theory which explores the role of the decision-making process in shaping perceptions of inequity. Referent cognitions theory predicts resentment of unfair treatment when procedures yield poor outcomes for a person (Gibson, Donnelly, Ivancevich & Kenopaske, 2009).

Cole (1995), who examined the importance of expectations and evaluations to the equity theory process, maintained that there are difficulties with understanding the conditions which produce the equity process. Cole identifies methodological

shortcomings and lack of comparability of findings of studies which have sought to test equity. He points out that Adams and Prosenbaum (1962) created inequity in an experimental situation by overpaying individuals, who responded with increased work output, ostensibly to reduce the inequity they felt. Cole argues that the experimental manipulation threatens the self-esteem of the subjects, therefore the results may be due to a defence of self-esteem, not inequity. Besides the above, the equity theory, just like the compensation theories, fails to take into account factors such as tenure, psychological contract, organizational size, job insecurity and age among a host of others that equally influence attrition intentions of employees.

2.3.4 Relevance of the equity theory to the study

The Equity theory is relevant to this study because graduate teachers, just like their colleagues in other fields of employment, do engage in social comparison and based on their perception some decide to quit the job for another job whose conditions they consider to be much better. Employees do not just quit job or profession. Their decisions to leave an organization on their own free will, which is voluntary attrition, is influenced by a battery of factors including external opportunities, pay and several others which the individual employees consider before firming up their intentions. The consideration an employee makes in arriving at this decision is best explained in the Equity theory. The use of the theory to guide the study is to test its consistency or validity in the case of graduate teachers in Ghana. The teachers' intentions to quit or remain in the teaching profession is informed by the results they obtain after calculating their inputs-outcomes ratio against that of referent others, who could be their former classmates at the university or even secondary school, who are in different professions or organizations.

The adoption of the Equity theory of motivation enables us to assess the extent to which teachers compare compensation package vis-à-vis the qualifications, experiences, skills, competencies and other inputs they have and the type of work they do with those of their counterparts in other employments. It also helps us to assess whether the perceptions of pay differentials and other fringe benefits as well as other conditions of service of teachers impact on their decision to stay or quit an organisation. This is because if an employee perceives the distribution of resources as unfair, then turnover intent will emerge.

2.4 Review of the Relevant Literature

The review is divided into three sections as follows:

- i. Public sector reforms, international experience
- ii. Public sector reforms in developing countries outside Africa
- iii. Public sector reforms in Africa.

2.4.1 Public sector reforms, international experience

Governments in both developed and developing nations have since the 1960s preoccupied their minds with administrative reform, which has become an area of serious study by scholars. Various scholars have in diverse ways attempted to craft a definition of the concept of “Public sector reform. The word “Reform” in the context of this study may be understood in three different ways as follows: (i) it is a deliberate plan to change public bureaucracies, (ii) it is synonymous with innovation, which is the injection of new ideas and new people in a new combination of tasks and relationships into the policy and administrative process, and (iii) it is coping with the uncertainties and rapid changes taking place in the organizational environment (Ohemeng & Anebo, 2012: 162). The term public sector or public service is used to

indicate a wider scope of the machinery of government. It refers to a conglomeration of all the state-owned offices whose personnel render services to the public under government authority. It is thus the administrative structures within which the work of government is carried out (Lane, 1993). Public sector reforms therefore refers to all the processes and practices which are aimed at transforming the structure and functions of the public sector bureaucracies so as to deliver services in an efficient , effective and accountable manner. It involves the strengthening and management of the public sector (AfDB, 2005). A few definitions of the concept of public sector reforms made by some scholars will be appropriate at this stage. Nti (cited in Wereko, 2009: 4), explained it as

“A systematic process of introducing changes with the objective of improving management practices, elimination or at least minimizing the dysfunctions in the structure and processes of an administrative system to make it more efficient and effective in attaining its objectives and sustaining such gains”.

Ohemeng and Anebo (2012:168), on their part, described the concept as “deliberate and collaborative efforts by government, aimed at shaping administrative phenomena in preconceived patterns”. In his view, Quah (1976) defined it as a deliberate process to change both the structures and procedures of the public bureaucracy and the attitudes and behaviour of the public bureaucrats involved in order to promote organizational effectiveness and attain national development goals. For Samonte (1970), administrative reform “involves changes and innovations, which are deliberately conceived and adopted to make the administrative system a more effective instrument for social changes, a better instrument to bring about political equality, social justice and economic growth” (p. 163).

For the purpose of this research, we cannot, but agree with Quah's position which is shared by Ohemeng and Anebo (2012) that administrative reforms "involve a deliberate change in the structure of the bureaucracy, and of the attitudes and beliefs of bureaucrats, with the aim of enhancing their administrative capacity for service delivery to their political masters, in terms of policy advice" (Ohemeng & Anebo, 2012:163). This is because public sector reforms, particularly those undertaken by Ghanaian governments, sought to inject efficiency and effectiveness in service delivery in the public sector through reorganization of the bureaucracies and offering of reward with the hope of motivating the personnel to change their attitude. It must be pointed out that, the terms "public service/sector reform" and "civil service reform" have been used synonymously by researchers worldwide without regard to the scale or level of reform, whether in the core civil service, the broader public services or the much wider public sector (Wereko, 2009). The literature reviewed above shed some light on the concept of public sector reforms which the context within which the discussion is based. What is however missing is that public sector compensation reform and its impact on teacher attrition which is the central issue of this study and which lacuna this thesis seeks to fill.

2.4.2 Motives of public sector reform programmes

The motives for undertaking public sector reform vary from one country to another. Engida and Bardill (2013) have classified these motives into three. For them, in the advanced countries of the north, for instance, the reform was driven by demands of citizens and tax payers for improved public services, reduced role of governments at all levels, private sector participation and reduced tax burdens. For transition economies, on the other hand, the aim for embarking on public sector reform was to hasten the process of removing the authoritarian institutional structures.

In the developing countries, including those in Africa, however, the implementation of the reform came as a major component of the structural adjustment programme (SAP). The implication is that the implementation of public sector reform in Africa was not an internal initiative, but came as an imposition from external sources, including the international specialised agencies, such as the World Bank, the United Nations Development Programme (UNDP), bilateral European donors and other multilateral agencies who have been actively behind civil service reforms. The focus of the SAPs was to contain budget deficits of the rising government expenditures. It was believed that the privatization component of the reform could lead to the reduction of the overall size of the public service, reduce pressure on the fragile administrators and as well, free resources for better vital tasks and allow for better utilization of scarce resources for administrative skills (Engida & Bardill, 2013).

2.4.3 Waves of public sector reform

The public-sector reform globally came in three waves. The first wave of the reforms began in Britain in the second half of the 19th century with the civil service reform. In the United States reforms were initiated in the second and third decades of the 20th century with professionalism (Hughes, 2003). This was the period the career civil bureaucracy model was introduced to replace the “patronage” and “spoils” systems in Britain and the United States respectively. The main thrust of these reforms was to professionalise the civil service along the bureaucratic model (Reyburn, 1894; Ahler, 2011; Vandenabeele & Horton, 2005).

The second phase of the 1970s and 1980s challenged the bureaucratic model. The stated objectives for the reforms during the period varied across political systems, but two major foci have been evident almost everywhere. First, political leaders have

sought to assert their authority over their bureaucracies and the interest embedded therein in order to effect efficiency and economy in the management of government resources. Second, they have sought to make delivery of public service more responsive to the needs and requirements of citizens as clients, consumers and customers of government operations (Aucoin, 1998). There were structural shifts across political systems to respond to the need for improved management and delivery of public services and marked the third wave of the reforms programme.

2.4.4 Characteristics of new public management of sector reform

Since the inception of development administration in the 1950s, there have been reform programmes in one form or another. The most recent manifestation has however, been far more radical than the incremental efforts made in the earlier years. The present menu of reforms initiatives includes a list of measures which are very difficult to put together neatly. Some countries have experimented with one or two of these kinds of reforms. Others have adopted all of them, namely decentralization, privatization, incorporation, deregulation, introduction of executive agencies, internal markets or the use of purchaser-provider split as well as competitive tendering schemes and contracting-out and partnerships with civil society, including non-governmental organizations (NGOs). These form the key elements of the new public management (Engida & Bardill, 2013).

Decentralization is explained as the transfer of authority or responsibility for decision making, planning, management or resource allocation from the central government to its field units, district administrative units, local government, regional or functional authorities, parastatal organizations, private entities and non-governmental private voluntary organizations (Rondinelli, Nellis & Cheema, 1983; Rondinelli & Cheema, 1983; ECA, 2003). Extremely centralised forms of governance

have been identified as being the main cause of administrative pathologies, including communication overload, filtering and distortion of information and failure to grasp spatial connections in sectorial programming. Decentralization is introduced to overcome administrative challenges so as to ensure effectiveness and efficiency in service delivery of public sector institutions.

Privatization refers to any shift of activities or functions from the public to the private sector. More specifically, privatization involves the shift of the production of goods and services or the control and responsibilities from state to private sector (Engida & Bardill, 2013). Hope (2001) has identified six forms of privatization. These are commercialization of government services which are contracted out to an outside agency; joint ventures between government agencies or ministries and the private entities and sale of some government services or functions such as water or telecommunication services to the private sector. Others include giving of contracts for the private sector to manage some specific aspects of government functions or services such as postal services; leasing of state assets that are used to provide services to the public and granting of concession to private entities to operate.

Another feature of the reforms, outsourcing or contracting out, refers to the purchasing of goods and services from sources which are external instead of the government producing or providing those goods and services all by itself. In outsourcing, the only role of the government or the public organization is to prescribe the specification of the particular type of goods and services needed and then allow the private sector to supply it (Engida & Bardill, 2013; Walsh, 1995; ECA, nd). It is a method of privatization that places emphasis on efficiency and service delivery. Outsourcing may be arranged between a public-sector organization and a private firm or it can be done by a public organization and another. Outsourcing, as one method of

privatization, places emphasis on efficiency in service delivery as the private contractor can be fined in case of poor delivery, delays and lack of reliability (ECA, 2003; Engida & Bardill, 2013).

Public Financial Reform (PFR) is another important component of public sector reform. Even though a review of the literature indicates that PFR has no universally agreed definition, the concept is incontrovertibly concerned with the management of money through the entire budget cycle including budget planning and execution, procurement, auditing and monitoring and evaluation (World Bank, 2008; Pretorius & Pretorius, 2008). PFR has also been defined as the taxing, spending and debt management of government, which influences resource allocation and income distribution (Pretorius & Pretorius, 2008). For Rosen (2002), the spending aspect covers the budget cycle, including budget preparation, internal controls, accounting, internal and external audit, procurement and monitoring and reporting arrangements, while Witt & Muller (2006) include oversight and control of intergovernmental fiscal relations.

Discussion on PFR will not be complete without reference to pay management since payroll costs often takes more than 50 per cent of recurrent cost. Pay management requires careful planning, budgeting, execution and audit and therefore cuts across the whole budget process because of the high costs associated with pay roll. Sound pay roll control is very important as it, among others, curbs corrupt payments and the existence of ghost workers (Dorontinsky & Pradhan, 2007).

PFR reform has been triggered by a variety of factors in different countries (World Bank, 2008). One of those factors is the fiscal crisis experienced in some countries including Tanzania, the United Kingdom, Canada, Argentina and Asian economies. The World Bank further notes that, political change in South Africa and

the former Soviet Union countries as well as the post-conflict development wave of public sector reforms as in the case of Rwanda, Burundi, Mozambique, Afghanistan and Liberia are some of the other triggers. Others are new technology such as E-procurement systems in Chile, Mexico, Korea and Philippines; regional requirements such as the West Africa Economic and Monetary Union (WAEMU) and the European Union (EU) accession as well as donor pressure especially for countries that adopt the Heavily Indebted Poor Countries (HIPC) initiative and other donor demands.

Westcot (2008) hints that PFM started when New Zealand adopted a radical (big bang) approach to its reforms. In most of the OECD countries however, the reform followed a comprehensively slow and steady path, with sporadic bursts of speed. In the US, for example, accounting and budget execution reforms have taken a long time to introduce and a much longer time to achieve results. The reform commenced in the developing world only in the late 1980s.

Caiden (1979) has identified a number of issues that may underpin the undertaking of reforms. First, it entails a thorough reconstruction of the machinery of government. This, in effect, means deciding the exact activities government should perform, directly, how they should be allocated among different levels of government, how they should be distributed among different types of public organization, and which public organizations should be self-contained. Second, it aims at systematic transformation, not piecemeal change, and permanent allocations, not mere cosmetic improvements, in structure, territorial organization, budget management, planning processes, and personnel practices to reduce corruption, incompetence, and red tape. Third, the different sectors and programmes have been reorganized for more effective performance. Fourth, the machinery of government is simplified and streamlined to

eliminate unnecessary duplications, reduce inconvenience and minimize parasitism (Ohemeng & Anebo, 2012:163).

Dror (1971) identified four common characteristics of administrative reform. First, it is a deliberate and continuous effort. Second, it is political in nature and usually encounters international resistance. Third, administrative reform is expected to change the behaviour of administrators and their relationship with the citizenry and finally, the reform process needs time to yield results. Adamolekun & Kiragu (2011:249) asserted that administrative reform is one of the major international phenomena of the late twentieth century. They cited the “big bang” comprehensive state reforms in New Zealand, (from the mid-1980s through, the early 1990s), the culture in the United Kingdom under Margaret Thatcher and her successors (1979-1998), the Government performance and Results Act (1993) in the United States, the total quality management movements in several Southeast Asian countries, and the decentralised management initiative in several Latin American countries as notable examples of administrative reforms outside Sub-Saharan Africa (SSA) (Campbell & Furl, 1997).

Civil service reform involves deliberate changes to the structures and processes of public sector organizations with the purpose of getting them to run better. The civil service reform activities have included efforts to make government organised, affordable, honest and responsive and to bring government closer to the grassroots and to make it perform and deliver better (Rao, 2013). Pollitt & Bouckaert (2011) identified the ends of the public management reforms as making savings in public expenditure, improving service quality, making government operations more efficient and increasing the likelihood that the chosen policies will be effective.

The history of civil service reforms in the United Kingdom originated from a seminal paper presented in 1854 by Sir Charles Trevelyan and Sir Stafford Northcote, which introduced comprehensive examinations and promotion on merit in the service (Northcote & Trevelyan, 1854). This was when the modern civil service was established. Since then, there have been successive waves of regular reviews to refresh and update public service management. The reforms have sought to introduce radical changes in recruitment and training. Later in 1944, the Asheton Report made recommendations for departmental training for civil service.

In the 1960s and 1970s, several attempts were made to reform public sector expenditure planning and to modernise and professionalise civil service in the United Kingdom. These included the reform recommendations made by Plowder Report of 1961 on public expenditure management, that of the S.P. Osmond of 1967 and the Lord Fulton Committee of 1968. However, most of the efforts to achieve the set goal proved ineffective (Fulton, 2014). It was the reforms introduced by the Margaret Thatcher government in 1979, which coincided with the change in economic conditions and the introduction of market-oriented ideology of governance that injected renewed vigour in public sector reform and effected change. Recruitment to the public service was frozen. The introduction of the Financial Management Initiative in 1982, was meant to achieve the dual objective of controlling costs and spending, and to foster a more accountable and devolved management structure. The Next Steps Unit was set up in 1988 with the main object to monitor the substantial restructuring in the civil service. The Unit proposed that the civil service should be restructured so that the delivery of service is separated from policy work and executed by agencies operating under business-style regimes. Each agency was to be headed by a chief executive, recruited by open competition, employed on a fixed-term contract

and paid, not according to traditional civil service scales, but on the basis of an individually negotiated contract. The UK White Paper *Competing for Quality-Buying Better Public Services* which was issued in 1991 to stress the importance of raising the volume 1 range of services exposed to competition. It indicated that greater competition was seen as essential to improving value for money in the delivery of services from which to choose and the identification of new opportunities and services for private sector involvement (Mitchell, 1999).

Writing on the public-sector reforms with particular reference to New Zealand, Bale and Dale (1998), indicated that in 1984 when the Labour government took over the administration of the country, it inherited an economy whose deficit was 9 per cent of gross domestic product (GDP) and public debt at 60 per cent of GDP and was still rising. Government departments were viewed as bloated, inefficient and poorly managed. The bureaucracy operated in a way that undermined the capability of any government and service delivery was poor. Bale and Dale further indicated that departments habitually exceeded their budgets; unused balances were spent on end-of-year shopping sprees; and management of assets and cash was haphazard. Planners in New Zealand believed that the problem was not with the bureaucracy as civil service had many qualified staff.

According to Bale and Dale, the government put in place a microeconomic stabilization plan and broad structural reforms to correct the ills. The reforms designed to determine the government's overall economic policy were embodied in two pieces of legislation-the Reserve Bank Act of 1989 and the Fiscal Responsibility Act of 1994.

Writing on public sector reform from the perspective of China, Burns (2000) stated that globalization and the need to compete in an increasingly integrated market

have had an impact on both the developed and developing countries as they both have been encouraged to reform their public sector. Burns pointed out that, the world's most populous country (China), has taken its own path because she has approached public sector reform from a radically different starting point from developed capitalist democracies (relatively underdeveloped), centrally planned, and ruled by a one-party monopoly. Reform in China also sought a smaller and less intrusive state, a goal which is neatly captured in the official Chinese slogan: "Small government, larger society."

According to Burn, to develop her stagnating economy and regain legitimacy, China, embarked on major reforms in 1978. The reforms included de-collectivization of agriculture, liberalization of price controls, decentralization of trade and investment, and an "open door" policy which sought to integrate the country's economy with the rest of the world. Faced with the need to compete with international market, the Chinese Communist Party (CCP), officially decided to replace China's centrally planned economy with a "socialist market economy" He indicated that during the 1980s and 1990s, re-establishing markets and strengthening and redirecting regulatory frameworks were the major preoccupation of the country's public sector reforms. He noted, however, that in spite of the reforms, all of which were aimed in part to downsize the bureaucracy, China's public sector continues to be notable for its vast size. By 1998 state and collectively –owned units in urban China alone, employed more than 140 million people or 20 per cent of the country's workforce.

Burn drew a sharp contrast between public sector reforms in China and those in the developed capitalist democracies, and went a step further to identify the areas where the contrasts are visible. First, in point of expanding markets, Burns indicated

that while the reform in developed capitalist democracies has involved the use of market competition, including tendering, within government to improve government efficiency, in the case of China, moves to expand market mechanisms have been society-wide with very little evidence of “marketization” within government. He further stated that, in the developed capitalist democracies, the system involved opening up to competition the provision of some government services from the private sector. In China, however, the authorities were only just about to put up public works project for public tender. Burns noted that the change has involved the setting up of labour, wage and housing markets where there were none previously. Also, the reforms abolished mandatory central planning and fixed prices and tried to impose hard budget constraints on most economic enterprises.

Touching on regulation as another area of sharp contrast, Burns observed that while reforms in developed capitalist democracies focused on deregulation within government to give civil service managers more flexibility that of China has focused on strengthening regulation. According to him, deregulation, which is more appropriate for a market economy, was not part of China’s reform agenda. He was not surprised that the country’s public sector reform sought to strengthen regulation of the economy, which involved the creation of new institutions such as the China Securities Regulatory Commission to regulate stock markets.

With regard to institutionalization of the civil service, Burns noted that while in the developed capitalist democracies reformers have taken steps to improve the quality of the civil service by encouraging executives from the private sector to take up senior government posts, thus de-emphasizing the differences between the civil service and the private sector. In China, however, the authorities have since 1993 given civil servants separate identity from other managers, administrators and

professionals, thus, increasingly de-emphasizing the differences between the civil service and the rest of the workforce.

In point of corporatization, Burns stated that in China, although privatization is not an official policy, in practice local governments in Heilogjiang, Shanghai, Guaghou and Shenzhen in the 1990s sold off some of their small enterprises to private entrepreneurs. He was, however, quick to point out that, since 1997, the official policy has been to maintain state control of the 3,000 or so most strategic enterprises (cut of approximately 100,000 state – owned enterprises), leaving the rest to merge, go bankrupt, sell shares to employees, or list on stock markets.

Burns concluded that public sector reforms in China have clearly been statist. In his opinion, the reforms had strengthened the ties between the state and society on the one hand and that between the central state and the local state on the other hand. He identified three roles the state has played in its reforms effort. First, he said the Chinese state has played a developmental role just like South Korea and Taiwan. He stated that unlike the past when the state directly exercised control over the economy, with the public-sector reforms, the control is exercised more indirectly through the so-called macro-economic policy levels such as control of money supply, foreign exchange rates and interest rates. The state continues to be profoundly interested in economic development though it may not be described as “just another actor” in the development process. Second, the Chinese state, unlike Myanmar or Burma, has played a predatory role. Burns mentioned that with the economic reform, liberalization and decontrol corruption has become a significant problem. In the absence of a strong and effective legal system, public sector reform has probably increased the opportunities for corruption especially at the local level. The predatory character of the Chinese state continues to be relatively strong. Finally, the Chinese

state has increased local protectionism that has undermined moves towards a neutral state. The neutral state, according to him, is best expressed by attempts to establish a level playing field through adequate regulation of markets and an impartial judiciary.

The literature reviewed relates to the topic in the study, public sector reform. It traces the evolution of the concept, the rationale for its introduction and characteristics and components of the reform programme. What falls short in the literature is that it fails to talk about public sector compensation reform and its impact on teacher attrition, which is the focus of the current study. This study seeks to bridge that gap by extending the discussion further to examine the impact of public sector compensation reform and how it impacts on teacher attrition in Ghana.

2.4.5 Public sector compensation reforms

Public sector reform is aimed at putting the staff of the service on a pedestal to deliver quality service. It must be noted that efficient civil service delivery must go hand in hand with compensation reforms which is capable of attracting, retaining and motivating better qualified employees to deliver quality service.

Employees, wherever they find themselves whether in the private or public sector, expect to get paid or be compensated for the work they do, while organizations compensate people for the work or services they render. Compensation is the remuneration received by an employee for his or her contribution to the organization (Patnaik & Padhi, 2012). Compensation may be understood in its broadest sense as any reward of payment given to a person for services performed. It includes, but not limited to, direct and indirect financial rewards. Managers typically define compensation as the package of financial rewards including wages, salaries, commissions and bonuses as well as insurance and other forms of indirect monetary

benefits provided to employees in exchange for their services. Employees on their part, view compensation even more narrowly, as the wage or salary paid by an organization in exchange for the work they perform (Caruth & Handlogten, 2001).

Compensation is not just about money. It is concerned with those non-financial rewards which provide intrinsic or extrinsic motivation (Patnaik & Padhi, 2012). To better understand compensation and to adequately comprehend the crucial role it plays in contemporary organizations, it is relevant to explain the concept in its broadest sense. For the purpose of this study, compensation is defined as the total reward package offered by an organization to its employees. It encompasses all of the rewards or payments tangible and intangible, monetary and non-monetary and physical and psychological, that an organization provides its employees in exchange for the work they perform (Patnaik & Padhi, 2012).

Compensation management is one of the central pillars of human resource management which is concerned with formulation and implementation of strategies and policies that aim at rewarding people fairly, equitably and consistently in accordance with their value to the organization (Armstrong, 2005). In the opinion of Anyebe (2003), the task of compensation administration is to develop policies and the terms capable of attracting, satisfying, retaining and perhaps motivating employees. This position is shared by Caruth & Handlogten (2001), who indicate that a formalised compensation programme of any organization has three purposes. These are to attract a sufficient number of qualified employees to fill positions available in the organization; to retain employees or keep them with the organization so as to keep turnover at acceptable levels and to motivate employees to perform to the fullest extent of their capabilities. According to Berger and Berger (2004), talent migrates quickly as individuals are enticed to move on to bigger challenges. More and more

employees are living a nomadic kind of existence; as soon as they find a job, they begin hunting for their next challenge. For the researchers, a chance to develop their skill is usually more appealing than immediate monetary rewards.

The total compensation or reward package of any organization is composed of three components, namely direct monetary rewards, indirect monetary payments and psychological satisfactions all of which must be carefully considered in designing an effective compensation package. The most obvious compensation component is the direct monetary reward, which is sometimes referred to as cash compensation. It encompasses all those items which involve the payment of fiscal cash to employees for the accomplishment of tasks or efforts expended. This form of compensation package may be paid by the hour, by month or by another method. That is it can be a wage, salary, a commission or direct compensation. Indirect monetary payments include those items of financial value the organization provides to employees that do not result directly in employee's receiving spendable cash. This compensation component is usually referred to as benefit and it includes various forms of protection such as health and disability insurance, life assurance as well as services including employer subsidised meals, uniforms and free parking among several others. The third component of the compensation package consists of psychological satisfactions, also called psychic income, which the employee derives from the work he or she performs and the environment in which it is performed. This form of compensation includes opportunities to perform meaningful work, social interactions with others at the workplace, job training, advancement possibilities, recognition and a host of similar factors (Caruth & Handlogten, 2011).

The fact cannot be gainsaid that compensation plays a very important role in making organizations whether public or private work effectively. Effective public

sector performance is at the core of the overall public sector reform programme. It is regrettable to note, however, that the sponsors of the public-sector reform programme, the World Bank (WB) and the International Monetary Fund (IMF), usually recommend an across-the-board freeze in public sector salaries. Studies of salary freeze implementing countries indicate mixed experiences. While some of them freeze wages temporarily, but quickly raise it when immediate pressure lessens, others defer the action or even fail to implement it altogether. In some other countries, the freeze that are feebly radical to bring about the expected total wage bill reduction, together with wage freezes, mostly lowers the standard of living of public servants and tends to reinforce the erosion of real income in rapidly inflating economies. The purchasing power of the public servants declines dramatically as a result of such wage freezes (World Bank, 1988).

In many countries, the erosion in income of public sector incomes has had devastating effects on all grades of public servants. The consequence was dire especially among the top brass when compared to wages paid to managerial staff in the parastatals and the private sector whose salaries were far better than those offered by the central government. The World Bank (2008), notes that the development results in demoralization, corruption, moonlighting and in some cases, the flight of top middle-level management from government posts. Though the literature dilates on public sector compensation reform, it fails to discuss its impact on teacher attrition. It thus leaves a yawning gap which needs to be filled. The current study seeks to do so by extending the discussion further to examine the extent to which the compensation reform has impacted on teacher attrition in Ghana.

2.4.6 Employee Attrition

Since this study seeks to examine the impact of public sector compensation reforms on teacher attrition in Ghana, it is important to review some literature on the teacher attrition phenomenon which has been a source of concern to policy makers and educational administrators in both the developing and advanced countries. The focus of the study is on public sector compensation reform and its impact on teacher attrition. A thorough understanding of the attrition phenomenon is, therefore, critical. Attrition and labour turnover are two different terms which are often used interchangeably by many researchers and management practitioners to describe the exit of employees from an establishment. A certain degree of distinction exists despite the synonymous use of both terms. Attrition refers to a reduction in the size or strength of work force or a gradual reduction in labour occurring through means other than firing employees (Jha & Goswami, 2012). Turnover, on the other hand, refers to the number of times or percentage of employees who voluntarily or involuntarily leave an organisation in relation to those who stay over a period of time, generally a calendar year. Morrell, Loan-Clarke & Wilkinson (2005) have used a number of terms such as quits, exits, mobility and migration to describe employee attrition. Labour attrition occurs when there is any separation between an employer and employee. The causes of these separations may include resignations, retirements, firings and layoffs. Employee attrition can be classified into four broad types, namely voluntary and involuntary attrition, functional and dysfunctional attrition, avoidable and unavoidable attrition as well as pull or drag and drive or push attrition. Voluntary attrition occurs when the employee concerned on his or her own volition quits an organization or profession through resignation or any such other means either to pursue another career opportunity elsewhere or for some other reason. It is initiated by the affected

employee or occurs at his or her instance. All resignations which are not initiated by employers are voluntary resignations. Involuntary attrition, on the other hand, occurs as a result of decisions taken by management against the employee in question. It is usually caused by factors such as incapacity of the employee, death, mandatory retirement, forced resignations, layoffs and firing, termination or dismissal for gross misconduct. This form of attrition is mostly initiated by the employer and the employee has no choice, but to comply with the decision of the employer (Casio, 2006; Mello, 2006; Shen, Cox & McBride, 2004; Iverson & Pullman, 2000; Loquercio, Harmsley & Emmens, 2006).

Attrition can be functional (beneficial) or dysfunctional (problematic) depending on organization's evaluation of the calibre of employee quitting the job. Functional attrition occurs when worst or under performers quit the job, while the organisation retains the super star or highly-skilled employees. The opposite of the functional attrition situation is dysfunctional attrition in which the best performers leave, while retaining worst performing staff. Put differently, functional attrition occurs when the departure of an employee produces positive results or benefits for the organization, especially when the employee concerned is less productive and less committed to the job and the organization. On the other hand, where the departing employee is highly productive and committed to the job and management is interested in retaining him or her, the form of attrition is dysfunctional (Casio, 2006; Mello, 2006).

Attrition can also be avoidable or unavoidable. Unavoidable or uncontrollable attrition occurs when employees quit an organisation to address family or health issues, to move to new locations, for further studies full-time or for some other reasons over which the organisation has no control. Drop from jobs by an employee to

join a spouse who has been transferred to a new location, or to attend to a sick parent or spouse cannot be avoided by an organisation. There are other reasons over which an organisation has control and they fall under avoidable or controllable attrition. They occur when an employee chooses to leave because the organisation fails to satisfy their job or career needs. Attrition resulting from poor working conditions, poor pay scales or lack of opportunities for advancement are examples of avoidable attrition (Casio, 2006; Mello, 2006; Luquercio *et al*, 2006; Taylor, 1998).

Attrition is also classified on the basis of the side of the employment divide where the decision is coming from, that is, whether it is arising from the employee's side or the employer's side. When the employee voluntarily leaves the job in an organization for his or her own reasons, it is labelled as drag or pull form of attrition. The reason for the departure drags or pulls the employee out of the job and the organization. On the other hand, when the employer takes the initiative to ask the employee to quit the job, the form of attrition is labelled as drive or push attrition. Attrition can therefore be caused by both drive or push factors and drag or pull factors (Casio, 2006).

Research has shown that an enormous number of teachers are leaving their jobs for other jobs (Samah & Arisha, 2008). The phenomenon of teacher turnover and attrition was reported as a national crisis in Britain and the situation was worsening in countries such as Sweden, Germany and New Zealand. In the United States, many states recorded teacher shortages resulting from turnover. Most of the teachers who quit the job are in their early years of their entry into the profession. Cobbold (2007) described as alarming the rate at which new teachers are exiting the classroom, especially within the first three years of teaching after completion of Teacher Training College. Studies on new teacher attrition ranges from 20 per cent with respect to those

who quit the profession in their first three years of teaching to 60 per cent, regarding those who leave within the first five years (Darling-Hammond, 1999; Odell, 1990). In the United States for example, it is estimated that 9.3 per cent of the public-school teachers leave the service in less than one year of their entry into the profession, while about fifty per cent also exit the job within the first five years of service (Rosenow, 2005; Greiner & Smith, 2006; Ingersoll, 2001). In another study in the United States, Chang (2009), discovered that the rate of teacher attrition within the first four years to be 25 per cent, while about 40 per cent leave the profession within five years of their entrance.

Lambert (2010), in a study noted that teacher attrition rates vary from one country to another. According to him, these rate ranges between 2 per cent and 14 per cent per annum with the lowest being Korea and the US being the highest. Lambert further stated that the attrition rate of teachers in New Zealand as ranging from 8 per cent in 1996 to 10.4 per cent between 2001 and 2001, while the range in the US between 1988 and 1989 hovered around 8.4 per cent.

Touching on Africa, Lambert indicated that the rate of teacher attrition in Namibia stood at 11 per cent in 1999. He further stated that between 2005 and 2007, the attrition rates were 2 per cent in Eritrea, 3 per cent in both the Gambia and Lesotho, 10 per cent in Liberia, 5 per cent in Malawi, 6 per cent in Uganda and 9 per cent in Zambia. Lambert identified voluntary resignation as the single greatest reason for teacher attrition. He further noted that deaths, retirement and protracted ailment accounted for a relatively small proportion of the phenomenon.

Kwarteng (2014) and Cobbold (2015) have conducted separate studies on teacher attrition in Ghana. Kwarteng admitted that the number of teachers who quit the profession for other jobs is enormous and indicated that the challenge is even

greater in the Senior High Schools. He intimated that not even the introduction of the single spine pay policy, which was the expectation of many people to stem the tide sufficed to ameliorate the situation. He attributed the exodus of teachers to factors including inadequate salaries, sinking image of the profession and lack of opportunity for promotion.

Cobbold (2015), also in his study on solving teacher shortage in Ghana, observed that successive governments have put in place various interventions to manage the problem of teacher deficit, but have not been successful. He identified the measures to include in recruiting more teachers and the traditional and non-traditional modes of training, namely residential college and university training alongside sandwich and distance courses. He noted however that these interventions have also not achieved the desired results of meeting the required number of trained teachers to staff the schools.

2.4.7 Factors causing teacher attrition

An ocean of research has been conducted to investigate the causes and characteristics of the phenomenon and also to identify its attendant implications. Several causes of teacher attrition have been identified. Studies by Ingersoll (2003), on the issue indicates that teachers with higher degrees from prestigious schools of higher learning and those graduates with degrees in “high market-value” disciplines such as mathematics, engineering and science, mostly quit the teaching profession for other fields which are usually non-education fields in droves than their colleagues without such educational attributes. The studies further indicate that for such teachers, the opportunity cost of remaining in the classroom is higher than they are for teachers with skills and knowledge perceived to be less well-rewarding outside the teaching profession (Guaino, Santibanez, Daley & Brewer, 2004). It is also evident that some

teachers quit full-time classroom teaching for jobs in fields unrelated to teaching, while some others leave the workforce all together. There are also others who remain in the classroom, but migrate to other schools (Ingersoll, 2003). Some teachers also leave the classroom temporary, in some cases to give birth and then return to the classroom after a while (Murnane, Singer, Willet & Kemple, 1991; Anderson & Olsen, 2005). Retirement is also cited as another reason for teacher attrition. Ingersoll (2003) in a study of teacher attrition identified job dissatisfaction as a major cause of teachers' exit of the profession. He states that a good number of teachers leave the job altogether simply because they see no hope for change in sight. Kabungaidze and Mahlatshana (2013) in a study conducted between 2006 and 2008 noted the factors that cause Canadian teachers in Ontario to quit the profession include stress, class size, issues with school administrators and government policies.

Much of the literature indicates that job satisfaction and dissatisfaction have enormous influence on teacher attrition and retention (Stockard & Lehman, 2004). Studies conducted on the reasons for the high teacher turnover rate among “beginning teachers”, identified that the common problems cited by the majority of teachers include job dissatisfaction; poor working conditions and low salary; inadequate support from parents, administration, colleagues and the public; increasing class size (leading to increased workloads); poor motivation of students and lack of space for teachers to participate in key decisions concerning the school (Connolly, 2000; Ingersoll, 2003; Heller, 2004; Stockard & Lehman, 2004). In a study particularly on poor salary, Brewer (1996) asserted that higher wages reduce teachers' attrition propensity. Osunde & Omoroyi, (2005) and Yusuf (2010) in separate studies concluded that low salary serves as one of the major factors that influence teachers to exit teaching for other fields whenever the opportunity comes their way to do so.

Studies conducted in both England and Finland on rewards and teacher retention revealed that most teachers complained of low salary as a major factor for their decision to quit or remain in teaching (Webb *et al*, 2004). Between 2002 and 2004, more than 50 per cent of teachers who left teaching in Florida mentioned low remuneration as the principal cause for their departure (Gladis *et al*, 2007). Another factor identified as playing an influential role on teachers' decision as to whether to stay or leave the teaching profession is age. Research indicates that the rate of teacher attrition is higher among young teachers, and it stabilizes through the mid-career period and rises again before retirement years

Wambui (2012) has identified a number of factors that cause employees to quit from one organization to another. The range of factors so identified include lack of commitment, job dissatisfaction, insufficient information on how to perform the job adequately, unclear expectations of peers and supervisors, ambiguity of performance evaluation methods and extensive job pressure. There are also other factors which are organizational such as its personnel policies, grievance handling procedures, supervisory practices and the work environment that have also been identified to have influence on employees' attrition. Besides, Allen and Meyer (1990) mention individual factors such as emotional attachment to identification with the involvement in the organization which also have a link with employee attrition. The combination of factors that influence employees' decisions to stay or leave their current job can be divided into psychological, economic and demographic factors.

2.4.8 Psychological determinants of attrition

The psychological factors which are influenced by the emotions, attitudes and perceptions of employees refer to the employees' mental process and behaviour, such as expectations, job satisfaction, organizational commitment and job involvement or

affectivity (Mueller & Price, 1990). Farmer and Feddor (1999) are of the view that the psychological factors refer to the individual's beliefs concerning the terms and conditions of a reciprocal exchange agreement between that person and another party. In the opinion of Brinkmann and Stapf (2005), psychological contract is based on the insight that the employees' motivation and the level of their performance have to be maintained by the organization through incentives and rewards. One other psychological factor is organizational commitment. It refers to the strength of the individual employee's involvement in and identification with a particular organization. It is characterized by three related factors, namely the employee's strong belief in acceptance of the organizational goals and values; his or her willingness to exert considerable effort on behalf of the organization and his or her strong desire to maintain membership in the organization. Employees who are more committed to their organization or employer are likely to perform better, work harder and more efficiently, and stay on their jobs (Mowday, *et al*, 1979). Meyer and Allen (1996), classify organizational commitment into three, namely affective, normative and continuance commitment. Affective commitment refers to the individual employees' desire to be part of the organization. An employee imbued with affective commitment has emotional attachment to the organization and remain with it because they strongly believe that such attachment is good for their personality and values. Normative commitment refers to the individual's obligation to be part of the organization. An employee influenced by normative commitment prefers to remain with the organization because he or she feels he or she ought to do so. Continuance commitment has to do with the employee's appreciation of the costs associated with the exits. According to Becker (1960), in his side-bet theory, individuals with this type of commitment remain in the organization because they feel there is the need for

them to do so. They often think of what they will lose when they quit the organization such as retirement funds and friendship.

Job insecurity is another psychological determinant of employee attrition. It is defined by Greenhalgh and Rosenblatt (1984), as “the perceived powerlessness to maintain the desired continuity in a threatened job situation” (p. 438). It simply refers to the perceived job loss and worries associated to that threat (de Witte, 2005). Employees who feel insecure are uncertain about the continuity of their employment status. That is, they are not certain whether they will retain or lose their current employment and cannot, therefore, adequately prepare for themselves for the future. The uncertainty can trigger attrition. Best qualified employees try to quit jobs as soon as practicable because they stand better of finding better job opportunities elsewhere (Greenhalgh & Rosenblatt, 1984).

Job satisfaction is defined by Graham (1982) as the measurement of a person’s total feelings and attitudes towards his or her job. A lot of literature exists on the relationship between job satisfaction and turnover. Many of the studies report that a consistent and negative relationship exists between job satisfaction and turnover (Cotton & Tuttle, 1986), as employees who are dissatisfied are more likely to leave an organization than the satisfied ones. According to Cranny, Smith and Stone (1992) job satisfaction is a combination of cognitive and affective reactions to the differential perceptions of what an employee wants to receive compared to what he or she actually receives. Job satisfaction is a collection of positive and/or negative feelings that an individual holds towards his or her job. According to Tett and Meyer (1993) high job satisfaction results in lower turnover, while low satisfaction leads to higher turnover. However, Weitz (1952) argued that job dissatisfaction would be more predictive of turnover if it was considered in the light of an individual's predisposition

to be satisfied with everyday life events. Spencer and Steers (1981) found a strong negative relationship between job satisfaction and turnover only for employees who were relatively low performers. They observed that high performing employees who became dissatisfied were encouraged to stay by receiving whatever inducements could be provided to change their feelings. Whereas, low performers received no such encouragement, therefore, job satisfaction was more likely to be related to quitting for them than for the high performers. Mobley *et al* (1978) found that job satisfaction negatively affects turnover intent, and turnover intent directly impacts voluntary turnover

2.4.9 Economic determinants of attrition

The economic determinants of an employee include pay, training, external opportunity and company size. Pay is considered as a factor used by the organization to motivate employees to be in compliance with its regulations and rules (Mueller & Price, 1990). Pay satisfaction was examined to be negatively correlated with intention to leave, since it was positively correlated with job satisfaction (Lum *et al*, 1998). According to Mueller and Price (1990), economists view the employee's decision, whether they want to quit or stay, as a result of a rational cost-benefit assessment. For Mano *et al.* (2004) employees quit from an organization due to economic reasons. Even though compensation ranks among the top contributors to employee job satisfaction, it is unlikely that employees view it in isolation from other factors. Griffeth *et al.* (2000) noted that pay and pay-related variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person's performance and turnover. They concluded that when high performers are insufficiently rewarded, they quit. If jobs provide adequate financial incentives, it is more likely that employees will remain with the organization and vice versa. While

pay and benefits alone is not a sufficient condition for a high satisfaction, it is a necessary condition for the same. This is true because employees want pay systems that they perceive as just, unambiguous, and in line with their expectations. In determining compensation levels, it is important for organisations to take into cognizance the prevailing market rates to ensure fairness and equity in compensation (Okumbe, 2001). It is further asserted that organisational indifference on going rate or going range negatively affects efforts meant to attract and retain the required staff. When employees are well paid they are able to live well and are able to meet their daily needs, concentrate at their places of work, and accomplish the tasks assigned to them (Wambui, 2012). Perceived going rates will also increase levels of productivity and efficiency. It is often assumed that the more money an employee earns, the more satisfied he or she will be. Contrary to this assumption however, many studies have indicated that compensation alone will not guarantee employee satisfaction. Even highly compensated employees may be dissatisfied with their jobs, and employees with low levels of pay may still be quite satisfied with their jobs for reasons other than compensation.

Training is also another factor that can influence an employees' attrition intention. The relationship between training and attrition can be traced back to the Human Capital theory, which proclaims that education as an investment in human capital can raise the quality of an employee (Becker, 1993). It is often assumed that the level of education has a positive effect on the probability of job mobility since high education is often associated with better labor-market alternative (Royalty, 1998). Results of research conducted by Becker and Royalty indicate that behavioural change brought about by learning does not only improve the job performance but also the satisfaction of employees. It is worth noting that employees who are more highly

educated are more likely to quit job because education is a form of human capital that can easily be used in other organizations.

There are also factors that are out of the control of the organizations and include external opportunity, macroeconomic environment and globalization. Mueller and Price (1990), explain external opportunity as the availability, attractiveness and attainability of alternatives in the environment. The availability is mainly about the number of opportunities outside the organization; attractiveness refers to the pay levels of such opportunities while attainability is the possession of the skills required on the job. It therefore follows that numerous higher paid jobs for which a worker is qualified should produce a greater turnover. In measuring the interaction of supply and demand forces in the economy must be taken into account (Wambui, 2012). Research findings by the Harvard Business School (2000) and cited in Wambui (2012) indicate that, in spite of the high levels of current commitment to both the organization and the job, the phenomenon of market-driven turnover is paramount amongst high performing employees. The research further states that employees base their decision to leave a job on the availability of better external opportunity offer. McClelland (2002) asserts that economic growth imposes a lot of challenges on retention practices and turnover management by human resource managers. One of these challenges is the frequency of recruitment and turnover rate of skilled employees within a pool of depleted labour market and the attendant costs. With acute shortage of skilled manpower in a rapidly growing economy, the competition for the few available skilled employees becomes intense among organizations and this provides opportunity for job hopping amongst skilled employees. Worldwide, the search for skilled employees is on because job hopping among skilled employees is inevitable as alternative employment opportunities continue to exist (Czakan 2005).

2.4.10 Demographic determinants of attrition

Demographic variables are also known as personal characteristics and are widely used attrition research (Price, 1990). Despite a wealth of research, there appears to be few characteristics that meaningfully predict attrition, the exceptions being age and tenure which were examined to have a direct impact on intention to leave. Cotton and Tuttle (1986); Price (1977) and Horn and Griffeth (1991) have in separate studies, stated tenure as one of the demographic predictors of attrition. In their opinion, tenure is negatively related to attrition, that is, the longer a person is with an organization, the more likely they are to stay. The longer that an employer and employee benefit from their relationship, the costlier the ending of it will be. This is why tenure is negatively associated with attrition. They noted that the benefits of long public sector tenure in terms of wages, job security, and pension rights will decrease intention to leave. Age has been found to be negatively correlated with the probability of job attrition intent (Henneberger & Souza-Poza, 2002). Based on the matching theory, younger people have an experimental stage at the beginning of their professional life. A change is less attractive, since the available time to redeem the costs associated with a job quit diminishes with age. Emphasizing the attrition rate amongst employees, McGlaham (2006) remarks that the mobility rate is such that a young employee entering the work force after graduation can expect to have an average of twelve different jobs by the time such an employee attains the age of 40 years. Various studies examined the effect of gender on job mobility. Griffeth *et al.* (2000) cited evidence that gender moderates the age-turnover relationship. Social-psychological studies by Mueller & Wallance, (1996) show organizational and job satisfaction to be equal between women and men. Studies undertaken by Clarke (1997) and Souza-Poza, (2007), however, concluded that due to the lower

expectations of women about their careers, they seem to have a higher job satisfaction on identical jobs than men, which generally reduces job attrition inclinations.

2.4.11 Consequences of employee attrition

A good understanding of the implications of attrition will help human resource managers to appreciate how to encourage attrition that benefits the organisation rather than hurts it. Clarke (1997) argues that labour attrition in itself is neither good nor bad, what determines this is whether it is functional or dysfunctional. For him, functional attrition does not hurt a firm as the employees who choose to leave their jobs might be part-time employees without any unique skills or they are simply not top performers whose work has proved to have a direct impact on profitability. I am of the view that the rate of attrition in whatever form, but excluding dysfunctional attrition, must be an issue of critical concern to managers of a firm since it can produce negative consequences. Williams and Livingstone (2006) have stated categorically that employees with unique skills are hard to come by. They further stated that losing one, a few or several of such highly skilled and talented employees are worrying since it is difficult and costly to recruit and hire replacements. The loss of minority group members can also affect the diversity of the organisation's workforce. For them, when many employees quit employment in any of these scenarios, the cost associated with recruitment, conflated with other related costs, such as those associated with quality problems and customer complaints can be high and disturbing.

It is estimated that hiring and training a replacement for a lost employee cost approximately 50 per cent of the worker's annual salary (Johnson, Griffith & Griffin, 2005). In April 2011, a whopping 1.9 million Americans quit their jobs and they

needed to be replaced. The organisation has to go through the recruitment, selection and hiring process all over again and once a new employee is found, he or she might be trained which also costs time and money. The cost of recruiting replacement of quitting employees includes payment of recruiters, advertising new positions and lost productivity when the current employee leaves the organisation (Williams & Livingstone, 2006). It can sometimes take several months or even years to find qualified employees to replace those who quit.

Staw (2001) has noted that morale is usually weak in organisations that record high attrition. The situation badly affects the corporate culture of the organisation. Corporate culture is the shared norms and values of a collection of employees of an establishment who work together. When colleagues and co-workers vanish every now and then at such an astronomical rate, motivating employees to share the vision of the enterprise and performance at all levels becomes a difficult task.

High attrition also results in reduction in the efficiency of production. Inexperienced employees will not be able to produce as much as those who know more about what they are doing in a production job. Aside that, managers get frustrated as they spend much time hiring and training new employees.

Attrition in all its forms, particularly avoidable attrition, is frustrating and it behoves management of organisations to take appropriate measures to avoid it if possible or reduce it to the barest minimum. One potent means to ensure this is the offer of attractive, competitive, comprehensive compensation and benefits package. This should include but not limited to life, health and disability insurance; scholarship scheme for wards; car loans subsidised rent and subsidised meals among others. Opportunities for career and personal growth should be provided to the employees through education and training to better equip them to deliver efficient services. The

measure will also boost the confidence of the employees. Closely allied to this point is the provision of opportunities for the employees to share their knowledge on the job through training sessions, presentations, mentoring and team assignments. Above all, employers should demonstrate respect for employees at all times.

The literature reviewed is significant for it dilated on the typology, causes and consequences of attrition. The gap, however, is that they fail to state what is in the Ghanaian situation are the factors responsible for the attrition of graduate teachers, especially after the implementation of the single spine pay policy. This study is to contribute to extend the literature on employees' attrition by adding the actual factors behind the teacher attrition in Ghana.

2.4.14 Public sector reforms in developing countries outside Africa

In Latin America, the implementation of public sector reform was triggered by the economic crisis of the 1980s, when the highly-indebted countries in the region, including Argentina, Chile, Columbia and Mexico carried out fiscal adjustments, trade liberalization, privatization and deregulation (Tindigarukay, 2004). In Chile, for instance, the oil shocks of the 1970s, coupled with the debt crisis triggered by the rise in internal interest rates in the early 1980s, and the resulting increase in unemployment, declining savings and investment rates and deteriorating balance of payments led to the implementation of structural adjustment programmes, which is a component of public sector reforms.

Tindigarukay (2004) explained public sector reforms as a deliberate effort to effect changes that can allow a government to execute public policies in an effective and efficient manner. He stated that public sector reforms in Jamaica have undergone seven phases. The first of its kind commenced in the early 1970s with the creation of the Ministry of the Public Service (MPS), which was given the mandate to initiate and

sustain a programme of self- reformation and also to modernise management practices in the public sector. The second phase took effect from 1984 with the introduction of the Administrative Reform Programme (ARP), which aimed at improving human and financial resources management within the Jamaican public sector. The third phase, which was known as ARP II, came into effect in 1991 with the establishment of the Financial and Programme Management Improvement Project (FPMIP). The body was charged with the responsibility for programme budgeting and corporate planning. It was also to introduce Financial Management Information System (FMIS) and Human Resources Management Information System (HRMIS). The introduction of Tax Administration Reform Project in November 1994, whose focus was to strengthen the efficiency and effectiveness of administration in revenue mobilization, marked the fourth phase of the country's public sector reforms. The fifth phase of the reforms, the citizens' charter was established. The charter which was created in 1994 emphasised the obligation of public entities to improve the quality of service they render to the public. The sixth and seventh phases commenced in 1996 and 2002 respectively. The former led to the introduction of the Public-Sector Modernization Programme (PSMP) whose responsibility was to create small, effective, efficient and accountable public sector that would provide high quality service. In the final phase, the vision and strategy for public sector reforms in Jamaica for the rest of the decade was launched in September 2002.

In his assessment, Tindigarukay observed that the creation of the Public Sector Commission (PSC), whose provision was entrenched in the 1962 Jamaican Independence Constitution, sought to promote three functions-the protection of public officials against discrimination with respect to appointments, transfers and disciplinary proceedings; provision of equal opportunities and fair treatment to all

public officers with respect to the above and the avoidance of the incidence of exercising patronage, nepotism and favouritism by any influential sources. He further observed that despite the sense of confidence the Jamaican civil servants developed in the PSC as a better protector of their career interests than any other institution, the body was beset with three basic problems. First, it lacked quick and flexible recruitment and promotion policies, leading to loss of personnel to the private sector. Second, the body lacked the incentive schemes for rewarding outstanding performance, leading to deterioration in its ability to attract and retain high quality personnel for its professional and management positions. Third, it put much emphasis on judicial protection role to the neglect of a dynamic management role.

Tindigarukay (2004) again noted that wide disparities in emoluments developed within the public sector to the effect that statutory agencies and public companies offered substantially better remuneration than the traditional ministries. With the former development, the former were able to attract the best professionals, technicians and managers away from the latter thus, creating shortage of staff in the latter's critical areas. Even those who stayed in public service employment were generally characterised by lack of prestige and low morale. Again, there was an overlapping of functions, especially between the Public Service Commission and the Ministry of the Public Service leading to wasteful duplication of activity.

Tindigarukay indicated that two minor reforms which were introduced in the Jamaican public service in the 1980s saved the threatening situation somehow. For the purposes of this work only the first one will be addressed. The government of Jamaica from the early 1980s attempted to improve emolument structure of its public servants. Between 1983 and 1986, efforts were made to improve compensation for top public service managers, attorney and other senior government officials. It was observed that

by 1986, improvement in salaries for civil service managers and professionals had reached a level of between 70 and 87 per cent of that of their counterparts in statutory bodies and public enterprises. The compensation gap at the lower level, however, remained glaringly wide. It was further observed that the civil service salary adjustments up to 1986 benefited only about 5.5 per cent of the total civil service establishment positions at that time. The compensation gap between the public-sector workers and those in the labour market as a whole, especially at the managerial and technical levels remained wide. He concluded that such inadequate remuneration in the public sector, which was worsened by erosion of earnings by ever increasing levels of inflation, led to a large number of vacancies, even at key and critical levels of government.

2.4.13 Studies of public sector reforms in Africa

Public sector reforms in Africa were driven by economic reform, democratization and the search for administrative efficiency with the view to improving the quality of goods and services delivered to the public (Adamolekun & Kiragu, 1999; Caiden & Sundaram, 2004). The literature on public sector reforms in Africa identifies four key issues as the drivers of the reforms on the African continent. These are (i) the inability of many governments to balance the budgets, (ii) incapacity of governments to adequately respond to public demands, (iii) the internationalization of many issues that previously were solely domestic and (iv) the over expansion of the scale of government and its interrelation in all spheres of society, even where it had no competence and track record, leading to overload problems (Levy & Kpundeh, 2004; Mutahaba, 1989, Van de Walle and Ramachandran, 2003; AfDB, 2005). Attention to public sector reforms therefore emerged because the quality of the public sector accountability, efficiency in service delivery, transparency and so forth

correlates with long term growth and poverty reduction (Mukandala, 2001; Van de Walle, 2001; Mutahaba & Kiragu, 2002; Ayee, 2008). Inadequate capacity is seen as the failure of the public sector to perform its functions. Accordingly, public sector reform addresses four problems constraining the developmental progress in Africa, namely over-centralized-government, recurrent personnel costs that consumes large amounts of scarce budgetary resources, huge budget deficits and declining administrative capacity (Levy and Kpundeh, 2004; Mutahaba, 1989; Mutahaba, Baguma & Halfni, 1993). Extensive studies have also been made by other scholars on public sector reforms in Africa. One of such scholars is Ayee. Ayee (2008) noted that public sector reforms in developed countries such as the UK, the US, Canada and Australia have shown that changes in political, social, economic and administrative environments, such as economic and fiscal crises of the state, the influence of neo-liberal ideas, such as public choice theory and criticisms of the old public administration, changes in political and ideological context, for example, ideas of the 'New Right', development in information technology, and the growth and role of management consultants have prompted and driven radical changes in public administration and management systems. The central objective of change was improvement in the ways in which government is managed and services delivered, with emphasis on effectiveness, efficiency, economy and value for money. He further noted that in Africa and other developing countries, however, the need to reform public sector institutions has been prompted largely by world-wide decline in public finances and the need 'to get more for less'. The unjust international economic system and persistent public pressures for increased government intervention to reverse the situation have forced governments in Africa and other developing countries to adopt temporary measures. These have resulted in large-scale borrowing, unprecedented

public debt, high rates of inflation, frequent currency devaluations, and harsh policies imposed under the pressure of the World Bank and IMF. Governments have had to reduce expenditure on staff, investments and services, and to demand higher productivity and better performance from their sluggish public sectors.

In order to improve their countries' positions in the emerging world economy, governments in Africa and other developing countries were forced to redefine their roles and strategies. In doing so, they had to replace the 'dead hand' of bureaucracy, which was blamed for being the cause of the poor performance of public bureaucracies, the daily annoyances of irksome restrictions, cumbersome red tape, unpleasant officials, poor service and corrupt practices with a new invigorating concept of public management and clear proof that public organisations were value for money. He stated that since the late 1950s and 1960s, the public sector in most African states has generally been regarded as pivotal to promoting socio-economic development. Aye identified the public sector to comprise a number of institutions to make and implement decisions with regard to interests of various kinds. The basic function of the sector was to provide goods and services to citizens based on the 'realization and representation of public interests and its possession of unique public qualities compared to business management'.

The study noted however that, the public sector was not able to perform effectively because of 'accumulation of excessive power, lack of accountability and representation, indifference towards public needs and demands, official secrecy and inaccessibility, and role in depoliticizing the public sphere' (Graham, 1990; Haque, 2001). This ineffectiveness, coupled with the economic crises of the late 1970s and 1980s, and apparent lessons from international experience of the success of market-friendly economies, have combined to produce, what some have referred to, as the

‘redefinition of the role of the state or public sector’(Fiszbein, 2000:163). The redefinition of the role of the state or the public sector and the need to overhaul administrative systems and rejuvenate public organisations in both developed and developing countries cannot be over-emphasised. Though the dawn has been clouded and goals cannot be easily defined, the vitality of a country’s development depends on the rejuvenation of public administration even in the darkness of insufficient knowledge and experience (Rizos, 1965).

The disastrous showing of statist policy in regulating the economy largely led to Africa’s precipitous economic decline, which began in the late 1970s and early 1980s. Accordingly, African economic and political systems were influenced by donor nations, and, especially, by the World Bank and IMF. Stabilisation and structural adjustment programmes have been applied to the economies of developing countries with the support, or insistence, of these institutions. In many respects, they have provided the framework within which other donor agencies operate. Among the main elements, their programmes have been the liberalisation of external trade and exchange rate policies, the elimination of governmental control of internal prices, and the reduction of the scale of the public sector in its role as a producer of goods and services (DeLancey, 2001). Structural adjustment has been associated with donor pressure to introduce new approaches to public sector management, aiming to replicate some of the claimed efficiencies of the private sector. It has included measures to create quasi market conditions in public service delivery, through the introduction of user charges and fees for cost recovery in social and infrastructural services-with widely disputed impacts on social distribution; exposure of public operators to private competition; the introduction of performance measurement and reward into public service employment conditions; and strengthening managerial

autonomy by devolving responsibilities for service delivery either to budget centres within an organisation or to semi-autonomous public agencies (Campbell & Loxley 1989).

However, the outcome of structural adjustment in African countries was not encouraging, because the reform depended on ready markets for exports and substantial investments from industrial countries, which, for the most part, were not substantiated. In the circumstances, economic stagnation and decline continued in most African states throughout the 1990s and first decades of the twenty-first century. The systematic weakness of implementing adjustment packages suggests that understanding the roots of policy choices in Africa is more important than recommending the adoption of specific policies without understanding their context (Englebert, 2000).

Ayee concluded that since the introduction of structural adjustment in Africa in the 1980s, there have been efforts to reform the continent's ineffective public sector through various state capacity building strategies but, the results so far have been disappointing. The main reason for the failure is because reforms focused mainly on technocratic and managerial fixes, without paying adequate attention to the politics of building state capacity: the political and institutional realities affecting the reforms.

He noted that even though the level of ambition of the reforms is very high, politics have tended to permeate the way in which the public sector operates, thereby making it more complex and difficult. For him, a reasonable way out would be to address the political and institutional dynamics, and eliminate what he described as the "clientelistic tendencies" that have permeated African governments.

The modernisation of the state in Africa involves measures to improve its capacity to perform its functions effectively and efficiently. It also involves a reduced

role for the state in facilitating an enabling environment for development. Specifically, it involves the state shifting its own expenditure away from consumption towards investment; refocusing its attention on core public functions – macroeconomic stability, law and order; liberalisation; deregulation; and providing strategic social services. In summary, this has been called the ‘dynamics of state retrenchment’ (van de Walle, 2003).

In another study on public sector reforms in Africa, Adamolekun and Kiragu (2011:249) noted that significant changes have taken place in public administration throughout Sub-Saharan Africa (SSA) since the early years of independence. They contended that the changes were most dramatic during the 1980s and 1990s and were driven partly by economic policy reform efforts and partly by the wave of democratization of the early 1990s. For them, there are some basic governments tasks that even weak states should strive to get right. They mentioned a foundation of law, benign policy environment, including macroeconomic stability, investing in people and infrastructure, protection of the vulnerable, and constituting those basic tasks. These are tasks that only governments can perform fairly satisfactorily. Adamolekun and Kiragu, cited Botswana and Mauritius as the only SSA countries that have been able to pass the test. The researchers further stated that weak states that were unable to get right the basic tasks were characterized by huge budget deficits, extensive involvement in the provision of goods and services and complex regulations that stifled private and voluntary initiatives. According to Adamolekun and Kiragu it was this phenomenon of weak and overextended (bloated) states that the public administration reforms of the 1990s sought to address.

The authors observed that contrary to the shining examples of public administration reforms in New Zealand which was characterized by strong political

and bureaucratic institutions (with strong leadership commitment, well established traditions of transparency, accountability and honesty), abundant human capacity, and a comprehensive strategy to guide the reform effort, most SSA countries were characterized by weak institutions. In the opinion of the authors, the redefinition of the role of the state would involve simultaneous actions on two fronts. On the one hand the authors indicated that, states would need to develop capability to perform the basic governments tasks and on the other hand, states would have to shed functions that could better be performed by the private and voluntary sectors. The former would involve developing and strengthening public sector institutions for better performance, and the latter would involve deregulation, privatization, commercialization and decentralization.

With regard to the core public sector, downsizing is also a key feature of the public administration reform programmes in SSA countries. Downsizing was necessary in these countries because of the need to reduce budget deficits, and the aim was to reduce the civil service staff numbers and wage bill. Although these actions were usually part of the conditionalities of structural adjustment programmes, only modest results were achieved. Some governments retrenched staff without achieving any significant reduction in the wage bill and only a few countries such as Ghana, Uganda and Namibia achieved both wage reduction and staff retrenchment.

It is in the light of the foregoing that Schacter (2000) defines public sector reforms as “strengthening the way the public sector is managed”. The presupposition is that things are not properly managed in the public sector. Unnecessary wastage crept into the ways the public is being managed and that too many people are doing poorly what fewer people can do efficiently. Public sector reform calls for a new management style of achieving results in place of the traditional ways of doing things.

Public sector reforms (PSR) has since the 1980s become a household name in Africa and almost, all African countries are caught in the web of implementing this program. Without public sector reforms, good governance and efficient public administration would remain a dream especially for African countries. Similarly, public sector accountability, transparency and a merit-driven public service would be unattainable if they are not backed by well-drawn up public sector reform programmes. Efficient service delivery, effectiveness in administration and responsiveness of government to the demands of the citizenry can best be achieved only when they are routed through the channel of public sector reforms (Matahaba & Kiragu, 2002). The fact cannot be gain said that public sector reform forms part of the agenda for improving governance, which encompasses three main areas namely rule based operation of government itself to improve supply of public goods, voice and accountability for citizens to demand better public services and more efficient and effective regulation of the private sector to improve its competitiveness.

Reforming the public service in Africa is divided into three phases; the first phase which took place from the 1980s to early 1990s, focused mainly on macroeconomic stability. The second wave of reforms occurred between the mid-1990s to 2000 and was focused on the performance and civil service management, while the third wave which commenced from 2000 was concentrated on service delivery (Ayee, 2008). Large scale, donor-funded public sector reform programmes really commenced in Africa with the Structural Adjustment Programmes (SAPs) of the 1980s. Between the period most African countries attained independence and the 1970s, some reforms took place but the main focus was to Africanize the small inherited colonial civil service (Ayee, 2011). The implementation of SAPs loans advanced to African countries in the 1980s were primarily aimed at stabilizing

macroeconomic crises of payment balances, fiscal deficits, runaway inflation and currency over valuations. Civil service reform packages, which frequently accompanied SAP loans, were mainly concerned with reducing cost of public sector payment. It is estimated that in Anglophone Africa, public sector wages reduced by 80 percent in real terms between the early 1970s and the early 1980s, thus paralleling the general decline GDP per capita income (van de Walle, 2001).

The phase two reforms which spanned between the mid-1990s and 2000 focused on civil service management. The phase was premised on the assumption that the civil service needed to be reduced in size. This was, however, accompanied by ambitious attempts to restructure the civil services, focusing on management systems, performance management and budget or financial management. The changing role of government during the period of reform was an attempt to transfer to African and other developing countries the techniques of public sector reforms, which had become known as New Public Management (NPM) in the developed countries particularly, the English-speaking countries (Ayee, 2008). New waves of reform programmes have emerged since the millennium. It marks the third phase of the reform programmes. This phase focuses on the improvement, responsiveness and effectiveness of service delivery to citizens.

Fatile and Adejuwon (2010) and Kiragu (2002), identify the three waves of public sector reforms as the structural reform waves, which took place in the 1980s; the capacity building wave spanning the 1990s and service improvement wave in the 2000s. They assert that African leaders were made to understand that government should not be as “Father Christmas”, rendering selfless services to the people. Instead, government should be seen as creating wealth-like profit-making organization. Following from the above, and as shared by Omoyefa (2008), African leaders see

public sector reform as commercialization of all state-owned enterprises so as to make profit. As a consequence, every public sector in African states-health, education, electricity and agriculture among a host of others was commercialised. Ironically, these services were heavily sub-sided in the developed countries.

In a country study on public sector reforms in Benin, Moufoaou, Laleye (2011) stated that improving the performance of the public administration system in the country emerged as a major issue in the late 1980s when the government embarked on the implementation of its first structural adjustment programme. He noted, however, that the problem of cost containment (reducing staff strength and the wage bill) predominated because of serious fiscal deficits. Laleye lamented that though the issues of cost containment and performance improvement were raised at the National Conference in 1990, where it was agreed that a national forum of public administration organizations would be held to undertake a review of the problem and to propose remedial measures, some reform measures had already been introduced in the education and agricultural sectors even before the national strategic meeting could be convened (Laleye, 2011).

Laleye observed that the critical issues of personnel and budget could not be meaningfully reformed without changes at the core ministries of civil service and finance. He also noted that effective service delivery at the regional and local levels could not be tackled within the individual ministries without regard to an overall government policy on decentralization. He recognized the necessity to take cognizance of the fact that the haphazard and piece-meal approach was inappropriate to generate well-conceived reform programmes. According to him, these interconnected reform issues were subsequently examined at a 1994 National Conference and a 1996 participatory workshop on public administration reform.

Laleye pointed out that the ineffective implementation of the reform measures, the poor articulation of economic policies and their weak coherence with sector policies, corruption, unethical behaviour, and lack of transparency brought to a head the concern for improving the productivity of public administration, the efficiency of institutions structures and the people that man them. During the decade (2000 – 2010) the issue of implementing the reforms especially with a view to redefining the role of the state and redesigning the missions and functions of public administration as well as improving its performance and making it more responsive to the needs of the people, became salient. Flowing from the foregoing, it became a central need to articulate a reform strategy around the general objective of providing quality services to the people in all areas of socio-economic life and making public administration a level of economic growth and development. Laleye concluded that a blueprint for administrative reform was adopted in 2000 for the 2000 – 2010 period and the reform agenda became so crucial that, the Beninno President, BoniYayi had to create a special ministry in charge of administrative and institutional reform.

Laleye's study is in consonance with this study as it identifies issues in public sector reforms in Benin. The snag however is that it fails to address compensation reforms for public sector workers, let alone touching on teachers' compensation regime.

Writing on one of the SSA countries that are touted for being the most shining example in the implementation of public sector reforms – Botswana, Ayeni and Obasi (2011) indicated that the country's approach to development is state-driven, top down, largely bureaucracy-driven, and centralized. Ayeni and Obasi stated that the approach has two distinguishing characteristics that were virtually unknown in other SSA countries until the New Public Management (NPM)-inspired reforms of the 1990s.

One of them is the recognition of the private sector as a key engine of growth. The other is the competence and integrity of the bureaucracy and the leeway it has enjoyed, in spite of its predominantly expatriate composition, especially in the first post-independence decade in playing its professional role.

The researchers further stated that since independence, both the political and administrative leaders in Botswana have demonstrated a commitment to continuously improve public management performance. They conceded that because of the country's good development performance, it did not have to respond to external pressures for the kinds of public service reform measures associated with the structural adjustments implemented in many SSA countries in the 1990s. Ayeni and Obasi noted that Botswana's experience has been influenced by developments in the other regions of the world. According to them, the country has freely borrowed ideas from outside its borders; notably from the developed commonwealth and the newly industrializing Asian countries such as Singapore.

Kariuki and Kiragu (2011), in a study on public sector reforms in Kenya stated that efforts to improve the performance of the civil service have been a continuing activity since the country's independence in 1963. They indicated that the first comprehensive reviews were undertaken in the year of independence, 1963 and thereafter five successive review bodies were set up to among other issues, review civil service remuneration. Kariuki and kiragu acknowledged the role the Ndegwa Commission of 1970 played in terms of the permanence of the structures and systems it introduced in Kenya's civil service. Civil servants were hitherto, (prior to the Ndegwa Commission recommendations) formally allowed to engage in business alongside their public service jobs. The researchers lamented that in spite of the

laudable recommendations made by the commission concerning how the deficiencies in the civil service could be overcome in most of them that were not implemented.

Kiragu and his colleague observed that the civil service got bloated with large numbers of redundant staff and this had a negative effect on the efficiency and productivity in the service. The problem was also compounded by inadequate budgetary resources for operations and maintenance due to huge and rapidly rising personnel emolument costs in the recurrent budgets of ministries and departments. Kariuki and Kiragu (2011) further stated that in 1992 the government took what was seen as a bold step in introducing a fundamental restructuring of the civil service. The first action taken was the preparation in May 1992 of a document titled Kenya Civil Service Reform Programme and Action Plan, which outlined the objectives and coverage of the proposed reforms: to improve the financial viability of the civil service, to reverse the progressive decline in efficiency and productivity and to strengthen its capacity.

Contributing to the discussion on public sector reforms in Africa from the perspective of Sierra Leone, Aaron Hale and Fredline M'Cormack-Hale (2011) stated that state failure and the ensuing civil war in the 1990s had been strong evidence of the country's weak public administration system under the various regimes that ruled Sierra Leone. They intimated that since none of the successive governments was able to promote socio-economic development in the country it is not surprising therefore that public administration reform became one of the priorities in the aftermath of war, when peace and security was restored. The researchers acknowledge, however, that steps to reform state institutions predated the official end of the war and cited that after the election in 1997, the Kabbah government that assumed power launched a

National Strategy for Good Governance which laid out reforms designed to consolidate peace and promote development after the war.

The reform which was funded by a number of donors focused on areas including peace, justice, anti-corruption and police, public financial management, civil service reforms and service delivery, the regulation of the diamond sector, elections and representative institutions, decentralization and local government, media development and strengthening civil society.

Hale and M'Cormack-Hale further stated that the Government Reform Secretariat established in 1999 made civil service reform (CSR) one of its key priorities. The vision of the Kabbaha administration was to end patronage based recruitment and retention, promote a fair and transparent staff selection process and the use of performance-based incentives as criteria for promotion, instead of seniority. Furthermore, the CSR had a component that sought to ensure that salary levels were adequate. Attention to pay reforms was further buttressed by cabinet's approval of a public sector Pay Policy Framework in January 2007. The researchers intimated that the actual implementation results were modest due to funding constraints to increase salaries as well as political obstacles to firing unproductive staff and reducing opportunities to use civil service positions for patronage. The constraints notwithstanding, a few recorded successes were chalked. These included reviews of the performance of government departments and an increase in the capacity of central management and training.

The study by Hale *et al* is related to this study as it touches on pay reforms in Sierra Leone's public sector. The gulf, however, is that aside the geographical location, the study fails to capture the compensation levels and their impact on teachers, which is the focus of this study. Adding a slant to the debate, Lewis,

Kabayiza, Murara (2011) in a study on Rwanda reported that the government has since 1997, implemented far reaching civil service reforms that have transformed the nature of the country's public sector. The reforms were in three phases: in the first phase which spanned between 1997 and 1999, the government underwent rapid downsizing with the dismissal of 6,000 employees who were not adequately qualified. The second phase started in 2002 with the implementation of the decentralization policy and the third phase of the reform commenced in 2007 with the establishment of the Public Service Commission. Marura's expose is relevant to this study as it discusses issues regarding public sector reforms in Rwanda. It, however, falls short of touching on pay reforms. This is the gap the current study seeks to fill by extending the frontiers of public sector compensation reforms and their impact on teacher attrition in Ghana.

Giving an account from the South African point of view, Robert Cameron (2011), stated that the Public Service in "White" South Africa largely provided services to its white constituents, while coloureds and Asians received second class services. Africans were denied citizenship and, as a corollary, received extremely limited services. He pointed out that political negotiations in South Africa in the early 1990s produced a new, democratic system of government. When the African National Congress (ANC) assumed power, it began to transform what had been an apartheid bureaucracy. Cameron intimated that there had been a fundamental transformation from an apartheid-driven bureaucracy into a more democratic public service that put in place citizens first. He specifically mentioned the 1995 White Paper on the Transformation of the Public Service which laid down the national policy framework for the transformation of the public service as well as White Papers issued in the late 1990s. The latter touched on issues such as affirmative action, service delivery and

training. The Presidential Review Commission which was set up by government to evaluate the public service made a number of wide ranging recommendations some of which were implemented. Cameron concluded that the reports laid down the conceptual framework for public sector reform in South Africa. Cameron's study just, like the others is relevant as it dilates on issues on public sector reforms. However, it does not take pay reforms which is the focus of this study.

Writing on public administration system and reform experience from Tanzania, Kiragu and Mutahaba (2011), wrote that at independence, the country, just like many other British colonies, inherited an administrative system whose main functions were maintenance of law and order, provision of basic infrastructure to serve the extractive industry and provision of social services at the very basic level.

They noted that following the attainment of independence, the goals of government had to change to reflect independent statehood as well as meet the expectations of the citizens that were raised during the time of the struggle for independence. Steps were taken by the government to create an administrative system that could meet the above challenges. The first was the Adu Commission in 1961, inaugurated immediately after the country's independence from the British, which resulted in the quick "Africanization" of the service involving replacement of the European public servants with Africans. There were major reviews of the service in the form of the Mamuya and McKinsey Reports which resulted in the Decentralization of Government Administration programme in the mid-1970s.

Kiragu and Mutahaba indicated that in the early 1980s when the country started facing the burden of maintaining a growing public service, it appointed the Kisumu Commission on government restructuring to reduce costs and improve efficiency. Some of the recommendations of the commission which were

implemented included downsizing government merging some ministries, reducing embassies and enhancing self-help schemes in social service provision. This was followed a few years later by the Nsekela (salaries review) Commission of 1985 – 1987, which proposed new salary/compensation scales and introduced new nomenclature in grading and classifying civil servants. The researcher noted that a major review of the Tanzania public service was carried out by a World Bank sponsored team in 1989 when the government requested the donor community to provide assistance in carrying out a civil service reform programme.

Major problems identified by the study conducted by Kiragu and Mutahaba included overstaffing, declines in real wages, extreme wage compression, non-transport pay systems, sub optional organization and management of public service functions, and limited capacity. The study noted that it was only in 1993 that the government with the support of the World Bank embarked on the implementation of a comprehensive programme whose key components covered issues such as organization and efficiency reviews in ministries, pay reform, improvement of personnel controls, retrenchment and redeployment of employees and capacity building. The study further noted that the measures yielded some improvements in efficiency and semblance of cost-containments; they did not lead to improvements in service delivery and thus prompting the government to implement a new public service reform programme in early 2000. The main elements of the 2000 Public Service Reform Programme included rationalisation of the system from managing public servants through the adoption of a new public service management policy and pay reform to ensure that public servants were adequately paid.

Obasi and Otobo (2011), in an expose on public sector reforms in Nigeria stated that the Nigerian civil service has been subjected to three political influences,

namely the colonial, civilian and military. They observed that each of the three influences bequeathed different legacies. They noted the attributes of political neutrality, anonymity and impartiality as one important legacy inherited from the colonial rule. Some of these inherited legacies were not sustained under the military regimes. They cited, for instance, that during the first phase of military intervention in the country, particularly between 1967 and 1975, the top echelons of the civil servants dominated the policy process leading to the virtual loss of the attributes of political neutrality, anonymity and impartiality.

During the period in question, some permanent secretaries were designated as “super permanent secretaries” to underscore their dominant influence in the policy process. This was in sharp contrast with the trend between 1975 and 1979, when the role of civil servants in the policy process became less pronounced. The study further noted that the trend has since continued and attributed it to a number of factors. One of them was the mass dismissal or “purges” of the civil servants in 1975/76 and 1984/85, which made higher civil servants more circumspect and less likely to take a high profile in policy making. Another factor identified by the study was the appointment of special advisers to government with strong technical skills in various disciplines leading to reduction in government’s reliance on civil servants. One other factor was the economic reforms, especially privatization and commercialization of public enterprises, which reduced the opportunities for the appointment of higher civil servants to the boards of parastatals, thus curbing the influence.

Obasi and Otobo (2011) further noted that the size of the Nigeria civil service has grown and contracted in response to political as well as economic factors. To them, the transition from colonial rule to sovereign independence led to the first wave of expansion in the civil service. Whereas colonial rule had focused primarily on the

limited objectives of maintaining law and order and relied partly on traditional rulers for governance in the indirect rule system, the attainment of independence compelled the government to pursue broad socio-economic development objectives. A second contributory factor in the expansion of the civil service was the increased revenue from oil, especially in the 1970s, which enabled the government to fund various programmes and projects, most of which were initially linked to post-civil war efforts of reconstruction, rehabilitation and reconciliation.

The study further noted that the size of the federal civil service grew from less than 30,000 at independence in 1960 to 45, 154 in 1970, leaping to 98,877 in 1974 and to 213,803 in 1988 and peaking in 1990 at 273,392; in mid-1998 the civil service was about 200,000 strong. The contraction in the civil service since the mid-1980s is traceable to the purges in 1984/85 and the retrenchment undertaken in the context of the economic reforms, in particular, the Structural Adjustment Programme (SAP) initiated by the federal government. This was not peculiar to Nigeria as there was a widespread loss of job in the public sector formal employment in many African countries arising from the implementation of the IMF/World Bank adjustment programme (Adamolekun, 2011).

Obasi and Otobo (2011) observed that the Nigerian civil service system has undergone several major reforms that date back to the pre-independence era. They divided the post-independence civil service reforms into three phases: the pre-Udoki, Udoji, and post-Udoji. The public service review commission in the period 1972-1974, (commonly referred to as the Udoji Commission, named after its chairman) was a milestone in the annals of Nigerian civil service because of the wide-ranging nature of its review and recommendations, which extended beyond civil service and encompassed the parastatals, universities, and local modern management (Obasi and

Etubo, 2011:422). The major goal of the Udoji reforms was to introduce modern management technique and culture to the Nigerian civil service. The study indicated that the Udoji Commission was better known for the salary increases it awarded to public servants.

The study intimated that subsequent to the Udoji reforms, two major reform efforts were initiated: the 1988 civil service reforms and the 1994-1995 Review panels on civil service reform-also called the Ayida Panel. The study identified that though the reform was inspired largely by the economic reforms launched two years earlier, a dominant feature of the 1998 civil service reforms was the politicization of the upper echelon of the civil service. For instance, the ministers became chief executives and accounting officers of their ministries. The position of permanent secretary was abolished and replaced by that of the director-general, who was, to all intents and purposes, the deputy minister. The pooling system whereby professionals and administrative officers could move around various ministries was abolished. Instead, each professional officer was expected to spend his or her career in one ministry.

Obasi and Etubo added that the 1994 Review Panel on Civil Service Reform, whose recommendations were implemented incrementally by the government in 1997, reversed most of the changes introduced by the 1988 reforms. The panel, among other issues, made a strong case for upward review of pay and other incentives for civil servants. This recommendation responded to the decline in public service pay brought about by the combined pressures of inflation and devaluation. They cited, for instance, that the salaries of level 17 officers, the highest administrative position below the permanent secretary, had fallen to less than half their 1980 value by 1993.

The Ayida Panel also addressed the issue of federal character and bureaucratic corruption. The federal character principle—a provision in the 1979 constitution—aimed at ensuring that appointments to public service institutions fairly reflect the linguistic, ethnic, religious and geographical diversity of the country. Other notable developments during the post-Udoji reforms took place under the civilian administrations of President Obasanjo (1999-2007), President Yar'Adua (2007-2009), and President Jonathan (2009). The study identified seven key measures adopted during the period under review. The first was related to measures taken to curb corruption and improve public accountability. The second had to do with measures adopted to improve the administrative process, procedures and performance. The third measure bordered on institutions during the reform process through the establishment of the Bureau of Public Service Reform (BPSR) and a National Strategy for Public Service Reform (NSPSR). The NSPSR laid out how the country could achieve a world-class public service by the year 2020.

The fourth measure, a monetization policy was adopted and this consolidated the salaries of public servants and provided them the opportunity to buy government houses. The fifth measure led to the establishment of the Public Service Institute of Nigeria (PSIN) in Abuja to further enhance the capacity of public servants. The sixth was the implementation of a meritocratic principle in the promotion exercise at the directorate level of the civil service—a measure that requires the conduct of examination before promotion. The seventh and the final measure was the adoption of an 8-year tenure policy for directors and permanent secretaries with a view to reducing stagnation and frustration of the professional staff and encouraging their upward mobility (Obasi & Etubo, 2011: 424).

Almost all African leaders see public sector reform as an initiated action to change the existing situation in public policies. Many African leaders and some scholars are of the view that public sector reform starts with the government action and ends with the government. In this light, the notion of public sector reform is seen to be synonymous with the government. In the opinion of Schacter (2000), the position is a wrong notion and conception of public sector reform. To him as corroborated by Omoyefo (2008), the wrong notion has contributed to the failure of the so-called public sector reform. Fatile et al (2010) have observed that though a number of justifications have been made for the reforms across the globe, it is instructive to note that the public-sector reform was not designed to tackle the malfunctioning of the public sector. For them, the reform was neither meant to evolve the blueprint for the infrastructural development of African countries nor to develop the abundant human resources of the continent. It was only an accidental policy by the World Bank and the United Nations Development Programme (UNDP) to protect their loans and credit facilities granted to the African states. They were of the view that since international agencies have imposed public sector reform on the African leaders, governments should not be seen as “Father Christmas” rendering selfless services to the people. Rather, governments should be seen as creating wealth-like, profit-making organizations. To this end African leaders should see public sector reform as commercialization of all state-owned enterprises, so as to make profit. Consequently, every sector of the economy is commercialized: health, education, electricity, agriculture and many more are all commercialised in Africa, whereas these same services are heavily subsidised in the developed countries (Omoyefo, 2008).

Fatile et al, agree with the World Bank that the major contributory factor to the failure of most public-sector reform efforts has been the “technocratic” approach

taken by donors. For too long, donors have treated the public-sector reform as an “engineering” problem—a phenomenon to be addressed through “blueprint” or “textbook” solutions. The researchers criticised the assumption that public sector reform problems and their solutions could be fully specified in advance and that projects could be fully defined at the outset and implemented on a predictable timetable, over a fixed period of time. They further stated that perhaps the most easily overlooked lesson about the public-sector reform is that it takes a long time to achieve fundamental reform in a public sector. According to their experience of the advanced world is enough to illustrate the point. They stated that it took centuries for the industrialised countries today to develop reasonably, effective public institutions. Citing Great Britain as an example, they mentioned that it was only in 1885 that a series of reforms was launched aimed at constructing a merit-based civil service shaped by rule of law to replace the patronage system. This reform lasted for 30 years. The stark truth about public sector reform is that, we know much more about it than it has not worked in the past and it is more unlikely to work in the future (Fatile et al, 2010).

It is widely accepted and a lot of literature supports the claim that adequate pay is crucial to sustaining motivation, performance and integrity of public servants. There is a lot of evidence from across the globe that government workers either cut back their productivity or hours of work when salaries are low. Productivity reduces greatly as compensation dips. Studies have shown that low salary levels result in absenteeism, tardiness, alternative employment, rent seeking and low productivity. According to Kiragu and Mukandala (2003), a World Bank survey on Africa observed that as government compensation falls, both in absolute terms and relative to alternative remunerative activities, civil servants adjust to the new situation. The

survey indicates that turnover rates and absenteeism increase; moonlighting and day lighting become most common.

Kiggundu Moses, in a related study observed that in Africa, where most governments do not pay minimum wage to their employees, remuneration is so low and thus leading to institutionalised corruption, laxity and indiscipline. He is of the view that changes in the compensation levels can only work if they are part of a package to reform the public servants conduct. The researcher argued that in virtually every country, poor remuneration and its impact are not uniform across the public service. He noted that it is the unskilled and semi-skilled low-grade personnel who are often relatively less adversely affected by poor remuneration than senior, better skilled and higher-graded colleagues.

Kiggundu indicated in his studies that in the Latin America and Caribbean (LAC), low salaries have been the main determinant to the recruitment and retention of highly qualified and motivated employees, especially among the professional and management ranks. He observed that in many developing countries the adjustments in public service pay have entailed compression of the salary structure leading to general increases in lower salary grades at the expense of those in higher grades resulting in reduction in the difference between the highest and the lowest paid job groups in the public service. Kiggundu noted that in some developing countries, salary compression increased considerably as a result of a combination of factors including trade union negotiation and equity concerns. He stated that the consequences make attraction and retention of high-level staff in the public service difficult.

Kiggundu pointed out that pay reform has been an important issue in public service management throughout the world over the past several decades. He maintained that compensation has been a significant feature of human resource

management, a factor which is most crucial in the delivery of a good number of public services. According to him, public service and compensation reform came to the fore in virtually every aspect of the policy agenda in the 1970s and 1980s, when most governments were confronted with economic crisis and its attendant deterioration in service delivery. The fiscal crisis and weak government capacity led to the introduction of public sector employment and compensation reforms as part of the structural adjustment and technical assistance programme with support from the World Bank in developing countries. The researcher concluded that in spite of the enormous concern and efforts discussed above, poor remuneration has remained a significant feature of most public services.

It is instructive to note that in spite of the reforms, many countries in the continent, especially in sub-Saharan countries like Zimbabwe, Kenya, Nigeria, the Central African Republic and South Africa continue to experience massive teacher attrition. The president of the Gambian Teachers' Union reported of a massive exit of teachers from the profession due to factors including lack of adequate salaries, allowances, housing and promotion (Kabungaidze and Mahltshana, 2013). In the year 2000, Zimbabwe lost 4,000 newly-qualified teachers who quit the job for greener pastures. About 4, 000 South African teachers left the country for greener financial pastures in Britain since 1994 as British agencies poach South Africans to address the severe teacher shortage in the country. Concerns about teacher shortages in South Africa are articulated strongly by government officials. For instance, the Minister of Education in a speech before parliament to support the World Teachers' Day in 2002 appealed to students to study to become teachers and assured them not to fear the retrenchments and further instability in respect of appointments following the termination of agreement on rationalization and redeployment. Repeating this appeal,

the Minister, in an address on releasing Senior Certificate results in 2002, urged students to take up careers in the teaching profession (Kabungaidze & Mahltshana, 2013).

The fact that qualified, effective and quality teachers play a very fundamental role in the success of the entire education system and in particular the learners in this case, pupils and students is undisputable. In a study on factors that keep teachers in the teaching profession, Kavenuke (2013) noted that studies by many researchers came up with a consensus that the single most pertinent factor in improving students' achievement is the effectiveness and quality of the teacher. Arguably though, the researcher asserted that quality of teachers matters for quality teaching and learning. If this assertion is anything to go by, then, the high attrition of teachers should be very disturbing. In spite of the fact that teacher's tendency of leaving teaching is frustrating, the education stakeholders the world over, MetLife Foundation Issue Brief (2008) is of the view that teacher attrition may and probably should not be noted to be bad all the time. For the Foundation, teacher attrition is bad if and only if they are qualified, effective and have quality. If they are unprofessionally trained teachers who in most cases become incompetent teachers who leave teaching, then this attrition is not necessarily bad. This is because unqualified, ineffective, mediocre and underperforming teachers in whatever way do not effectuate students' performance and achievement.

Kavenuke (2013) found that young teachers who do not have adequate experience in the teaching profession are deemed most likely to leave for various reasons. The oldest and most experienced ones are the lowest probability of leaving teaching unless they reach the retirement age. This position is corroborated by findings of numerous studies conducted on the topic. Mfuame (2012) for instance,

observed that the youngest and least experienced teachers are more likely to leave teaching due largely to the fact that they have nothing to lose in terms of fringe benefits including pension given to them for the length of time spent in serving the profession in case they are terminated. The old age teachers mostly stay in the profession and remain committed to the work for the purposes of waiting for their pension. The attrition rate of the old age seems to be therefore very natural for the simple reason that the group is near retirement than their young counterparts. Cooper and Alvarado (2006) also admit that to some extent teacher shortages exist for the simple reason that young graduates from teacher education universities and colleges do not enter teaching or a significant percentage of those who enter quit the job within a short period usually within the first three to five years. Other related studies have established that attrition rate of female teachers is higher than males. The reasons for this are in most cases family-related.

Touching on effective strategies to combat the phenomenon, Kavenuke (2013), suggested that the running of in-service and continuous professional development programmes to teachers will be appropriate to help stem the tide. He pointed out, however, that those training programmes equip teachers with generic human capital that makes it possible for them to update and upgrade their knowledge and as they are exposed to a greater amount of experiences, they are more likely to leave for reasons other than retirement.

This issue in the discussion is of immense significance to this study because it addresses the core of the issue under consideration, public sector compensation reform in developing countries. It traces the origins of the public-sector reforms with emphasis on compensation reform. It also dilates on some of the causes of teacher attrition and even seeks to offer some suggestions regarding how the incidence can be

reduced. The large volume of literature reviewed notwithstanding, not much is known about the actual causes of teacher attrition in Ghana. This study therefore, attempts to address the issue of the causes of teacher attrition in Ghana which are the gaps in the literature.

Though a number of studies have been conducted on the question of employee attrition in the West African sub-region and abroad, no academic research has been conducted on the causes of teacher attrition in Ghana. There, however, exists a limited amount of academic research conducted on compensation and motivation in Ghana's public sector. This includes M. Phil thesis submitted to the University of Ghana, Legon by Aggrey-Darkoh and Adupaku in 2001 and 2006 respectively. Adupaku's (2006) *Motivation in the Public Service in Ghana: A Case Study of the Ghana Education Service* examined motivation in Ghana Education Service with a focus on teachers, while Aggrey-Darkoh's (2001) *Wages and Salary Policies and Productivity in the Public Sector in Ghana: The Case of the Graphic Corporation, 1983-1998* investigated the compensation regime in the country's public sector. It is significant to note that none of the studies investigated the attrition intentions of teachers in Ghana. The causes of teacher attrition in Ghana therefore remains under researched and poorly understood. The situation thus, creates a knowledge gap and makes it difficult to find solutions to stem the tide of mass exodus of graduate teachers from the teaching profession in Ghana. The current study, therefore, becomes very relevant as it seeks to fill that gaping gap by extending the discussion further to examine the impact of public sector compensation reform on teacher attrition in Ghana.

2.5 Conclusion

The chapter has discussed a range of issues related to the study. First, it discussed theories that border on attrition and compensation including the equity

theory which is the main theory used to guide the study. Besides that, the chapter has also extensively reviewed literature on public sector reforms in the developed and developing countries outside Africa as well as public sector reforms in Africa. It has traced the origin of public sector reform, its dimensions, motives, waves and general characteristics. The chapter has also focused attention on the question of attrition in general including types, causes and consequences and the issue of teacher attrition which is the main stay of the study.



CHAPTER THREE

PUBLIC SECTOR COMPENSATION REFORMS IN GHANA

3.1 Introduction

This chapter presents a comprehensive account of public sector compensation reforms in Ghana since the country's independence. It takes a closer look at the various bodies established by the state to identify the problems inherent in the country's public sector compensation regime and advise the government on ways to correct the anomalies so identified. It also discusses the implementation strategies adopted by governments and the problems encountered in the implementation of the salary regimes. This study discusses public sector reforms in Ghana with particular emphasis on public sector compensation reforms and on the attrition intentions of graduate teachers. The various compensation reforms implemented by the government were aimed at making the public sector attractive to qualified personnel who are better motivated to deliver efficient services. In spite of this laudable goal, many of the salary reform programmes end up in distorting the public-sector salary structure and thereby making the personnel worse affected, particularly the staff of the Ghana Education Service (GES) migrate to other sectors where they perceive the pastures to be greener, hence the continuous attrition of teachers in the country.

3.2 Studies of public sector reforms in Ghana

Ghana attained an enviable accolade at the time of independence in 1957, by inheriting and maintaining one of the best and most efficient post-colonial public service. The public service had developed the art of serving and maintaining law and order for a newly independent country (Wereko, 2009). Most unfortunately however, this lustre did not last long. According to Brako (2003), barely two decades after

independence, the country's public service had atrophied and there was the urgent need to inject effective measures to rejuvenate it. In the opinion of Wereko (2009), this culminated in the public-sector reforms in Ghana which included among others the Economic Recovery Programme (ERP) and Structural Adjustment Programme (SAP) in 1983. The ultimate objectives of the Public-Sector Reforms (PSR) were to attain and sustain a specified growth rate; reduce prevailing high rate of inflation; improve the management of natural resources; develop the public sector and enhance its capacity to achieve strategic development objectives; and substantially improve the living standards of the people.

Graham (1990) and Haque (2001) attribute the inability of the public sector to perform effectively to a miscellany of factors including the accumulation of excessive power, lack of accountability and representation, indifference towards public needs and demands, official secrecy and inaccessibility, and the role in depoliticizing the public sphere. In the view of Fiszbein (2000), this ineffectiveness, coupled with the economic crises of the late 1970s and 1980s, and apparent lessons from international experience of the success of market-friendly economies, have combined to produce, what some have referred to, as the 'redefinition of the role of the state or public sector'. The redefinition of the role of the state or the public sector and the need to overhaul administrative systems and rejuvenate public organisations in both developed and developing countries cannot be over-emphasised:

In view of the foregoing, Wereko (2009) was of the opinion that when the capacity of the public sector to manage the economy and to deliver public services is weak, the prospects for development are correspondingly poor. In this light, when it becomes imperative that failure of the public bureaucracy to deliver acceptable levels of service occurs, it should provoke reforms to reverse the situation in the interest of

national development. Public sector-wide reforms have been characteristic of economic policy since the World Bank recommended ERP/SAP in the 1980s, which aimed at downsizing the “over bloated” public service, reducing the size of government, reduction of budget deficits and improving efficiency and effectiveness in services and output in all government institutions (Wereko, 2009). In Africa and other developing countries, the need to reform the public sector has generally been regarded as pivotal to promoting socio-economic development.

In many countries, the world over, the distinction between the Civil Service and the Public Service is blurred and perhaps in no country is the confusion more pronounced than in Ghana. Quartey (2007), is of the view that the confusion seems to be the cue for many researchers to use the terms “public service” and “civil service” interchangeably as the lines distinguishing one from the other have become increasingly blurred, and also newer and more autonomous organizational forms have emerged within government. In the academic literature, there is no standard definition of civil service, with variations in terms of functional category or employment, as well as employment and control arrangements. The World Bank has followed the general practice in defining the civil service to cover government employees in central government only in general administrative tasks. This excludes the military, but also teachers, health workers and judges (World Bank/ IEG, 2008). Adamolekun (1999) noted that within the Commonwealth of Nations, the term civil service is often used synonymously with government. It refers to the body of permanent officials appointed to assist the political executive in formulating and implementing policies. It also refers to the ministries, departments and agencies within which specific aspects of government works are carried out. The Ghana Civil Service is one institution which is closest to the elected government and may rightly be said to be the secretariat of the

executive branch of government. The service comprises services in the Civil Service Offices of Government in both central and local government. Its objectives are accomplished through advising on government plan, undertaking research for effective formulation and implementation of government policies and programmes for the development of the country. The public service is broader in scope than the civil service. It consists of governments and all publicly controlled and publicly funded agencies, enterprises and other entities that deliver public programmes, goods or services, including the civil service itself.

Todaro (2000) defines the public sector, which is a wider concept than the public service in the context of the economy as:

That portion of an economy whose activities (economic and non-economic) are under the control and direction of the state. The state owns all resources in the sector and uses them to achieve whatever goals it may have- for example, to maximize the well-being of society as a whole.

Viewed in the context of administrative system of a country, the term public sector, in the view of Wereko (2009), is used to denote the entire executive machinery of government-the public bureaucracy, responds to politically defined priorities within constitutional framework. The sector comprises a number of institutions to make and implement decisions with regard to interests of various kinds. Its basic function is to provide goods and services to citizens based on the 'realization and representation of public interests and its possession of unique public qualities compared to business management (Haque, 2001). In Ghana, the public sector is defined to include the public or state owned enterprises, the fifteen (15) public services created by the Constitution, namely Civil, Judicial, Parliamentary, Local Government, Police, Fire, Prisons, Health, Statistical, Audit, Immigration and Legal services as well as the

Ghana Revenue Authority which comprises the Customs, Excise and Preventive; Value Added Tax and the Internal Revenue services. Also included are the Army, Navy, Air Force, the public universities, as well as the state-owned corporations (Wereko, 2009; Republic of Ghana, 1992).

Numerous studies have been made by researchers on public sector reforms in Ghana. One of such researches was conducted by Wereko, who pointed out that the term “public sector reforms” is used in a broader connotation and intended to help achieve accelerated economic, socio-cultural and political (including administrative) development of a country, with the object of attaining and sustaining a specified growth rate, reducing prevailing high rates of inflation, improving the management of natural and human resources, developing the public sector and enhancing its capacity to attain strategic development objectives and substantially improving the living standards of the people. He noted that public sector reforms have been the characteristic of economic policy since the World Bank (WB) influenced Economic Recovery Programme (ERP) and Structural Adjustment Programmes of the 1980s, which aimed at radically downsizing the civil service, reducing the size of government, reducing budget deficits, reforming subvented agencies and creating conditions favourable for private sector development. He identified the scope of such reforms to include the public services, the civil service, local government and public enterprises.

Tracing the evolution of public sector reforms in Ghana, Wereko reviewed about twenty-five public policy documents, which capture events, committee reports and plans of national importance dating back to between 1949 and 2006, and on that basis grouped the reforms into three broad periods namely-first, second and third generation reforms. In his view, the first generation reforms in Ghana’s public sector

spanned between 1949 and 1966, and dealt with critical policy decisions and activities needed to achieve and consolidate national independence. He cited the R. H. Saloway Select Committee on Africanization as a major milestone towards self-government as it sought to staff the civil service with Africans in preparation for the event. Wereko also mentioned, among other documents, the Watson Commission and the Coussey Constitutional Committee reports which sought to strengthen and prepare the civil service to manage internal self-government; the Lidbury Commission Report of the Gold Coast, which was the first attempt to restructure and improve the performance of the civil service; the New Charter for the civil service of the 1960, which sought to remove the last vestiges of the colonial civil service and replaced it with a completely Africanized civil service; the 1960 Republic Constitution, and the Civil Service Act of 1960, all of which were introduced to strengthen the capacity of the public bureaucracy. The second-generation reforms as per Wereko's classification started from the overthrow of the Nkrumah regime in 1967 and ended in 1980. According to Wereko, four main reforms were undertaken during the period. These were the J.G.C. Mills-Odoi Commission on the Structure and Remuneration of the Public Service; the Two-Year Development Plan, launched by the National Liberation Council (NLC); The E. K. Okoh Commission on the Structure and Procedures of the Ghana Civil Service and the Five-Year Development Plan (1977), during which the creation of the slogans "Operation Feed Yourself" and "Operation Feed Your Industries" gained currency.

Wereko's third generation reforms which spanned 1983 to 2006 was literally imposed on the country as a condition by the World Bank and the International Monetary Fund. He stated that beside the radical elimination of price controls, exchange rate and import licensing, as well as reduction of budget deficits and the

creation of the environment for growth imposed by the Economic Recovery Programme/Structural Adjustment Programme (ERP/SAP), there were other attendant reforms like the Civil Service Reform Programme (CSRP), National Institutional Renewal Programme (NIRP) and the Civil Service Performance Improvement Programme (CSPIP), all of which sought to radically “rightsize” the civil service and decentralize structures to make it more effective and capable of bringing much improvement in the management of the economy. Much as Wereko’s studies bear relevance to the research topic, it fails to capture reforms in the public sector pay regime, which this study seeks to do.

In his expose on public administration and reform experience in Ghana, Ayee (2011), indicated that a discussion of the salient features of the public administration system (PAS) in Ghana will have to highlight the economic programme put in place and its implications for PAS. He recounted the dismal performance of the country’s economy before 1983 and the negative impact it made on morale, motivation and productivity in the public sector and stated that the Structural Adjustment Programme (SAP) was introduced by the PNDC government to arrest and reverse the economic crisis and inject some reforms in the PAS to make it more efficient and effective.

Ayee mentioned the NIRP as one of the key pillars upon which the post 1983 public sector reforms in Ghana was built. The NIRP, according to him, was a programme for capacity building under good governance and it aimed at encouraging institutions under the three organs of government and the autonomous institutions listed under the constitution to discharge their functions in a transparent, competent, accountable and cost-effective fashion. The object was to create an enabling environment for accelerated growth and equitable social development.

Ayee (2011) indicated that the government of the New Patriotic Party (NPP) when it assumed office in the year 2001, identified the public services as the critical weak link in the delivery of the nation's development and consequently created a Ministry of Public Sector Reforms (MPSR) to provide an institutional home for all public-sector reforms with the responsibility for monitoring and evaluating the progress of reforms across the public sector. He identified a number of debilitating factors to the performance of the civil service in Ghana. They include substantial overstaffing especially at the junior levels, deterioration of real salaries and wages plus a high degree of wage compression, lack of morale or motivation-incentive problems; inability of major institutions involved in civil service management to provide policy guidance, direction and supervision to sectorial or departmental units; over-centralization and over-concentration of powers and functions at the national level; poor physical work environment and poor facilities as well as obsolete and rigid rules and regulations resulting from an out-dated Civil Service Act. Ayee stated that successive reforms have been introduced to tackle these problems. He, however, observed that for various reasons, previous attempts to effectively reform the civil service were cosmetic, and most of the recommendations by various commissions and committees were either shelved or only partially implemented.

Discussion of bodies formed by governments the years over to review public sector salaries in Ghana is of relevance here since it forms an essential component of the overall public sector reform agenda. The implementation of various recommendations made by the numerous salary review bodies notwithstanding, teachers continue to quit the profession in droves to seek greener pastures in most cases within the same public sector. If salary is the main cause of the teacher attrition in the country, then what goes wrong in the formulation and implementation of those

salary review programmes? If the staff of a particular sector identifies some inequalities in the salary structure, then they will automatically quit the worse affected sector and join the better placed sector. This study seeks to identify the actual causes of teacher attrition in Ghana in spite of the numerous public sector reforms undertaken by the successive governments in Ghana to make some recommendations for redress.

3.2.1 Public sector compensation reforms in Ghana

As part of public service reforms in Ghana, successive governments have since 1967 set up various committees and commissions to among other issues examine and review disparities, distortions and anomalies inherent in the compensation system in the public sector (Republic of Ghana, 1983). Between 1967 and 2010, a period of forty-three years, successive governments have set up seven such major salary review bodies. These are the Mills-Odoi Commission, set up in 1967; the Issifu-Ali Committee established in 1973; the Azu-Crabbe Commission of 1979; the National Committee for Wage and Salary Rationalization instituted in 1983; the Gyampoh Salary Review Committee, inaugurated in 1992; the Price Waterhouse and Associates established in 1997, and the last but not the least, the Fair Wages and Salaries Commission, created in 2007 (Republic of Ghana, 1967; Republic of Ghana, 1974; Republic of Ghana, 1976; Republic of Ghana, 1993; Aggrey-Darkoh, 2001; Adapaku, 2006). The overall objectives of the salary review commissions and committees had been to craft salary structures for the public services that will improve efficiency and economy in administration and secure the elimination of waste. It is appropriate to take a closer look at the reports of the various bodies at this stage.

3.2.2 The Mills-Odoi salary review commission (1967-1972)

The Mills-Odoi Salary Review Commission was set up in January 1967 by the National Liberation Council (NLC). The Commission was to, among others issues, consider and make recommendations on certain matters concerning the structure and remuneration of the public service (Republic of Ghana, 1967) and examine the salary proposals for the removal of any such disparity, taking into account the job classification and the qualification required for the establishment of parity in the emolument of public officials (Republic of Ghana, 1993). Regarding remuneration and conditions of service, the commission sought to investigate the following:

- i. The remuneration and conditions of service of all grades of the public services and to recommend what changes may be necessary therein;
- ii. The need to establish permanent machinery for ensuring that the remuneration in the different sectors of the economy are kept in proper balance and to make recommendations therein; and
- iii. The relations to be established between the public services and statutory corporations and the public services and trade unions, paying particular attention to the principles governing relative levels of remuneration (Republic of Ghana, 1967).

The commission made a number of findings after the study. First, it identified that the wages and salaries of public boards and corporations were generally higher than those in the private sector and the civil service. It also established that the improvements in the civil service salary rates should not justify further increases in salary rates of the public corporations and the private sector. The commission further found that the earning trend was skewed in favour of the private sector, indicating a

dwindling in the public officials' share of the national cake (Republic of Ghana, 1967).

The Mills-Odoi Commission made far reaching recommendations. These included the establishment of a permanent body to be called the Public Service Salary and Wages Commission (PSSWC), whose main responsibility was to advise government on the determination of salaries and wages and other conditions of service in the public services. The commission also recommended a new salary structure to take care of the employees of the public sector to bridge the gap between remunerations of public sector employee (Republic of Ghana, 1967). The commission in addition called for the consolidation of all non-taxable allowances into one non-taxable allowance to stem the tide of proliferation of allowances in the public service. Another recommendation made by the commission was for the establishment of an industrial court to act as the supreme and final authority on matters in disputes. It was also to ensure that personnel in the public services including the civil service would be governed by standard practices in appointment, recruitment, advancement and discipline as a means of introducing parity in remuneration and condition of service (Republic of Ghana, 1967). In addition, the commission suggested the introduction of uniform rules and regulations relating to retiring benefits, which should be applicable to all public servants.

Though the NLC government set up administrative machinery called the Office of Government Machinery (OGM) after receiving the Commission's report, not much was done to implement the recommendations. Public sector salaries were increased however, the basic problem of distortions and disparities in salaries still persisted. Aggrey-Darkoh (2001) held the opinion that one factor that could possibly explain the partial implementation of the recommendations was that the report was submitted at

the time the NLC government was busily preparing to return the country to a constitutional rule. According to him, this perhaps overshadowed the implementation of the Mills-Odoi recommendations, and as a result most of them were left for the Progress Party (PP) government to implement.

The Progress Party government, just like its predecessor, could not also do any serious work to implement the recommendations. The non-implementation led to the gross disappointment expressed by civil servants culminating in the formation of the Civil Servants Association of Ghana (CSAG), which staged a series of demonstrations and strikes to register their repulsion with regard to the commission's recommendations on salary, stating that the cost fell below their expectations (Civil Service Association, 1992).

It is important to note that disparities in remuneration usually trigger intra-public sector shifts and migration from the public to private sector institutions. It is also very disappointing to note that the first ever attempt by the government of Ghana to formulate a comprehensive public sector salary policy was implemented with a rather lackadaisical attitude and, thus failing to address the very issue the body was set up to deal with. The problem of disparities and distortions inherent in the public-sector compensation structure which the Mills-Odoi Commissions Report failed to address due to government's lackadaisical attitude has continually bedeviled the public pay regime even up to the present time, causing dissatisfaction among staff, many of whom have led nomadic life hunting for jobs whose compensation package is relatively better. The need arose for a new body to be formed to advise the government to once again, tackle this age-long problem head on so as to stem the tide of intra-public sector shifts and migration into the private sector.

3.2.3 The Issifu Ali Committee

To address the concerns of the public-sector workers, especially regarding the issues of salary distortions and disparities, the National Redemption Council (NRC) which later metamorphosed into the Supreme Military Council (SMC), set up the Issifu Ali Committee on 10th August 1973. This was after the council had taken over the country's administration from the PP government in a military coup d'état. The Committee was tasked to investigate the remuneration and conditions of service of all grades of personnel in the public services and also to investigate the means of bridging the gap between the lower and higher income groups. It was also to take into account the impact of the cost of living on levels of income in the country and make appropriate recommendations to the government (Republic of Ghana, 1974).

It is very interesting to note that the Committee found out that people left the civil service, particularly the professional grades to work in the public boards and corporations to perform similar functions, obviously for better remuneration (Republic of Ghana, 1974). Consequently, it recommended that the salaries of principal secretaries in the civil service were to be raised to be at par with managing directors of public boards and corporations. Closely allied to that, the Committee recommended that positions requiring qualification and work load as those in the public services were to be remunerated about the same. The Committee further recommended that workers ought to be adequately compensated to offset any effect of inflation that is, reversing the trend in falling real minimum wages due to inflation. In line with the above, the Committee recommended changes in salary levels, thus improving upon the Mills-Odoi salary structure and levels. The Committee also recommended for the abolition of the existing grading system because of the imbalances in salaries inherent in it (Republic of Ghana, 1974). The Issifu Ali

Committee made a number of outstanding recommendations which marked a departure from those made by the Mills-Odoi Commission. One of them was to the effect that the Prices and Incomes Board (PIB) be charged with the responsibility of implementing the recommendations therein (Republic of Ghana, 1974). Another novel recommendation made concerned the provision of subsidized meals, transport services and comprehensive housing schemes. Also, unique from the previous Mills-Odoi report was the recommendation for the compression of the salary structure by suggesting higher increases for the lower income group in relation to the higher income group. Upon the receipt of the Committee's report, the NRC government implemented most of the recommendations made by the Committee. First, the daily minimum wage was raised to $\text{¢}2.00$ as against the $\text{¢}1.80$ recommended by the Committee which the government considered to be inadequate to cushion workers against the economic challenges.

Second, the government approved the Committee's recommendation to remove the income disparity between civil servants and their counterparts in the public corporations. Aggrey-Darkoh (2001) noted that the move was to stem the tide of experienced staff from the civil service exiting to work in the corporations and the private sector. Other recommendations such as the introduction of subsidized meals, transport and housing allowances; the new enhanced salary schedules of salary ranges for the public sector as well as the recommendation for higher increases in the salaries for the lower income group as a way of bridging the gap between the highest paid and the lowest paid workers which paved the way for the compression of salaries were equally accepted and implemented by the government.

Aggrey-Darko further noted that the implementation of the recommendation to increase highly the salaries of the lowest income earners as a means of bridging the

income gap between them and the highest paid salary earners became a disincentive to senior and executive personnel as it led to serious distortions. According to him, during the period of implementation of the Issifu Ali Committee's recommendations, the country's export plummeted as inflation hiked thus eroding the purchasing power of workers. Instead of the government finding a real solution to the economic quagmire the country had been plunged into, it resorted to anti-labour practices such as arbitrary salary reduction, retrenchment of workers, sending of workers on long periods of leave without pay and loss of employment benefits.

The situation provoked a storm of protest from the labour front. Industrial strikes were rife and even utility service providers like the Electricity Corporation of Ghana (now Electricity Company of Ghana) did not pity their numerous consumers when they withdrew their services by staging a 10-day nation-wide strike in 1978. The Civil Servant Association of Ghana (CSAG) also joined the fray by embarking upon an industrial action which nearly paralysed the government machinery. The precarious state of affairs and the absence of industrial peace fueled by a string of strikes compelled the government to set up yet another salary review body, the Azu-Crabbe Commission.

The second attempt by the government to solve the problem of salary disparities again suffered a setback as it failed to correct the anomalies inherent in the country's public sector salary regime. The spontaneous reaction by labour unions in the country, including the teacher union, the GNAT, led to the formation of yet another salary review body to look into the issue again and advise the government.

3.2.4 The Azu-Crabbe Commission (1979-1983)

The Azu-Crabbe Commission, the third salary review body in the country, was set up in February 1979 by the Supreme Military Council (SMC II), a government

formed after the overthrow of the Acheampong led SMC I. Like the other previous salary review bodies, the Azu-Crabbe Commission was commissioned to investigate issues regarding the remuneration and conditions of service of all grades of personnel in the public service including the civil service (Republic of Ghana, 1993). The Commission was to take into consideration job classification of the International Labour Organization (ILO) as the basis for the determination of jobs and their respective remuneration relativities (Aggrey-Darkoh, 2001).

The Commission recommended among other issues, the use of cost of living as a basis for fixing wages so as to reduce corruption, increase productivity and attract and retain the best brains in the public service. It also recommended the adoption of government approved salary and wage range structure by all government establishments when negotiating for revision in salaries. The Commission further recommended the consolidation of allowances into the basic salary levels as pay supplement. The Azu-Crabbe Commission recommended a new salary and wage structure and general salary increase levels of between 15 and 20 percent of gross incomes (Aggrey-Darkoh, 2001).

Notwithstanding the laudable recommendations made by the body, very little was done by the government to implement them. It is worthy of note that between 1979 when the Azu-Crabbe Commission was set up and 1983, when a similar salary review was established, the country witnessed a turbulent political climate. The military junta that formed the SMC II government in 1978 was overthrown and replaced by another military junta, the Armed Forces Revolutionary Council (AFRC). In 1979, the AFRC was replaced by a constitutionally elected People's National Party (PNP) government. In December 1981, the PNP administration was toppled in a military coup d'état and its stead taken by the Provisional National Defence Council

(PNDC). The political instability witnessed during the period perhaps explains the failure of the Azu-Crabbe Commission's recommendation from seeing the light of day.

Once again, the laudable objective of the government to take measures to remedy the problem of disparities and distortions in the country's public compensation system failed to materialize. The government during whose regime the body was set up was short-lived. The failure could partly be attributable to this. Also, the government that succeeded the SMC II never bothered to do anything about the problem, which lingered on for some time until 1983 when a new body was established.

3.2.5 National Committee for Wage and Salary Rationalization (1983-1987)

The Provisional National Defence Council (PNDC) government assumed political office in 1982, when the country had still not recovered from the economic malaise that hit it since the 1970s. The economy lapsed into serious crisis in the 1980s as inflation soared reaching triple digits in some years. During the period, production in all sectors of the country's economic life declined and as a result real export earnings dropped by approximately 52 percent, while real wages also dipped by over 80 percent (Aggrey-Darkoh, 2001). The PNDC government was compelled by this calamitous economic decline to seek financial support from the International Monetary Fund (IMF) and the World Bank (WB) to resuscitate the economy. This, according to Brako (2003), led to the implementation of the Economic Recovery Programme (ERP) and later structural adjustment programme (SAP).

Killick (2010), noted that as part of the implementation of the ERP/SAP, there were moves to reform public sector wages, public utility pricing and subsidies. In an

effort to improve the standard of living of the entire citizenry and the public-sector workers in particular, the government set up the National Committee for Wage and Salary Rationalization (NCWSR) in 1983. The body was to compile all relevant data on job classification, both local and foreign; evaluate the content of jobs and their respective ratings; submit all other relevant criteria to be used in determining the rationalization system of remuneration and entitlements; and to develop guidelines for a rationalized salary and allowances that express the principle of “each according to his ability and for each according to his work” (Republic of Ghana, 1993). The Committee recommended the classification of top post in the public service; consolidation of salaries, a retreat from a policy of wage compression; and also to the effect that productivity increases ought to be the basis for salary increases.

The implementation of the above recommendations created mixed emotions among workers thus sparking off pockets of labour agitations. It was amidst this hostile industrial milieu that government set up yet another salary review body, the Gyampoh Commission.

The usual failure of the government to tackle the problem of distortions and disparities in the public-sector compensation regime reared its ugly head again. Public sector employees continued to register their protests. During all this period the migration from the public sector to the private sector prevailed and in the milieu, teachers cannot be ruled out.

3.2.6 The Gyampoh Salary Review Commission (1993-1997)

The spate of industrial unrest that characterized the country’s labour front between 1983 and 1992 following distortions and inequalities in salary levels as well as the dwindling purchasing power of the worker haunted and moved the PNDC government to set up the Gyampoh Commission in February 1992. The chronic

problem of distortions and disparities that had bedeviled the compensation system in the public sector had worsened the sufferings of the Ghanaian worker because of the consolidation of salaries based on the recommendation of the National Committee for Wage and Salary Rationalization (NCWSR). The Gyampoh Commission was set up to find a lasting solution to this age old problem so its terms of reference were not diametrically different from those of its predecessor bodies. It was to investigate the remuneration and conditions of service of all grades of personnel in the public service including the civil service. It was also to examine, in particular, the differentials and relativities within the public service following the implementation of the consolidation concept and make recommendations for both horizontal/vertical adjustments of salaries and wages. In addition, the Commission was to determine the relations to be established between the unionized and non-unionized sectors of the public service (Republic of Ghana, 1993).

The Gyampoh Commission found that the consolidation of salaries to include only lunch, leave, transport and housing/rent was relatively limited for civil servants; and that allowances consolidated differed in number and in rates between the Civil Service and the Universities and other analogous institutions resulting in two different salary regimes (Republic of Ghana, 1994). Adupaku (2006) stated that the Commission again found that the Civil Service Negotiating Machinery (CSNM), which consisted of representatives of the civil servants and the government, other professional bodies with the civil service, principally those in the Ministry of Health negotiated separately for additional improvement in salary and other conditions of service exclusively for their members.

The Commission made quite a number of recommendations some of which are listed below:

- i. Salaries and other conditions of service of top managerial staff of public sector institutions should not be dependent upon negotiations, but should be separately negotiated in order to avoid conflict of interest.
- ii. A vigorous policy phased improvement in salaries for all grades in the civil service and subvented organizations whose salaries are at par with equivalent grades in the civil service and do not have Collective Bargaining Agreements (CBAs).
- iii. The review of the various reimbursable and compensation allowances, which include overnight allowances, fuel allowance, vehicle maintenance allowance, per diem allowance, among others.
- iv. The resolution of the age-old phenomenon within the context of a comprehensive job evaluation exercise.
- v. To adjust upwards the salaries by 20 percent for the civil service and other subverted organizations.
- vi. As from January 1995, all organizations within the public and civil service with CBAs will have 2-year duration and negotiations should commence and end before the commencement of the budget year in which the new agreement will be implemented.

The government in a white paper issued on 13th January 1994, accepted almost all the recommendations made by the commission and consequently granted the payment of the 20 percent salary increases, responsibility allowances and ordered the payment of ex-gratia awards to pupil teachers. The recommendation on the need to review the

various reimbursable and compensating allowances, including overnight, vehicle, fuel, risk and height, warm clothing, per diem and funeral allowance was also accepted by the government.

The Commission's recommendations were not quite different from those of the earlier bodies, and in spite of the granting of salary increases to the public-sector workers, it failed to live up to the expectation of the Ghanaian labour. Rather than addressing the age-old concerns of workers, the implementation of the Gyampoh Commission's Report worsened the income disparities between the low and high-level salaried workers and thereby deepened their plight. Labour agitations for an antidote to the perennial problem persisted and it became imperative as usual for another salary review body to be established.

3.2.7 Messrs Price Waterhouse and Associates (1997)

In 1997, the National Democratic Congress (NDC) government acting upon the advice of the Public Services Commission (PSC) engaged Messrs Price Waterhouse and Associates to develop the "medium and long-term public sector salaries and wages policy" that will eliminate the piece-meal and ad hoc approach to salary administration (Aggrey-Darkoh, 2001). The objective of the income policy was to create a more satisfying and rewarding environment that will enhance the productivity and efficiency of those who prefer to work in the public sector.

The body was given the underlisted terms of reference:

- i. To study the causes of problems that has bedeviled pay systems in the country over the years.
- ii. Provide detailed job grading and comprehensive classification structure for the public service by classification of jobs and placing public sector positions within organizations that will be on the universal salary structure.

- iii. Define the general characteristics and review the position on each level of the Universal Job Level Structure.
- iv. Determine the cost and time frame for correcting public sector pay disparities over the next three years, using initial 1997 Universal Salary Structure as a basis for analysis; and
- v. Develop the medium and long-term public sector salaries and wages policy that will eliminate the piece-meal and ad hoc approach to incomes and wages determination (Price Waterhouse, 1997).

The body adopted a number of approaches to execute its mandate most of which were novel relative to the approach employed by the salary review bodies. First, it invited and received memoranda from stakeholders touching on the various aspects of their work. It must be stated that this strategy was not new as other similar bodies did same. Second, it employed the services of local consultants drawn from the public sector, particularly the Ghana Institute of Management and Public Administration (GIMPA), Council for Scientific and Industrial Research (CSIR), Management Development and Productivity Institute (MDPI), the Universities and Office of the Head of Civil Service (OHES). In order to establish a rational basis for job comparison, it undertook an evaluation exercise in which about six hundred and seventy (670) positions in the public sector were valued for the purposes of developing job evaluation chart.

The Price Waterhouse and Associates (PWA) made recommendations on a broad range of issues in its report submitted to the government in December 1997. A few ones relevant to the issues under discussion in the thesis are highlighted below:

- a) *Policy on Salary and Wages*

Government was to ensure that the public-sector employees are equitably compensated in relation to each other and based on their performance. Performance is a key ingredient in incomes policy. As a matter of urgency, the government was required to correct all anomalies and inequalities in the public-sector salaries and wages (Price Waterhouse, 1997).

b) *Policy on Benefits*

Government was to minimize non-cash benefits such as free utilities and vehicles so that the total compensation of public sector workers can be more easily budgeted and more effectively managed.

c) *Policy on Allowance*

The income policy should include as a component of the job, all aspects of the performance of one's duties. Hence, allowance would only be necessary to cover temporary extra dimension of a job or the existence of temporary special conditions under which a job is performed (Price Waterhouse, 1997).

d) *Policy on Salary Administration and Negotiation*

The establishment of a Central Management Board (CMB) with legal and operational authority and competence, to perform the following functions:

- i. To ensure the uniform implementation of government's new medium to long term public sector salaries and wages policy.
- ii. Serving as a monitoring agency to ensure that standards are established and maintained continuously, so that distortions in remuneration do not creep into the system.
- iii. Ensuring regular, periodic, evenly daily liaison with the Ministry of Finance on issues concerning the administration of salaries and wages in the public sector.

- iv. Serving as a centralized clearing house to coordinate the role of Governing Boards in Collective Bargaining Agreements.
 - v. Documenting pieces of legislation needing amendments.
 - vi. Managing crisis arising out of disagreements on wages and salaries between management and employees.
 - vii. Representing government as the largest employer at the National Tripartite Committee meetings and
 - viii. Playing an early warning watch dog role (Republic of Ghana, 1999:10).
- e) *Public Sector Job Structure*

For there to be a universal public sector job structure, a 22-level structure was recommended for grading and classifying all public-sector jobs to replace the old ranges of 1-130.

f) *Coverage*

To make the policy truly universal, all Ministries, Departments and Agencies (MDAs) that subsist on the Consolidated Fund were to be included. This was, however, to be done in phases to accommodate the cost involved. The PWA submitted its final report to the government on 12th December 1997, but it took the government two years before the recommendations were implemented. Just like it happened to all the previous salaries review bodies, the implementation of the Ghana Universal Salary Structure (GUSS), as the salary structure recommended by the PWA was called, was also fraught with the usual perennial problems of distortions and disparities. This adversely affected the morale of public sector workers and for that much numerous strikes were recorded in the country. The chaotic scenes that had characterized the labour front since the 1960s reared its ugly head again.

This threatened the realization of the objective of universality underpinning the salary regime. Matters got to a head when sections of the Public Services were allowed to opt out of the regime without being sanctioned. The failure of the GUSS, could also be attributed to the fact that the Central Management Board (CMB) and the Appellate Body (AB) that were to manage its implementation were not backed by any legal instrument and were also not adequately resourced.

3.2.8 Fair Wages and Salaries Commission (FWSC) and the Single Spine Salary Structure (SSSS)-2010 and Beyond

The Single Spine Salary Policy (SSSP) was proposed against the backdrop of a debate that had been ongoing for several years. Four main issues had engaged the attention of both government and labour as far as public sector pay was concerned. They centred on

- i) pay disparities that have emerged within the public services;
- ii) rising cost of public sector wage bill;
- iii) large number of public sector pay negotiations; and
- iv) linkage of pay to productivity.

It was in the light of the above that the latest pay reform, the SSSP was introduced. The Pay Reform component of the broader Public Sector Reform Agenda was initiated by the government to restore fairness in the Public Service Pay Administration System (PSPAS). To carry out its mission, the government in May 2006, appointed a consultant, CoEn Ltd. Its terms of reference are listed below:

- i) develop a pay regime that is fair, transparent and equitable;
- ii) design a Pay Policy Framework that is sustainable;

- iii) include all Public Service institutions and employees on unified Grading and Pay Structure; and
- iv) Design a Pay Structure for implementation over the medium term which could attract the requisite skills and competencies to the Public Services and be managed within the national budget.

The Consultant conducted an initial review which revealed the lack of a pay administration framework with mandated responsibility and authority to implement pay reforms, as one of the weaknesses in achieving pay reforms. It also grouped Public Service institutions based on similarities of jobs in terms of requirements for education, skills and training to perform their work and other institutional roles. In addition, the Consultant conducted Job Analysis and Evaluation exercises in all Public Service institutions under Article 190 of the 1992 Constitution of Ghana, including the Public Services, namely the Civil Service, Judicial Service, Audit Service; Education Service; Prisons Service; Parliamentary Service; Health Service, Statistical Service; National Fire Service; Customs, Exercise and Preventive Service; Internal Revenue Service; Police Service; Immigration Service; Legal Service and Local Government Service.

The Job Evaluation determined the value of all Public Service jobs, established internal relativities across and within service classifications with the object of enabling government to reward its employees in accordance with the principle of “equal pay for equal value” consistent with Article 24(1) of the 1992 Constitution of Ghana and Sections 10 (b) of the Labour Act, Act 651.

The result of this exercise provided the basis to begin placing Public Service jobs into a Single Spine Salary Structure (SSSS). The ultimate goal of the SSSP is to ensure equity, fairness and transparency in Public Service Salary Administration as

well as enhance performance and productivity. The specific objectives of the Pay Policy are to:

- i) place all public-sector employees on one vertical structure;
- ii) ensure that jobs within the same job value are paid within the same range (ie “equal pay for work of equal worth”);
- iii) allow government the ability to manage the wage bill more efficiently;
- iv) ensure compliance and ease of monitoring the pay structures of self-accounting institutions;
- v) minimize industrial-relation tensions related to low pay and distortions across the Public Services;
- vi) link pay to productivity.

Government in the white paper accepted, in principle, the recommendation that the SSSP serve as basis for Public Service Pay with January 2010 as the effective date for implementation. Before then, the government had promulgated the Fair Wages and Salaries Commission, Act 2007 (Act 737). The commission was to serve a dual purpose of providing an institutional home for Public Service Pay implementation and a legal backing to deliver on its mandate.

Also in the white paper, government consented to the 25-Level Grade Structure designed for Public Service jobs. Recognition was also given by government to the four (4) categories of allowances that were proposed. Barely three years of implementation of the SSSP, pockets of labour unions continued to express their dissatisfaction with the regime through strikes and threat of strikes. Teachers at the country’s pre-tertiary levels of education under their professional associations, the National Association of Graduate Teachers (NAGRAT) and the Ghana National Association of Teachers (GNAT), were the first labour group to stage demonstrations

and subsequently called a strike in protest of some aspects of the new compensation regime which they found to be unfavourable to them. It will not be surprising if in the not distant future a new pay regime is introduced. Only time will tell.

In any case, in spite of the laudable objective of ensuring equity, fairness and transparency in Public Service Salary Administration and the substantial increases in emolument granted to employees of some public service institutions, some labour unions continue to complain of distortions, inequity and disparities in the new compensation system.

In spite of the numerous public sector compensation reforms in the country, the salaries of teachers continue to be low as compared to their counterparts in other African countries as well as those holding comparable qualifications in other sectors of the economy (GNAT & TEWU, 2009). Low wage has thus been identified as one of the reasons for teacher attrition in Ghana. It is a well-known fact that the reasonable remuneration package is an important instrument for motivating teachers to remain in the classroom. As part of the strategies to the number of trained teachers and to retain them in schools, the government introduced the payment of allowances to teacher trainees to motivate more people to enroll in teacher training colleges. This measure in the past boosted enrolment in the teacher training colleges, however, there has been an equally high magnitude of teacher attrition thus negating the good intentions for the introduction of the measure. The high teacher attrition rate has been attributed to several factors including poor working conditions. Teachers in Ghana are among the poorly paid in the public service. A study conducted by GNAT & TEWU (2009) on teachers' salaries, revealed that a whopping 98 per cent of the respondents indicated that they were dissatisfied with their current salaries. A whopping 81 per cent also indicated that they did not have access to benefits such as subsidized

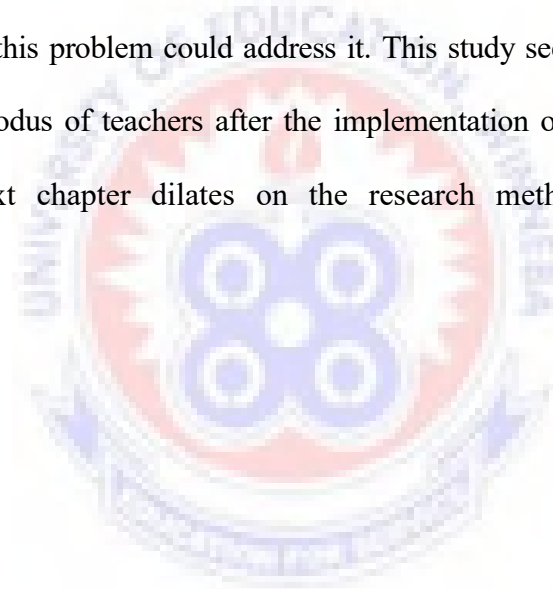
transport, free or subsidized housing, interest free loans and medical care as usually negotiated between labour unions and employers. The low level of salaries and poor conditions of service have contributed to the low status of teachers in society and therefore led to a considerable fall in morale in the teaching profession (GNAT & TEWU, 2009).

The implementation of recommendations made by all the seven different salary review bodies set up by successive governments over the years has failed to achieve the sole object of removing the lingering distortions and disparities that have bedeviled the public-sector compensation system. Public sector employees particularly those whose salaries are perceived to be relatively low, have continued to live the nomadic life of hunting for jobs with better remuneration and as soon one of such jobs is settled on, then they move. The exodus of teachers from the profession to other sectors, both within and outside the public sector are partly attributable to the issue of distortions and disparities in the public-sector compensation system and for which they think place them rather at a disadvantaged position. It is very regrettable to note that not even the much touted single spine salary compensation regime reputed to be a panacea to the debacle sufficed to address the problem. The establishment of another salary review body by the current government will not bring any surprise to anyone.

3.3 Conclusion

The chapter has examined public sector reforms and public sector compensation reforms in Ghana since the country's independence. It dilated on the numerous public sector reforms the country has undertaken. It identified the mandates of the various commissions and committees set up by past governments to look into the issues of compensation of public sector workers. The recommendations made by the

bodies as well as the reactions and agitations made by sections of the labour unions for changes to be made in the compensation structure to benefit their members which in some cases led to the introduction of a new salary reform regime have also been dealt with in the chapter. It is worrying to note that after several pay reforms implemented by successive governments, the age-long problem has not been successfully addressed. The net effect has been the nomadic life workers in Ghana's public sector workers, particularly the low income earners including civil servants and teachers lead. The exodus of teachers from the teaching profession can largely be attributed to this malaise. Not even the Single Spine Pay Policy (SSPP) which was highly expected to be a panacea to this problem could address it. This study seeks to find out the actual causes of the exodus of teachers after the implementation of single spine salary pay policy. The next chapter dilates on the research methodology of the study.



CHAPTER FOUR

RESEARCH METHODOLOGY

4.1 Introduction

This Chapter discusses the general strategies, procedures and techniques used in collecting data for the study. It consists of five sections. The first section contains an outline of the ontological and epistemological perspectives of the strategies employed and also examines the arguments for and against the adoption of the mixed method approach in a single piece of research. Also in the section, the strengths and weaknesses of the two approaches adopted in the study are discussed. The reasons for my choice of the mixed method approach are also stated in the section. The second section describes the research design, while the third section describes the participant sampling and selection procedures. In the fourth section, the data collection instruments and administration procedures are detailed. The fifth section describes the methods of data analysis used in the study.

4.1.2 The ontological paradigm and epistemological underpinning of the study

Kitchen and Tate (2000) explain methodology as “a coherent set of rules and procedures which can be used to investigate a phenomenon or situation (within the framework dictated by epistemological and ontological ideas)” (p. 6). Relating it to project methodology, Grix (2004) is of the opinion that it has to do with how the research should be undertaken. In the view of Miller and Brewer (2003), methodology is fundamental to the building and interpretation of all knowledge. For Grix (2004), the methodological approach that a researcher employs in the acquisition of knowledge, the procedure used to acquire the knowledge and the sources from which the researcher collects the data all have a directional relationship with the ontological and

epistemological assumption that inform the researcher about the world. He thus identifies three broad ontological paradigms, namely the positivist, post-positivist and interpretivist. It is important to note, however, that the positivist and interpretivist positions have influenced the conduct of social research over the years (Bryman, 2004). Positivism is based on the ontological assumption that the “real world” exists without we the people knowing about it. It further states that social phenomenon is something that is revealed to us rather than being constructed by us (Miller and Brewer, 2003; Grix, 2004). The positivist ontological assumptions are grounded on the premise that “scientific knowledge” can be achieved since, in their opinion, one can uncover knowledge that is fixed through research (Descombe, 2002). For the positivists, discovering the single methodology is based on the belief that the methods, concepts, procedures and practices applied by the natural sciences in their study, can and should be adopted in the study of the world (Miller & Brewer, 2003; Bryman, 2004).

The epistemological claim is consistent with the positivists’ position which claims that knowledge of the reality consists of only what is externally observed by using our senses (Hughes, 1990; Grix, 2004). The positivists are able to demonstrate the causal relationships that exist within the social world just as there are in the natural world. They therefore employ scientific methods to analyse social phenomena and lay emphasis on observational and verification dimensions of empirical practice. It is therefore believed that the social scientists can establish relationships that exist between social phenomena through the use of theory to generate hypothesis which can be tested through the use of observation. Data collected in the positivist study by social scientists are referred to as “hard” as it seems to suggest that such data are neutral and not tempered by the researcher’s own interpretation (Grix, 2004). For Miller and

Bryman (2003), data derived from the study should be used to measure and describe social life using numbers. Data collection procedures including close ended questions in survey and questionnaires are good at collecting numerical data to make social science research objective.

Contrary to this position, the interpretivists are of the conviction that the world does not exist independently of our knowledge of it (Grix, 2004). For them the reality can best be understood through people's interpretative capacities rather than of the mere sensory observations and experiences of the world. The interpretivists seek to understand society, people's behaviour and their perceptions on social issues and then attach importance to meaning provided in the study of social life. In this way, language is used in the construction of the "reality" (Grix, 2004; Bryman, 2003). The interpretivists obtain soft data for their research through the interpretations they are provided with by people concerning their situation, actions and experiences in their life-world (Johnson, 1983). They are usually verbal which seek to describe social life through the use of words. Primary data collection techniques employed includes in-depth interviews, semi-structured interviews, participant observation, documents, audio-visual materials, photography and life history (Bryman, 2004; Creswell, 1998 and 2003).

4.1.3 The quantitative-qualitative paradigm

Many academics have placed premium on the difference between the positivists and interpretivists positions. This brings into sharp focus two distinct approaches in the conduct of research. These are the qualitative and the quantitative research viewpoints (Brannen, 1992; Robson, 1993). In social science research, qualitative research is based on the interpretivists' position, while quantitative research is also hinged on the positivists' viewpoint. Brannen (1992), identifies three types of

methodical strategies, namely quantitative, qualitative and mixed methods. It must be pointed out that the research problem usually defines the methodical approach a researcher adopts.

As the name connotes, qualitative approach to research places emphasis on “quality” but not “quantity” (Miller and Brewer, 2003: 238). Qualitative approach seeks to understand the meaning of social phenomena rather than mere collection of numerate statistical data. It involves an in-depth investigation of knowledge. The approach employs data collecting methods such as unstructured interviews, observation and documentary evidence (Bernard, 2013; Patton, 1990; Grix, 2004). In applying these techniques in quantitative research, the researcher relies on the thoughts, perceptions and feelings experienced by informants (Minichiello, Aroni, Timewell & Alexander, 1995). The qualitative approach scarcely depends on the use of numbers though they can be used at times. The data gathered per the use of these methods consist of extracts of natural language including the verbatim transcripts of interview materials and extracts from texts, discourse, personal documents and field notebooks (Miller & Brewer, 2003). Qualitative researchers adopt interpretive philosophical position and normally use data generation methods that ensure reflectivity and are flexible to the social context within which data are generated (Grix, 2004; McCracken, 1998). With the qualitative approach to research, cases are analysed over a long period based on the sequences observed, and theories are developed. Narratives and images rather than numbers are mostly used in qualitative research. One weakness identified with the approach is that it is subjective, difficult to replicate and usually involves small sample size which is not representative enough. Though researchers like Patton (1990) contend that results of qualitative research cannot be generalised, others like Maxwell (1992) refute it.

Contrary to qualitative research which is inductive, quantitative approach is deductive. Procedures for collecting data in quantitative approach include questionnaire and laboratory observation. Large sample size is its hallmark as it seeks to achieve representativeness upon which generalization and prediction could be made (Ragin & Bercker, 1998). As the name connotes, quantitative research involves extensive use of numbers and as such, statistical techniques are employed to analyse the data generated for the research (Miller & Brewer, 2003). One weakness of the approach, however, is that it is artificial and has the tendency of suffering from the effect of being overly generalised.

4.1.4 Justification for the use of the method of triangulation

There has been a protracted debate concerning whether two contrasting methods can be used simultaneously in a single research. While researchers such as Guba and Lincoln (1985) condemn the mixed approach, several other researchers have justified the adoption of the method stating that there is much to be gained in the fusion of both methods (Mikkelsen 1995; Grix 2004; Denzin 1989; Bryman 2004; Sharan 2002; Robson 1993). For Robson (1993), a substantial benefit is derived from the use of more than a method in a single research.

A close examination of the use of the quantitative or qualitative method exclusively in a research has its own limitations, so the adoption of a variety of approaches is useful since the defect in one can be compensated by the other. This study employs the combined methods. The main aim is to identify the factors that influence the attrition of teachers in Ghana. The study specifically seeks to establish whether the attrition is caused by demographic, economic, and psychological or other factors and then find ways of halting or at least managing the phenomenon.

My choice of the mixed method was influenced by my desire to achieve the logic of triangulation to solve the problems associated with research that depends solely on one theory, a single method and a single set of data. In addition, no single technique such as questionnaire, interviews or observations can adequately capture all the relevant aspects of the data. Besides, the adoption of methodical triangulation enabled me to crosscheck data obtained from the use of the various methods and this gave me the assurance of the validity and credibility of the data collected. The use of both quantitative and qualitative approaches enabled me to explore my research questions from different angles which ensured that I obtained a broader understanding of social, economic and psychological factors that influence teacher attrition in Ghana. While the quantitative methods enabled me to test the relationship between the social, economic and psychological variables and teacher attrition, the qualitative method helped to interpret the observed relationship between the variables to understand the actual causes of the attrition phenomenon. Researchers like Bryman (2004), are of the view that the quantitative methods are linked with the researcher's perspective, qualitative methods view the object of study from that of the researched. The use of the mixed methods helped me to identify the causes of attrition from the view point of the graduate teachers including those in active service, retirees and those who have quit the teaching profession. The strategy also afforded me the opportunity to get first-hand and in-depth information from different informants. This is consistent with Bryman's observation that in the use of the combined methods, the qualitative methods enable the researcher to interpret deeper or more comprehensive relationships (2004). The strategy also reflects the position of Johnson et al (2004) that qualitative strategy deal with how the world is perceived, experienced and re-enacted by social actors.

4.2 Research design

Information for the research is obtained from both primary and secondary sources. The secondary source comprises information from journals, published books and the Internet among others which are relevant to the study. The primary sources also consist of data obtained from respondents, as well as other pieces of information from government and official publications, including legislative instruments, Acts of Parliament and reports by committees or commissions of enquiry. The primary data for the study were obtained from graduate teachers in the Ashanti and Central regions of Ghana.

As indicated earlier, a combination of both quantitative and qualitative methods were employed in this study as a shortfall in one method will be compensated for by the other. I also used an admixture methods survey design, with both quantitative and qualitative data collection and analysis. “Survey research, also called descriptive research, uses instruments such as, questionnaires and interviews together information from groups of subjects” (Ary, Jacobs, Razavieh, & Sorensen, 2006, p. 31).

I used a concurrent mixed method design in the current study. In a concurrent approach, two or more data collection instruments are administered within the same time frame. I collected both forms of data (questionnaire and interview) at the same time during the study, and then integrated these data into the interpretation of the overall results (Creswell, 2003). I used a concurrent approach because the data gathering was in the Ashanti and Central regions and financial constraint only allowed me to make a few trips to contact the interviewees. I could not have administered one of the instruments and used the results to construct and administer the other instrument later on (sequential approach) within that short period.

The purpose of using a mixed method design was to use both the responses obtained from the questionnaire and those from the interviews to provide a comprehensive analysis of the research questions asked. A secondary reason was the possibility of using the results from one instrument to confirm or corroborate findings from the other (Creswell, 2003). I administered both instruments a tone point in time (cross-sectional).

I used self-administered questionnaires (see appendices A and B) to collect data from the 150 teachers in active service, while interviews were conducted for the 30 retired graduate teachers and 20 graduate teachers who have quit the teaching service to take up appointments in other establishments. The retired teachers were selected for the interview in order to find out why they chose to remain in the teaching profession until retirement. The purpose was to establish whether they were so satisfied with the conditions of service of the work they performed. Teachers who for various reasons have quit the profession were also roped in in order to find the reasons for their exit. They were to state the variables that influenced their attrition intentions and also to suggest what factors would have retained them in the teaching job.

Questionnaires were appropriate for this study because they can reach a large number of people relatively quickly and with minimal expenditure (Ary, *et al.*, 2006; Russell, 2013). Additionally, numerous variables can be measured by a single instrument, and statistical manipulation during data analysis can permit multiple uses of the data set (DePoy & Gitlin, 1998). The questionnaire was made up mainly of 20 closed ended items, 6 open ended items and 16 Likert scale items.

I used interviews to complement the questionnaires. I chose interviews because they have the potential to provide insight into how respondent's experiences

and thoughts about compensation and other related factors influenced their attrition intentions, since they would provide the opportunity to probe further for explanations of responses provided by participants. Furthermore, interviews were intended to provide additional information that would be difficult to capture using a questionnaire. Interviews are also appropriate because they allow exploration of variables under investigation in greater detail, and so complement the survey (Creswell, 2003; Russell, 2013).

I used as standardized open-ended (semi-structured) interview guide (Patton, 1990) to examine the perceptions of 20 retired graduate teachers and former graduate teachers on conditions of service of teachers (see appendices C and D). Standardized open-ended interviews consist of a set of questions carefully worded and arranged with the intention of taking each respondent through the same sequence of issues by asking them the same questions using essentially the same words to minimise variation in the questions being posed (Patton, 1990). I used this type of interview protocol because I had specific questions in mind and wanted to take respondents through them in a fixed order in order to avoid digression from the main focus. I chose this type of interview protocol because it is highly focussed and efficient. Even though an open-ended semi-structured interview allows less flexibility than an unstructured interview, it can reduce interviewer effect and facilitate data analysis (Patton, 1990). Questions used in this approach are the same and guided to minimize variations so the responses usually fall into their respective categories or themes, and thus facilitate set of data analysis.

4.3 Sample and sampling procedure

The population of the study comprised graduate teachers in the first and second cycle schools in the Ashanti and Central regions of Ghana, including those

who for one reason or the other have left the Ghana Education Service (GES) and the teaching profession to take up appointments in other establishments such as the universities, financial institutions, media houses and the health sector among others. Graduate teachers were selected as the target group because they, unlike their non-graduate counterparts, are more attractive and have a competitive edge over their non-graduate colleagues because of the educational value they have added to their qualifications.

The study was limited to the Ashanti and Central regions. Teachers in the Ashanti Region were selected because the region has the highest concentration of schools and for that matter the highest number of teachers in the country. Besides, the region is representative of Ghana. Aside the fact that it is the most populous region, it has metropolitan, municipal and rural communities. In Ghana, there are three different levels of districts: metropolitan, municipal and district assemblies. The regional capital, Kumasi, is a nodal city, where all people travelling to the the Brong Ahafo, Northern, Upper East and Upper West as well as the northern parts of the Western and Volta regions pass enroute to their destinations. This, coupled with the strategic location of the region, lying in the middle belt of the country, makes it attractive to migrants from both the savannah zone of northern Ghana and the forest zone of the southern sector of the country as well as those from the eastern and the western corridors. Two out of the eight public universities in the country at the moment are also located in the region in question. The selection of the Central Region is based on the simple reason that, just like the Ashanti Region, the region also has two of the eight public universities, with a number of most reputable public senior high schools, including the first ever secondary school. In addition, there is one metropolis and a number of municipal and districts, thus giving it both rural and urban characteristics.

The drawing of the sample from the two regions with the above characteristics is deemed to be representative enough to enable me to generalise for the perception of teachers in the country.

The population comprised all graduate teachers (both in active service and those on retirement as well as those who have left the GES) in the regions under consideration. I used systematic random sampling technique to select all the potential participants to respond to the questionnaire, and used a combination of purposive (purposeful), convenience and snowball sampling techniques to invite interviewees.

To determine the sample size for a regression analysis, Tabachnick and Fidel (2007) have indicated that a total of 10 cases (participants) is required for each variable and 10 variables were involved, namely psychological contract, job satisfaction, job insecurity, organizational commitment, pay, external opportunity, training, organizational size, tenure and age. So the 10 cases per each variable gives a sample size of 100. The authors give an alternative formula for calculating the required sample size as $50 + 8m$, where m stands for the number of variables in the study. This is calculated as $50 + 8(10) = 130$. From the above, both 100 and 130 sample size was representative enough to draw valid conclusion in a study. I however decided to add 20 to the maximum limit of 130 as per the calculation via the two formulae to compensate for those whose might fail to return the questionnaires. This explains how the 150-sample size was arrived at for the quantitative aspect.

With the sample size for the survey determined, I used the systematic random sampling technique to select the teachers from the senior high schools in the respective regions to participate in the questionnaire. The number of public senior high schools in the Ashanti and Central regions as at the time of the study stood at 72 and 50 respectively. Considering the concentration of schools in both regions, I used

the systematic random sampling technique to select 25 and 15 public senior high schools in the Ashanti and Central regions respectively. In the case of the Ashanti Region, the total number of schools (72) was divided by the number of schools sampled for the region (25) and the result of 2.88 was rounded up to 3. So, every 3rd school in the list of schools in the region was picked for the survey.

I selected 100 and 50 teachers from the Ashanti and Central regions respectively to constitute the sample size of teachers for the survey. This was based on the ratio of the number of schools in Ashanti Region (72) to that of the Central Region (50), which is almost 3: 2.

The staff strength in each of the selected schools in the sample varied from one another so, for each school in the Ashanti Region for example, the number of teaching staff was divided by 4 to give the position (*n*th). From the staff list provided, every *n*th person was selected to represent the sample size for the school to participate in the survey.

The same process was repeated for the Central Region, where the number of staff sampled was 50. The 50 was divided by the number of schools selected (15) in the region and the result of 3.33 was rounded up to 3. Just as in the case of the Ashanti Region, every *n*th person was selected to represent the sample size for the school from the staff list provided.

Out of the 150 eligible graduate teachers selected in the survey, 140 returned their questionnaires. The response rate for this study was 93.3 percent. The high return rate of response stems from the fact that I administered the questionnaire myself and insisted that respondents spent a few minutes of their time to complete them for collection, which most of them complied with.

With regard to the qualitative, Vanderstoep and Johnston (2009) recommend a

range of between 5 and 35 as valid to avoid redundancy. Based on this, I decided to operate within the range and chose to interview 20 retired teachers and 30 former teachers. He also, employed combination of purposive, convenience, and snowball sampling techniques to invite twenty retired graduate teachers and thirty former teachers who have left the teaching field for greener pastures. The snowball sampling strategy was particularly used to select the retired graduate teachers and those who have quit the profession for greener pastures. With this the interviewees directed me to places where I could contact their colleagues to participate in the interview.

The power of purposive sampling is to select information-rich participants (Patton, 1990; Russell, 2013). For purposive sampling to be effective, participants must be identified based on qualifications and characteristics they possess, related to the study. Also, a “purposive sampling allows sample elements judged to be typical or representative to be chosen from the population” (Ary *et al.*, 2006). I used a purposive sampling technique to invite the 20 retired graduate teachers for the interview to identify why in spite of the much talked about poor service conditions of teachers; they remained with the profession until retirement. With the snowballing method, the respondents assisted me to identify their colleague retirees for the interview. I invited only 20 of them for this interview because the importance of the sample lies in the quality of knowledge of the participants in the study, not the size of the sample (Patton, 1990). The same combined strategy was used to select 30 former graduate teachers who have quit the teaching profession for greener pastures elsewhere.

I also purposively selected 30 former graduate teachers now working elsewhere for this study. I purposively invited those personnel for the study because of their positions and experiences (characteristics) as well as their expertise in the topic under investigation. I also used proportional sampling to invite 20 former

teachers now working in different establishments in the Ashanti Region and 10 in the Central Region. The primary purpose of this sampling process is to ensure that each region was represented by an adequate sample size as part of the total population (Rea & Parker, 2005). The reason for using this procedure was to ensure that both urban and rural schools were represented in the study.

4.4 Data collection instruments

I used a questionnaire and a standardized open-ended (semi-structured) interview protocol to collect data for the study. I pilot-tested the two instruments in five public senior high schools in the Central Region before proceeding to carry out the main study. It must be stated that, I live and work in the region, so I found it practical to pilot the instruments in the region since I was very familiar with the terrain. In all, 10 graduate teachers in active service, 2 retired graduate teachers and 5 former graduate teachers who have now taken new appointments elsewhere outside the teaching profession consented to take part in the pilot test of the questionnaire and testing the interview protocol. Those who took part in the field test had characteristics similar to the study participants as recommended by Ary *et al.* (2006). Field-testing the instruments allowed the suitability of the items to be determined. The process revealed that some items in the questionnaire needed further explanation. I therefore read and explained these items to the participating teachers in each school. This was found to be helpful in the main study. Also, I used probing techniques to ensure that the interviewees understood the questions during the main study, which ensured that no item was ambiguous.

I chose the questionnaire because the participants were all literate, and therefore could read and respond to the items. Closed-ended questionnaires can be answered more easily and quickly by respondents (Ary *et al.*, 2006; Russell, 2013).

Similarly, due to the large number of respondents, interviewing all of them would be unrealistic. I used self-administered questionnaires to collect data from the teachers in the Central Region because of its proximity to my workplace during the 2014/2015 academic year (Appendix A and B respectively). I selected characteristics and factors that influence employee attrition (Blasé & Blasé, 1999) and other sources derived from the literature to construct the items in the questionnaire. The questionnaire was divided into three parts: items relating to the background information (demographics) of participants, 28 closed ended items, 2 open ended items and 18 Likert-scale items. The demographic items included sex, age, marital status, educational qualification, years of teaching experience, rank, years in the present position and current basic pay. The second section (Likert-scale) consisted of 18 items on determinants of attrition. The participants were asked to indicate by a tick the extent to which the factors mentioned can influence their attrition intentions.

Semi-structured interviews allow the interviewer to focus on the research questions, yet open up new avenues for further questions (Ary *et al.*, 2006; Russell 2013). Ary and the colleagues have suggested that in a semi- structured interview, respondents should be asked the same questions, but in a more conversational way. They, however, note that the interviewer has more freedom to arrange the order of the questions or even rephrase them.

I used a standardized open-ended (semi-structured) interview protocol to collect data from 20 retired graduate teachers and 30 former graduate teachers now on greener pastures. I used this instrument to seek the opinion of the interviewees on their perception on as well as their experiences with conditions of service of teachers and how in their opinion it influences attrition in the profession (Appendix C and D respectively). I also used this instrument to examine how the respondents

conceptualise conditions of service of the teachers and how it can be improved (Appendix C and D respectively). Finally, I used the interview protocol to explore the potential problems which might negatively spark attrition in the profession as perceived by all the three groups of interviewees. I personally conducted face-to-face interviews with all of the 30 participants. Personally, conducting the interviews improves the reliability of the interview process since a consistent approach was adopted.

I used an audio-recorder to capture each interview with the participants. While interviews lasted between 10 and 15 minutes, those with the former teachers who have left the teaching field lasted between 20 and 30 minutes. The interview times were short because of the structure of the items. Standardised open-ended questions are straight-forward but allow for flexibility. In addition to this, the interview questions involved were not many. In spite of this, I was able to gather rich data beyond the scope of the closed-ended items of the questionnaire. The interviewees were audiotaped to ensure a more accurate picture of the questions and answers (Patton, 1990) and therefore to enhance validity (Minichiello, Aroni, Timewell, & Alexander, 1995). Similarly, recording the interviews allowed me to give full attention to the interviewee rather than pausing to take notes (Elliot, 2005; Patton, 1990).

4.4.1 Administration and retrieval of instruments

I personally administered the questionnaires and interviewed all the participants. Both instruments were administered concurrently (simultaneously). In this design, the researcher collects two or more forms of data simultaneously (one-shot) during the study period and then integrates the information in the interpretation of the overall results (Creswell, 2003). The data collection took place in both

Ashanti and Central regions of Ghana from 21stOctober to 18th November, 2014.

I provided each participant with a copy of the information letter (Appendix A) which stated the purpose of the study and assured the participants of confidentiality, in that no information would be attributed to any individual person. I then distributed the questionnaires to the respondents and explained and clarified some of the items which the field test had shown could be potentially confusing. In most cases, I returned to the schools at an agreed date to collect the completed questionnaires. However, I visited some schools more than twice before I could retrieve the completed questionnaires.

In the process of distributing the questionnaires I sought the consent of the participants to be interviewed. The interviews were scheduled at dates and places convenient to the interviewees. In most cases, the interviews took place in the offices and residences of the interviewees. In this study, whenever I found that a respondent had misinterpreted a question, I tried to paraphrase it to make the question clearer and put the participant on track in order for him/her to provide straight forward responses (Ary *et al.*, 2006). Even though some of the interview questions were standardized open-ended items, I probed further for or detailed information when interviewees provided responses which I thought were incomplete, as suggested by Minichiello *et al.* (1995).

At the end of each session, I played back the recorded conversation to the interviewees to make sure they agreed to what had been shared. Additional recordings were made of three interviews in which respondents wanted to add a few comments. I used this approach because I found that it would be difficult to send the transcripts back to the interviewees. Interviewees did not want to be identified so they declined to provide their particulars on the consent forms but rather appended their signatures.

4.5 Method of data analysis

I analysed the data I obtained from the two main instruments separately. I first analysed the data from the questionnaire, which was divided into three parts. I coded the demographic and Likert-scale data and analysed them using the Statistical Package for Social Sciences (SPSS). I analysed the responses. I then used the SPSS to generate contingency tables for frequencies and percentages. I used the stepwise regression, composite and multiple regression methods to determine the relationship between the variables (tenure, external opportunities, pay, psychological contract, organizational commitment, training, job security and attrition) to determine whether they were statistically significant or likely due to chance or error. The analysis was to test the correlation between the psychological, economic and demographic determinants and attrition decisions of the respondents. I also used the SPSS to draw column graphs to show in pictorial form the comparison between the stated factors and attrition. The composite and multiple regression analysis made were based on the formulae stated below:

The effects of demographic determinants on attrition intentions of respondents

$$Atrn = a + \beta_1 TEN + \beta_2 AGE + E$$

The effects of psychological contract on attrition intentions of respondents.

$$Atrn = a + \beta_1 PSC + \beta_2 JBS + \beta_3 ORG + \beta_4 JSC + E$$

The effects of economic determinants on attrition intentions

$$Atrn = a + \beta_1 PAY + \beta_2 EXT + \beta_3 TRG + \beta_4 CMP + E$$

The effects of all the determinants on attrition intentions

$$Atrn = a + \beta_1 TEN + \beta_2 PSC + \beta_3 PAY + \beta_4 EXT + \beta_5 TRG + \beta_6 JBS + \beta_7 ORG + \beta_8 JSC + \beta_9 AGE + E$$

Where, Atrn means attrition, TEN means tenure, PSC means psychological contract, EXT means external opportunities, TRG means training, JBS means job satisfaction, ORG means organizational commitment, COM means company size , AGE means age and JSC means job insecurity. The E represents the allowance made for possible error.

I analysed the interview responses from the three groups of interviewees (teachers in active service, the retirees and former teachers) after transcription. I used across-case analysis procedure (Patton, 1990) to analyse the interview data. In this approach, responses to a common question from all interviewees in each category are analysed together. Thus, each question was analysed separately for teachers in active service, former graduate teachers, and the retirees. Patton (1990) posits that it is easy to do a cross-case analysis for each question in the interview when a standardised open-ended approach is used. In a cross-case analysis, participants' responses to a particular question/item are combined. Common themes across participants (cases) are then identified, analysed and interpreted item by item.

The interview data for the three groups of respondents were analysed in a systematic manner. First, replayed the audio recordings of each respondent and transcribed them by hand on paper. I transcribed sentences and phrases directly to avoid misinterpretation of the sense or meaning of information participants provided as suggested by Patton (1990). I read through the responses for each item across all the interviewees and recorded the key ideas.

Responses from each question were grouped together and analysed on central issues (Patton, 1990). If an interviewee provided a response to a particular question but this was found to answer a different question, I transferred the particular response to include it in the responses for the latter. Since I used a standardised

interview protocol, questions were framed around specific ideas drawn from the literature. For each interview item, I looked for common phrases or statements, and organised them under the pre-determined themes based on the literature. Therefore, the key ideas from responses were organised by question. However, problems/challenges participants faced in the conduct of supervision did not have pre-set themes. In this case, common phrases or statements which fit together were put in to categories and organised into themes.

4.6 Quality of the instruments/ data

I found the two instruments I used in the study to be valid and reliable. The items in the questionnaire items were developed from the theoretical and empirical literature and were scrutinized and edited by my supervisors. I explained each item to the participants to ensure that they understood and responded appropriately. The four open-ended items elicited straight-forward responses so I reported in their respective categories or themes.

I personally conducted the standardised open-ended interviews so that the approach was consistent and, thus reduced the interviewer effect. I found the open-ended interviews to be reliable in that they were focussed on the research problem. Additionally, the analysis of interview data, unlike unstructured ones, was credible because I simply grouped common responses to each item and presented the results without making inferences or assumptions.

The results were also credible because audio-recording of the interview process ensured accurate data in their original form. To ensure the accuracy and trustworthiness of the data, I played back the audio tapes for participants to agree to what had been shared since it was not possible to return the transcripts to them for

confirmation. However, during the interview session, I used probing questions to make sure my interpretations of their statements were their intended descriptions of the phenomenon under study. I also used direct quotations (low-level descriptors) to help readers experience the participants' world (Ary *et al.*, 2006, p. 506).

The findings of this study were also credible because I used multiple data sources (data triangulation) including questionnaire, interview and relevant documents to understand the phenomenon from various points of view. Ary *et al.* (2006) posit that convergence of a major theme or pattern in the data from various sources lends credibility to the findings.

The findings of this study were also credible because I looked for and tried to explain any discrepant or contradictory data. Ary and colleagues posit that researcher bias may result from selective observations by allowing personal attitudes, feelings and preferences to affect interpretation of data.

4.7 Ensuring reliability

Golafshani (2000) defines reliability by pointing out that it represents the extent to which results are consistent over time. It symbolizes an accurate representation of the total population understanding of the results of the study as it is reproduced under similar methodology. In the opinion of Pallant (2007), the Cronbach's Alpha coefficient stands out as a key judgement rule. He notes that a Cronbach's Alpha coefficient of 0.7 for this study is therefore, desirable in social science research. Flowing from this, the researcher decided to measure the reliability of the variables under study. The Cronbach's Alpha co-efficient of 0.718 indicates that the scales had high level of internal reliability.

4.8 Limitations of the study

This study investigates how compensation influences teacher attrition in Ghana. The main rationale for the study was to use its results to inform policy makers about the factors that are the principal causes of graduate teacher attrition in the country. This might in time help improve the planning and implementation of policies regarding teacher compensation which may, in the end, help improve their condition of service.

Notwithstanding these aims, the study also has its limitations. This reflects the position of Marshall and Rossman (1999), that there is nothing like a perfectly designed piece of research. First, the study's findings are built around self-reported data. For example, one section of the survey required teachers to indicate the factors that influence their decision to quit the teaching profession. The results from this section showed that a greater percentage of the graduate teachers reported that the juicy compensation packages that exist in other establishments motivated them to quit the teaching job. The former GES employees, who are in other establishments, also gave the same reason for their exit from the classroom. Also, the relatively defined sample might not be large enough to generalise the results to other regions of Ghana. The study collected data from only two out of the ten regions of Ghana. On the positive side however, the two regions selected for the study were seen to be widely representative because they have the characteristics of metropolitan, municipal and districts in Ghana. Furthermore, the researcher was able to obtain rich data from 130 teachers in active service who responded to closed and open-ended survey items, as well as interviews with 20 retired teachers and 30 former teachers. Because of challenges associated with travelling between districts in Ghana, obtaining such rich data would not have been possible if the sample were to include participants from the

other seven remaining regions of Ghana.

It is unlikely, however, that these limitations related to the data collecting process seriously affected the conclusions of the study. This is because a mixed method approach was used to collect data from multiple sources including surveys and interviews. These various sources complemented, and provided corroboration for one another by providing explanations and confirmation to the responses in each section.

4.8.1 Ethical consideration

Ethics in research establishes the clarity about the nature of agreement entered into by a researcher and his respondents or informants (Bell, 1991). It entails obtaining the informed consent from the people being researched (Bell, 2005). Ethical consideration was strictly adhered to in the research. The researcher sought ethical clearance from both, my employer and the employers of the teachers whose views were sought in the survey. The respondents were assured of their confidentiality and anonymity for the information they provided. Further to that the data obtained did not include the names, date of birth, place of work, hometown and residential addresses of respondents such that anyone who reads this work could trace the identity of any respondent. More so, the questionnaire administration and the interviews were carried by without the assistance of any other person. Respondents and participants were asked to sign a consent form to confirm their consent before the interviews were conducted or the questionnaire given out for responses.

4.9 Conclusion

The discussion in this chapter has considered both quantitative and qualitative research approaches and their respective strengths and weaknesses. The study employed mixed methods in collecting data and this is to ensure that the weaknesses

in one are compensated by the strengths of the other. This chapter described the methodology used in the study. The sections described the research design, sample and sampling procedure, data collection instruments and the administration and retrieval of instruments. Other sections presented the methods of data analysis, the quality of instruments and limitations to the study. The next chapter will present the finding under the following sub-headings: demographic data; how respondents understood compensation and how other factors motive them to nurse a decision to quit or remain in the teaching profession. The chapter will also present open-ended items and interview responses from participants about how they experienced teachers' compensation and other related issues in their condition of service as teachers.



CHAPTER FIVE

DATA ANALYSIS

5.1 Introduction

This chapter presents the data gathered from the survey conducted through the administration of the questionnaire and interview. The first part of the chapter presents the data obtained from the respondents who responded to the questionnaire, and the second part presents comments obtained from the standardised (semi-structured) interview schedules. The questionnaire was divided into three sections: demographic data for graduate teacher respondents, open and close ended items as well as Likert-scale items. The findings from both instruments sought the opinions of respondents on the conditions of service in their establishments the conditions that influences their decision to quit or remain with the teaching profession.

The first part of the chapter presents findings from the questionnaire. It begins with the demographic data for the respondents. The demographics captured were the sex, age group, marital status, educational status, professional qualification and region of employment.

The second section of the questionnaire centred on the condition of service of respondents and how they influence their attrition decision. The third section included 18 Likert-scale items about the determinants of turnover. Respondents were to tick to indicate the extent to which variables such as pay, tenure, external opportunities, job insecurity, training, job satisfaction and organizational commitment determine attrition. For each item, respondents were asked to rate by indicating on a scale of 1 to 5, the extent to which the said variables influence their attrition or retention decisions. One (1) means the respondent rates the factor the lowest extent

to which the factor is likely to influence their attrition decisions, while 5 means the highest extent to which they rate the factor as influencing their attrition decisions.

To facilitate analysis and discussion, the closed-ended items (Likert scale items) were grouped into five subthemes: Economic determinants of turnover, Demographic determinants of turnover, Psychological determinants of turnover and General determinants of job satisfaction.

5.2 Demographic data

The demographic data are based on selected variables which included sex, age, marital status, educational status and highest educational and professional qualifications, current rank, number of years taught, region of employment as well as the basic salaries and allowances paid. These are detailed in Table 5.1. The demographic and socio-economic variables here influence people's perceptions, attitude and behaviour toward phenomena occurring in their environment. Studies have shown that males react strongly to inequitable compensation than females. Again, variables such as age, experience, qualifications and income level, strongly influence employees' decision to quit or remain in employment.

The questionnaire was administered to 150 participants (110 male and 40 female graduate teachers). One hundred and forty respondents, representing 92 per cent of the participants, comprising 102 males and 38 females returned their questionnaires. The high rate of return was achieved because the questionnaire was administered personally by the researcher. Since every graduate teacher in the schools I visited was eligible to participate in the survey, the researcher appealed to staff who were sampled at the time of the visit and were willing to volunteer to participate in the process to spend a few minutes of their time to go through the items and respond to them. Many of them obliged, and for the few others who could not

finish, frequent follow-up visits were made to retrieve them.

Table 1: Characteristics of the survey respondents

Variable	Frequency	Percentage
Gender		
Male	102	72.9
Female	38	27.1
Age group in (years)		
21-30	31	22.3
31-40	60	43.2
41-50	38	27.3
51-60	10	7.2
Marital status		
Single	43	31.2
Married	93	67.4
Divorced	2	0.7
Highest Education Level Completed		
Bachelor's degree	115	82.1
Master's degree	25	17.9
Professional Educational qualification		
Cert "A" Post-secondary	45	50.7
Cert "A" Post-Middle	2	2.2
Diploma	10	11.2
Post-graduate diploma	24	27.1
Post-graduate degree	8	9.1
Basic Pay (in cedis)		
100-400	6	4.3
500-900	11	7.9
1,000-1,400	110	79.1
1,500 and above	12	8.6
Teaching Experience (years)		
1-5	44	31.7
6-10	30	21.6
11-15	28	20.1
16-20	22	15.8
21 and above	15	10.8
Present Rank		
Principal superintendent	44	68.6
Assistant director II	30	19.7
Assistant director I	28	8.8
Director II	22	2.2
Director I	15	0.7

Source: Field data, 2014.

Table 1 show that the majority of the respondents were males (72.9 per cent), while the females constituted 27.1 per cent. The table further shows the age distribution of the respondents. Thirty-one of them, representing 22.3 per cent are aged between 21 and 30; a whopping 60 (43.2 per cent) are between 31-40 years; 38 (27.3 per cent) fall between 41-50 years, while 10 (7.2 percent) have attained the ages of 51-60 years. This shows that a significant proportion of them are in their youthful ages. The literature indicates that most of the teachers who quit the profession are usually in that age bracket. According to the matching theory, younger people have an experimental stage at the beginning of their professional life. A one-way ANOVA test showed no significant results on the effect of gender and education on attrition. Young people entering a profession after training or graduation can have an average of twelve different jobs by the time such a person attains the age of 40 years. The huge presence of them will, therefore, give us enough indication of their attrition intention to either confirm or deny what is in the literature.

The results further show that 115 (82.1 percent) of the study participants hold the Bachelor's degree and 25 (17.9 percent) hold Master's degree. In Ghana, the the minimum qualification for teaching in the Senior High School is the Bachelor's degree. The target group for this study is graduate teachers. A significant number of the respondents were professionally trained teachers, with professional qualifications ranging from Teacher's Certificate "A" through Diploma, to post-graduate diploma and degrees. The additional qualifications a person possesses raise their market value and the chances of quitting one job for another.

Table 1 further provides information on the marital status of the respondents. Most of them, 93 (67.4 per cent) are married, 43 (31.2 percent) are not married and 2 (1.4 percent) are divorced. Married people bear a lot of family responsibilities and

are in a better position to indicate whether the income they earn is adequate or otherwise.

Regarding income levels, 17 respondents, representing 11.8 per cent earn between Ghc 500-900; 10 (79.1 per cent) earned between 1, 000-1,400, while 12 (8.6 per cent) had between Ghc 1,500 and above as their monthly income. The focus of this study is on teachers' compensation and attrition. Income levels will, therefore give us a very good indication of the income and their related impact on attrition of teachers in Ghana.

For teaching experience, 31.7 per cent of the respondents had taught for periods ranging from 1 to 5 years, 21.6 percent had 6 to 10 years' experience, 20.1 per cent had been in the job for between 11 and 15 years with 15.8 per cent and 10.8 percent of them having experience ranging from 16 to 20 years and 21 years and above respectively. The literature reports that attrition of teachers is high especially in the first five years of entry. The intention to quit or not to quit of teachers and the number of years they have remained in the profession will be very useful in the analysis as far as the contents of the literature are concerned. In point of rank, a whopping 68.6 percent of the respondents were Principal Superintendents, 19.7 percent were Assistant Director II, 8.8 per cent were Assistant Director I, 2.2 percent were Director II with only 0.7 per cent being Directors. The rank of entry into the teaching profession of a graduate is Principal Superintendent. Statistics on the ranks are, therefore, very useful in the analysis of the study.

5.3 Perceived reason for teacher attrition

Regarding the respondents' perception on teacher attrition, 66 per cent of them were indifferent to the question whether they had regrets for choosing the teaching

profession. 18 per cent answered “Yes” to the question, while 16 per cent indicated “No” to the question. Some of the explanations provided for the indifferent answer are reproduced as follows:

“I had no choice because my parents wished me to become a teacher on cue of their chosen profession” Fieldwork, 2014.

“I was told by my parents that they could not afford to look after me again after completing senior high school. Training to become a teacher was the best option for me, according to them” Fieldwork, 2014.

In an informal conversation with the respondents some of them remarked that they remained in the profession after their national service because of the apparent lack of job opportunities outside the classroom, but expressed the strong desire to quit should the opportunity present itself.

5.3.1 Respondents’ awareness of teachers’ conditions of service

Seventy-five per cent of the respondents responded that they were aware of the conditions of service of the work they do. Ten per cent of them said they had no idea of their conditions of service, while twenty-five per cent were not sure of the answer. A good knowledge of the conditions of service of one’s employment provides a sound basis in the determination of whether one is satisfied with terms and conditions of engagement or not.

5.3.2 Most liked condition of service

On the question of the most preferred condition of service, 37.93 per cent of male and 37.9 per cent of female respondents mentioned salary, while 48.28 per cent males and 30.59 per cent females ticked leave or study leave. 6.9 per cent males and 23.53 per cent females chose free accommodation and 6.9 per cent males and 7.06 per

cent females stated none of the conditions. The results are represented in a component bar chart in Figure 1. For a good number of them, the period of holidays or vacation is the most preferred condition of service. This is followed by salary. Free accommodation is not very significant among the male respondents because most of them lived in their own rented accommodation as most schools do not have enough accommodation for the large male teachers. The free accommodation option is high among the female teachers because of low female staff in most of the schools. With the low female teacher population, many of them are fortunate to be appointed as House Mistresses and Senior House Mistresses. By virtue of their appointment to the said posts they are entitled to free accommodation on campus so that they can keep an eye on the female students in the boarding house.

Figure 1: Most liked condition of service for teachers

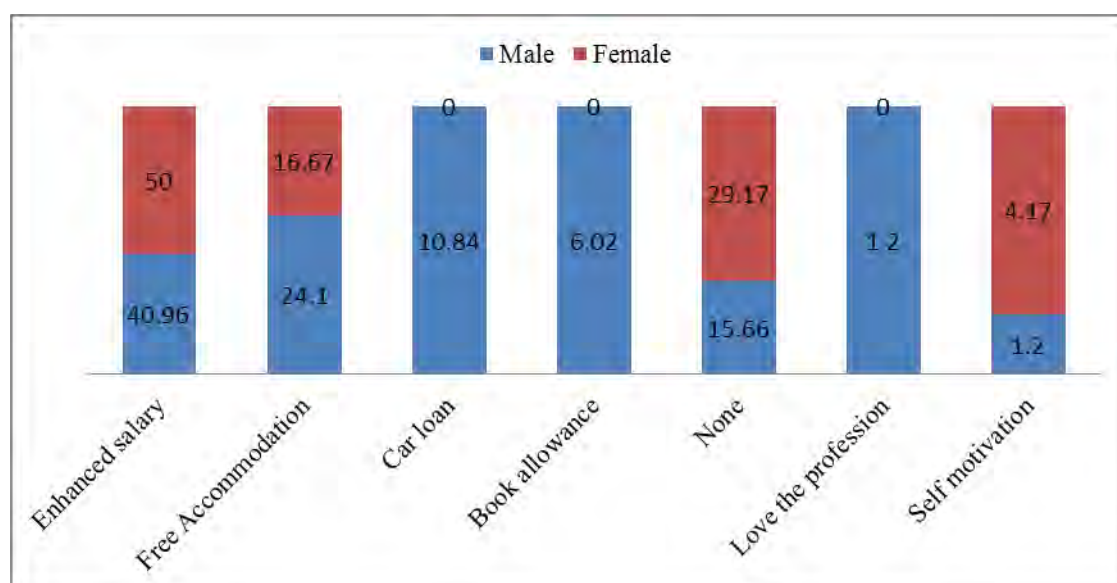


Source: Field data, 2014.

5.3.3 Condition of service that retains teachers

Figure 2 illustrates the responses of teachers regarding the conditions of service that retain them in the teaching profession. For the majority of them, salary and leave/ holidays are the conditions of service that attract and continue to retain them in the profession.

Figure 2: Condition of service that retains teachers



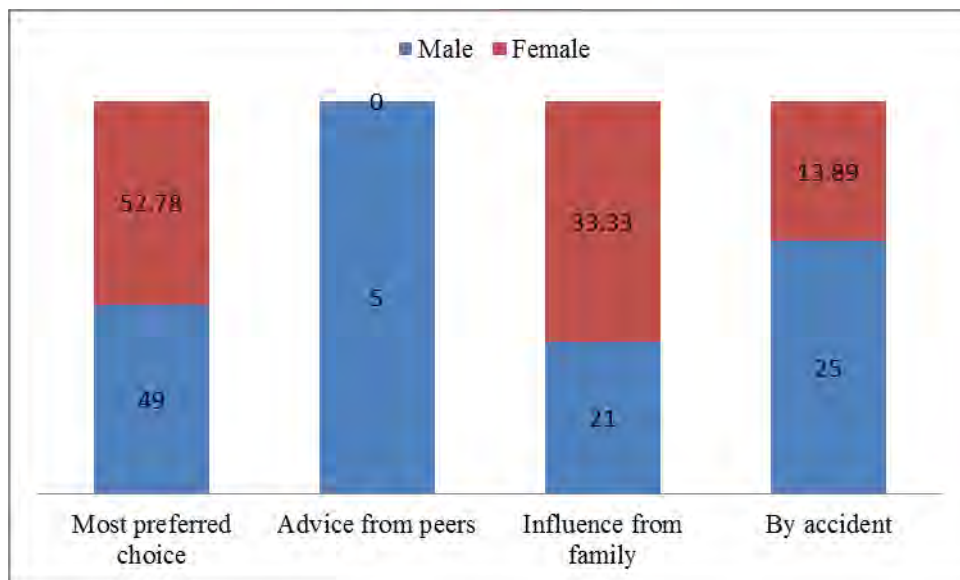
Source: Field data, 2014.

When asked to indicate the condition of service which when provided will motivate them to remain in the profession, 50 per cent of males and 40.96 per cent of females stated enhanced salary; 16.67 percent of males and 24.1 per cent of females selected free accommodation; 10.84 percent of males and 6.02 per cent of females ticked car loan and book allowance respectively. For 29.17 per cent males and 25.66 females, none of the conditions provided will be enough to motivate them to remain with the profession. Some of them will simply not want to remain in the profession if they have the opportunity to exit.

5.3.4 Motivation for choosing the teaching profession

Figure 3 shows responses of respondents and their motivation for opting for the teaching profession. A greater percentage of them both male and female stated that teaching is their most preferred profession. This was followed by influence from friends and those who think that they landed in the profession by accident. An insignificant number of them became teachers as a result of advice from peers.

Figure 3: Motivations for choosing teaching

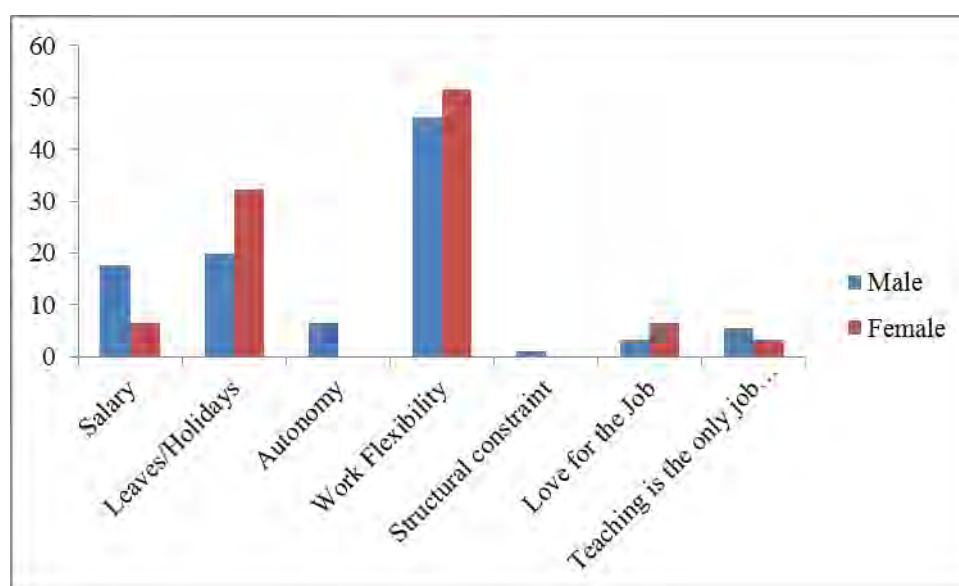


Source: Field data, 2014.

This is indicative of the fact that for a good number of teachers, the profession is their most preferred choice.

5.3.5 Factors for teacher retention

Concerning the factors that are responsible for retaining teachers in the profession, the responses provided are illustrated in Fig 4.

Figure 4: Factors responsible for teacher retention

Source: Field data, 2014.

For most of the respondents, work flexibility is a factor that retains them in the profession. This factor is followed by leaves and holidays as well as salary. Work autonomy, structural constraints, love for the job and teaching as the only profession recorded low to almost insignificant percentages.

5.3.6 Teaching profession challenge

Concerning the respondents' responses to the question regarding a factor that provides a challenge to them in the teaching profession, significant percentage of them indicated absence of allowances as a major challenge to them. It is followed by salary with frequent changes in educational policies and inadequate teaching materials recording almost insignificant levels. This gives an indication that remuneration provides a major challenge to most teachers.

5.3.7 Awareness of public sector reforms

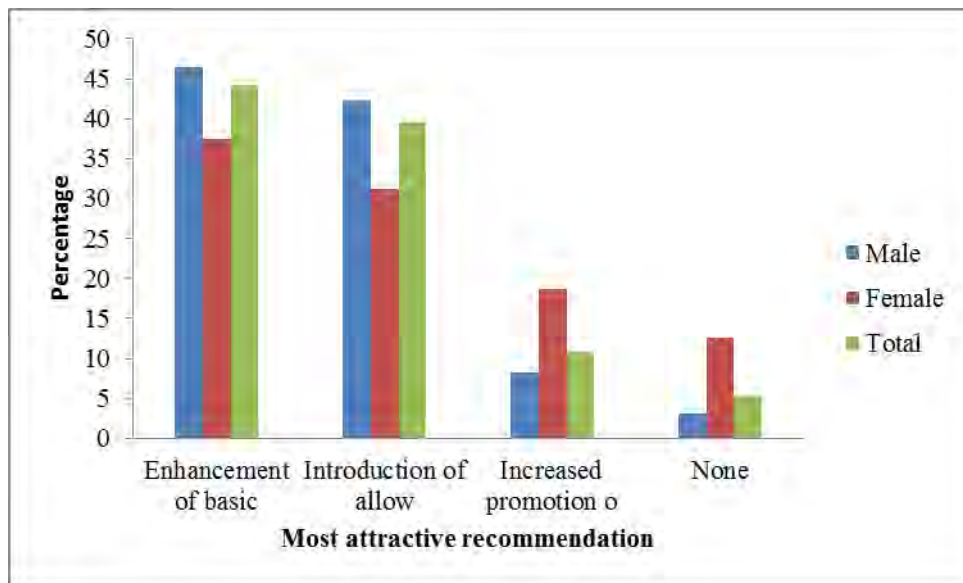
A whopping 67 per cent of the male respondents had knowledge of public sector reforms. This compares with 54 per cent of the female respondents who demonstrated that they had no knowledge of the reforms.

5.3.8 Attractive conditions of service

Regarding respondents' view of the salary review bodies that made recommendations for the most attractive conditions of service for teachers, 50 per cent of the respondents mentioned the single spine salary structure (SSSS), with 24 per cent of them stating the Price Waterhouse. For 27 per cent of them, none of the bodies made any recommendations that made teachers' conditions of service most attractive.

5.3.9 Most attractive recommendations

When asked to mention the specific conditions of service that attract them, 56 per cent of the respondents stated enhanced salary and introduction of allowances, while 29 per cent mentioned accelerated promotion. This gives an indication that if salaries are enhanced and some allowances are introduced a significant percentage of them would be retained in the classroom. The results in Fig 5 indicate the respondents' responses regarding conditions of service that by their own estimation will attract them to remain in the teaching profession. The options selected were enhanced salary, which attracted 44 per cent with 46.5 per cent of them being males and 37 per cent being females; introduction of allowances had overall percentage of 38 with 42 per cent preference by males and 31 per cent preference by females; increased promotion recorded 11 per cent with 8 per cent males and 11 per cent females selecting it, while 5 per cent stated none of which 3 per cent were males and 12 per cent females.

Figure 5: Most attractive recommendation

Source: Field data, 2014.

5.4 Understanding of compensation

The responses regarding the respondents understanding of compensation showed that 43 per cent of them had a fair understanding of the concept, while 35 per cent and 22 per cent conceived it to be insurance policy for employees and salary respectively.

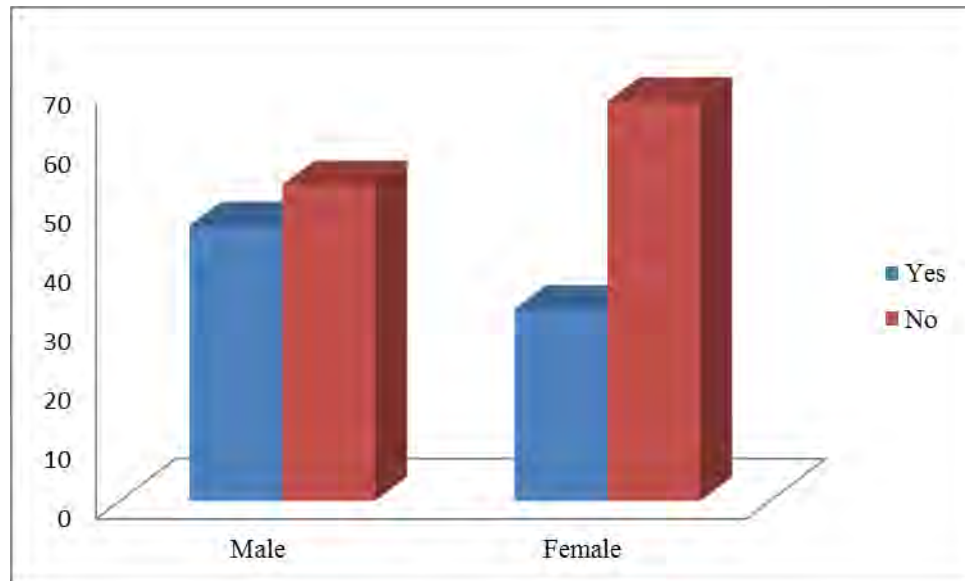
5.5 Attrition intentions

This section of the study provides insight into the perceived reasons offered by teachers for their intention to quit teaching and highlights the key determinants of teacher attrition. The analysis on the perceived reasons for teacher attrition is purely descriptive based on evidence on the field data collected while the determinants of teacher attrition was done from an empirical estimation using the log it model. We first discuss the results obtained from the descriptive statistics followed by the empirical estimation results as follows:

5.5.1 Intention to quit teaching

The teacher attrition survey data sought to find out from the respondents whether they have the intention to quit teaching. The result obtained is represented in Figure 5.7 as follows:

Figure 6: Intention to quit teaching



Source: Field data, 2014.

While 50 percent of the male respondents expressed that they have no intention to quit the profession, 42 per cent of them indicated that they were nursing that intention to quit the profession. Of the female respondents, 62 per cent had no intention of quitting teaching, while 29 per cent had the ambition to quit. This gives an indication that huge percentages of the respondents had no intentions to leave the teaching profession. The results in Fig 5.7 further shows that a higher proportion of males (over 50 per cent) indicated that they have the intention to quit the teaching profession compared to females (below 40 per cent). This can be attributed to the fact that in Ghana greater financial responsibilities fall on males in the family regarding house-keeping money, payment of school fees and health bills as well as utility bills.

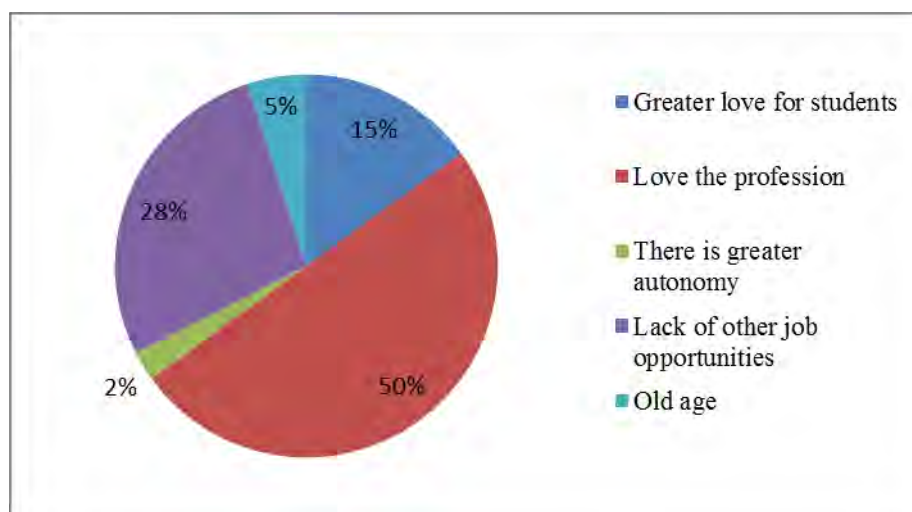
Therefore, teachers will want to explore jobs with higher earnings so that they will be able to satisfy their financial obligations in the family.

5.5.2 Reasons for the intention to quit teaching

To probe further into their intentions to quit teaching, respondents were asked to indicate their reasons for nursing any such intention. Several reasons were cited by the respondents as factors influencing their intention to quit the teaching profession. The most prominent among them was the desire to explore works that offer better working conditions like free accommodation and lunch among others. This obtained over 50 per cent. The poor salary factor was also revealed as the next major factor that influences the attrition intention of teachers and this accounted for over 30 per cent, while the desire to establish a private business and to escape frustrations were the least cited among the respondents.

5.5.3 Reasons for not quitting teaching

Respondents were further asked to indicate reasons why they will not want to quit the profession. Various responses were also revealed in the teacher attrition survey for not quitting teaching as shown in Fig 5. 7.

Figure 7: Reasons for not quitting teaching

Source: Field data, 2014.

These included mainly the love for the profession, lack of other job opportunities and greater love for students. Love for the teaching profession was the most dominant reason noted (50 per cent). This is followed by lack of other job opportunities, which accounted for 28 per cent, while greater love for students obtained 15 per cent.

5.6 DISCUSSION OF EMPIRICAL RESULTS

5.6.1 Descriptive results

On a 5-point likert scale, the study measured the respondents' view on factors that are likely to influence their attrition decisions. On this scale, one (1) represents the lowest extent to which the factors are likely to influence their attrition decisions, while five (5) represents the highest extent to which the factors are likely to influence the respondents' attrition decisions. For each item, respondents were asked to rate by indicating on a scale of 1 to 5, the extent to which the said variables influence their attrition or retention decisions. One (1) on the scale indicates partially agree, 2

indicates somehow agree, 3 indicates fairly agree, 4 indicates agree and 5 strongly agree.

As indicated in Table 2, 140 respondents returned their questionnaire. They were to indicate by ticking from a scale of 1 to 5 the extent to which their attrition decisions were influenced by those factors. Respondents were to select 1 as the lowest extent to which their decisions were influenced by the factors and 5 as the highest extent to the factor influenced their decisions. On the scale, one (1) indicates partially agree, 2 indicates somehow agree, 3 indicates fairly agree, 4 indicates agree and 5 strongly agree.

Table 2: Operational Measures and their Sources

Concept	Operationalization	Min.	Max.	Mean	Std. Deviation
Psychological contract (PSC)	The violation of the unvoiced expectations and obligations	1.00	5.00	3.0143	1.18130
Job satisfaction (JSF)	Degree to which employees have positive affective orientation towards employment or job in an organization	1.00	4.00	2.6643	0.93386
Tenure (TEN)	The extent to which the Number of years employees worked for the organization influence attrition	1.00	5.00	3.8571	1.00051
Pay (P)	The extent to which gross monthly pay paid the employee elsewhere influences attrition	1.00	5.00	3.7429	3.7429
Training (TRG)	The extent to which the number of training days/ duration of training elsewhere influences attrition	2.00	5.00	4.2143	0.74704
Organizational size (ORG)	The extent to which the number of employees at any	1.00	5.00	2.8643	1.22451

	given geographical location or location of a decentralised corporation influences attrition					
Commitment (CMT)	The extent of loyalty of the individual to the organization.	1.00	4.00	2.5286	1.08914	
Job insecurity (JSC)	Fear of employee regarding the uncertainty about their continuous engagement in employment	1.00	4.00	2.3214	1.06796	
Autonomy (AUT)	The degree to which the job gives considerable liberty to the individual employee.	1.00	5.00	2.914	1.274479	
Participation (PTP)	The employee's involvement in decision-making and management of an organization.	1.00	5.00	3.1429	1.28016	
External opportunity (EXT)	The availability of higher paid job the employee is qualified to apply for	1.00	5.00	3.4000	1.31291	

N = 140

Source: Field Data, 2014.

From Table 2, the mean score for psychological contract is 3.0143, which translated into 3 or fairly agree. The mean score of job satisfaction is 2.6643 or a little above 2, meaning somehow agree. With the mean score of 3.74 translated as above 3, the influence of pay on attrition is fairly agreed. That of tenure is 3.857 or above 3 or fairly agree. The mean score of 4.214 for training or 4, that is agree. Participation and external opportunities which have mean scores of 3.19 and 3.40 stand for fairly agree, while job insecurity (2.32 or 3), commitment (2.52 or above 2), autonomy (2.97 or above 2) and organizational size (2.86 or far above 2) all hover around somehow agree and fairly agree.

The research is an empirical investigation to examine the causal relationship between psychological determinants, economic determinants and demographic

determinants and their effects on the attrition decisions of teachers. An initial test was conducted to examine the relationship between the components of each of the independent variables, namely psychological, economic and demographic determinants.

It must be stated that in simple or multiple linear regression, the size of the coefficient for each independent variable indicates the size of the effect the variable has on the dependent variable, and the sign on the coefficient (positive or negative) indicates the direction of the effect. In regression with a single independent variable, the coefficient gives an indication of how much the dependent variable is expected to increase (if the coefficient is positive) or decrease (if the coefficient is negative), when the independent variable increases by one. In regression with multiple independent variables, the coefficient shows how much the dependent variable is expected to increase when the independent variable increases by one, holding all the other independent variables constant. Depending on the sign (+/-) of the estimates, the independent variables may have a positive or negative impact on the dependent variable. All independent variables with positive estimates have positive impact on the dependent variable, and those with negative estimates have negative impact on the dependent variable.

5.7 Regression results on the determinants of teacher attrition

The multiple regression approach was used to estimate the determinants of teacher attrition. This is because the study uses more than two dependent variables, but the dependent variable uses binary. The results show that six out of the ten of the variables are significant, that is, they influence attrition decision. These are pay, external opportunities, tenure, job insecurity, organizational commitment and training. Table 2 explains the operational measures and their sources as used in the analysis.

5.7.1 Research Hypothesis

5.7.2 Results on the psychological determinants of attrition

The psychological determinants of attrition considered the extent to which respondents' attritions were influenced by factors such as psychological contract, job satisfaction job insecurity and organizational commitment. The regression results are found in Table 3

Table 3: Results of the psychological determinants of attrition

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.335	.511		6.52	.000
	EXT of Psycho contract on attrition	.300	.092	.255	3.25	.001
	EXT of satisfaction on attrition	.042	.119	.028	.349	.728
	EXT of job insecurity on attrition	.340	.272	.261	1.25	.213
	EXT of commitment on attrition	-.733	.268	-.574	-2.73	.007
					4	

R = 0.443, R Square = 0.196, Adjusted R Square = 0.173, Significance = 0.000

- Dependent Variable: Extent of attrition
- Predictors: (Constant), Extent of organizational size on , Extent attrition of pay on , Extent attrition of external opportunities on attrition, Extent of training on attrition

Source: Field Data, 2014.

Of the four factors, it is only psychological contract and organizational commitment which are significant. Psychological contract was positive and significant. The implication is that when the employee experiences high broken psychological contract, it will lead to increased attrition intentions. The result, thus confirms the Hypothesis (H1), which states that the employee's perception of broken

psychological contract leads to higher attrition intentions. Organizational commitment was negative, but significant. This indicates that an employee with low commitment to an organization will lead to high attrition intentions. Organizational commitment refers to the extent to which the employee identifies with and involves him or herself in an organization or employment. If employees are not made to have the feeling of being part of the organization of employment and identify with it, they will have a higher intention to quit.

The other factors, namely job satisfaction, job insecurity and commitment are insignificant and did not show that they strongly influenced the attrition decisions of respondents. The factor that recorded the highest influence was job insecurity (beta=0.261), followed by psychological contract (beta = 0.255), then job satisfaction (beta=0.028) and external opportunities (beta = - 0.574). Though earlier researchers have accepted the view that job satisfaction reduces attrition, in this study there is not enough evidence to accept the position as stated in Hypothesis (H2).

5.7.3 Results on the economic determinants of attrition

To test the effects of the economic determinants on attrition, a separate regression was run and the results are shown in Table 4. The factors are four, namely pay, external opportunities, training and organizational size. It is only organizational size which was not significant, thus indicating a weak influence on attrition. All the other factors were positive and significant giving an indication that they strongly influenced the attrition decisions of respondents.

Table 4: Results of the economic determinants of attrition

Model		Unstandardized		Standardized	T	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	-3.043	.333		-9.134	.000
	EXT of pay on attrition	.656	.065	.495	10.110	.000
	EXT of external opportunities on attrition	.219	.048	.207	4.599	.000
	EXT of training on attrition	.690	.095	.371	7.298	.000
	EXT of organizational size on attrition	.077	.047	.068	1.649	.101

R = 0.883, R Square = 0.779, Adjusted R Square = 0.773, Significance = 0.000

- a. Dependent Variable: Extent of attrition
- b. Predictors: (Constant), Extent of organizational size on attrition, Extent of training on attrition, Extent of pay on attrition, Extent of external opportunities on attrition,

Source: Field Data, 2014.

Pay was positive and significant. The implication is that the higher the pay paid by organizations elsewhere, the higher the attrition intentions of the employee. This, therefore, rejects the Hypothesis (H3) that pay has no satisfaction effect on turnover. The implication is that pay strongly influences the decision of employees to leave or stay in a job. What it means is that the respondents put premium on pay so much that, an offer of high remuneration package elsewhere will attract most of them to sever ties with their current employer and thereby, increase teacher attrition.

External opportunity also had positive and significant impact on attrition. This means that the existence of perceived high external opportunity will result in an equally high turnover. Accordingly, the result confirms the Hypothesis (H5), which

states that high perceived external opportunity produces higher turnover. The availability and attractiveness of job opportunities strongly influence employees' decision to leave jobs for more than they perceive to have better packages and opportunities.

Training also produced a positive and significant result on the respondents' intention to quit. The finding indicates that when employees experience high level of training, they will be more likely to quit jobs. This finding rejects the Hypothesis (H6) that states that higher investment in training will reduce turnover. The implication is that putting measures in place to improve conditions of teachers with regard to the factors in the economic determinants will go a long way to reduce teacher attrition and consequently increase teacher retention.

5.7.4 Results on the demographic determinants of attrition

A separate regression was again run to test the effects of the demographic factors, namely tenure and age on attrition. To determine the results of the demographic determinants of attrition, dummy variables were used for age. Age 1 (21-30 years) was dropped so as to determine the values of the others. They are Age 2 (31-40 years), Age 3 (41-50 years) and Age 4 (51-60 years). None of the dummy ages showed significant results. Age 3 was the only one which was slightly significant. It was also positive.

Table 5: Results of the Demographic Determinants of Attrition

Coefficients ^a		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	-.343	.402		-.853	.395
	Extent of tenure on attrition	.878	.092	.632	9.529	.000
	Age 2	.230	.235	.082	.977	.330
	Age 3	.467	.260	.149	1.796	.075
	Age 4	.268	.392	.050	.684	.495

R = 0.646, R Square = 0.417, Adjusted R Square = 0.400, Significance = 0.000

a. Dependent Variable: Extent of attrition

b. Predictors: (Constant), Age 4, Extent of tenure on attrition Age 3, Age 2

Source: Field Data, 2014.

The implication is that an increase in age will produce an increased turnover intention. What it means is that, as an employee's age increases, his or her attrition intention also increases. The results reject the Hypothesis (H7) that turnover will increase as age increases. It must be indicated that this result is applicable to only those in Age 3 category. The implication is that, as far as the respondents in the Age 3 category are concerned, turnover will increase as age increases. Teachers in the age bracket were somehow determined to quit the service should there be an opportunity. They are youthful and are attractive at the job market because when any employer engages them, they can be in the new employment for a relatively much longer period than their elderly counterparts in Age 4, who have relatively a shorter period to retire. Besides that, many of them had stayed on the job for a long period and had, therefore, gathered enough experience which will be more beneficial to other employers than their counterparts in the earlier categories. In addition, quite a number of them have also been able to further their education and had added value to themselves, and thus, making them more attractive on the job market. The implication of the overall results

is that, age did not play very significant role in influencing the attrition decisions of the majority of the respondents.

The only demographic factor that recorded the highest effect on attrition was tenure. This implies that security of tenure is strongly inversely related to attrition decisions of respondents. That is, the longer the tenure, the less likelihood of attrition. The result confirms the Hypothesis (H4), which states that long tenure leads to low turnover. As an employee stays longer on the job he or she acquires more skills, becomes more confident on the job and is able to deliver. He or she attracts a lot of recognition. Such employees are able to rise through the ranks to the top and for many of them there is very little motivation to exit.

5.7.5 Multiple regression on attrition

After running regression for the psychological, economic and demographic determinants of attrition exclusively, multiple regression was also run to find out the effects of all the variables on the independent variable, attrition. The results are shown in Table 5. 7.

In order to establish the extent to which variables such as pay, external opportunity, training, organizational size, tenure, organizational commitment, psychological contract, job satisfaction, autonomy and participation influence attrition, the multiple regression results as indicated in Table 5.7 showed that six of them were significant. These were pay, training, tenure, organizational commitment, job insecurity and external opportunity. These were among the factors the respondents consider in their decision to quit or remain in employment.

Table 6: Results of multiple regressions on attrition

Dependent Variable: turnover	Unstandardized		Standardized	T	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	-3.093	.509		-6.082	.000
Age_2	.103	.125	.037	.825	.411
Age_3	.423	.159	.135	2.653	.009
Age_4	-.146	.222	-.027	-.658	.512
Prof_Dip	.546	.188	.097	2.900	.004
Prof_Bed	.045	.124	.012	.362	.718
Prof_PGD	-.134	.124	-.037	-1.083	.281
Prof_MED	.070	.199	.012	.353	.725
Mar_sing	.488	.370	.164	1.319	.190
Mar_marr	.342	.367	.117	.933	.353
Pay_2	.036	.138	.011	.263	.793
Pay_3	.357	.216	.072	1.657	.100
EXT of P on atr	.772	.054	.582	14.216	.000
EXT of EXT on atr	.110	.039	.104	2.810	.006
EXT of TRG on atr	.384	.081	.206	4.745	.000
EXT of on ORG atr	.080	.039	.070	2.039	.044
EXT of TEN on atr	.278	.056	.200	4.973	.000
EXT of CMTon atr	-.892	.122	-.699	-7.329	.000
EXT of PSC on atr	.062	.043	.053	1.451	.149
EXT of JSF on atr	-.023	.050	-.015	-.458	.648
EXT of JSC on atr	.762	.124	.586	6.150	.000
EXT of AUT on atr	.046	.042	.042	1.090	.278
EXT of PTP on atr	-.059	.044	-.055	-1.352	.179

R Square =0.892 and Adjusted R Square = 0.871

Source: Field Data, 2014.

Of the four psychological determinants of attrition, namely psychological contract, job satisfaction, organizational commitment and job insecurity, two of them showed positive and significant results. They are organizational commitment and job insecurity. Organizational commitment maintained positive and significant result in the multiple regressions, while job insecurity which was insignificant in the previous results proved significant. The positive and significant result of job insecurity in the multiple regression demonstrates a confirmation of Hypothesis (H8) which states that

job insecurity increases turnover. Insecure employees are uncertain about whether they will retain or lose their current job. This situation of perceived hopelessness of employees towards the maintenance of the deserved continuity in a threatened job situation is not good enough since they are unable to make adequate preparation towards the future. Most employees will prefer to work in an establishment where they can be assured of their continuous engagement, even though there are situations where employees deliberately choose a job situation with an uncertain status. Such employees may opt to work within a temporary employment contract because such arrangement suits their present situation. Senior high School graduates awaiting results to enter institutions of high learner may for instance, take up temporary appointments because the arrangement suits their circumstances at the time, in that they do not feel threatened by the non-continuity of engagement.

With regard to economic determinants, three out of the five factors which showed positive and significant result in the separate regression remained unchanged. They are pay, external opportunity and training. Job insecurity was insignificant in the composite regression. It however, showed positive and significant result in the multiple regressions. Tenure was the only demographic factor that was significant. Age, regarding Age 1 (21-30), Age 2 (31-40) and Age 4 (51-60) categories, was insignificant. However, Age 3 (41-50) was partially significant.

The multiple regressions were also to find out the effects of the above factors and some others such as qualification, salary levels and marital status on attrition. Salary levels and marital status had no significant effects on attrition. The category of teachers with professional diploma had a significant result. With regard to the economic determinants of attrition, the results of the multiple regression did not differ significantly from the results from the composite regression. Pay, external

opportunities and training were significant, leaving the organizational size as the only variable with insignificant result among the economic determinants. Three out of the four psychological determinates, namely psychological contract and organizational commitment and job insecurity were significant. All the other factors were insignificant.

5.7.6 Hypothesis testing results

This study is also guided by a number of research hypotheses which were based on the effects of the afore-mentioned factors on attrition. The hypotheses were tested using the multiple regression. It tested the extent to which the variables influence attrition decisions of respondents as measured on the Likert scale. Respondents were to indicate on a scale of 1 to 5 the extent to which those variables influenced their attrition decisions.

As revealed in Table 5.6, which demonstrates the results from a multiple regression, six out of the ten variables were positive and significant. With beta of 0.582, pay was significant at 1 per cent. This means that pay is considered as one of the critical factors respondents consider in their decision to quit or remain in employment. Thus, pay significantly influences attrition decision, hence we reject the null hypothesis (H3) that pay has no significant effect on attrition. Pay is a major component in economic analysis of turnover. The implication is that the higher the pay paid elsewhere the higher the attrition intentions of the employees. No man works for free. Every employee expects payment in return for the efforts made on the job he or she does. The ability of the employee to maintain himself or herself hinges heavily on their emolument they receive from the employer as a reward for the physical and mental effort they exert on the job. For a significant number of them pay comes tops of the numerous variables, hence its significant value in the results. This, therefore,

means that employees will look for employers who reward employees with higher pay and quit those who offer low compensation to their employees. The result above lends credence to statements made by two interviewees who have left teaching for greener financial pastures in other establishments. A 52-year-old male employee with a financial institution remarked:

“For me, salary is the sole criterion for the determination of attrition decision. The people in the society must recognise that you are in employment and you are rewarded for the services that you render. If you work and at the end of the day your take home pay cannot actually take you home, then what is it? I work to get paid and the pay must be respectable and handsome.” Fieldwork, 2014.

Rosemary, a 39-year-old female former graduate teacher had this to say in response to a question on how pay influenced her decision to quit former job:

“I quit teaching because the remuneration was not considered adequate. After toiling to acquire higher academic qualifications, I expected that I would be rewarded appropriately by my employers, just as my counterparts in other establishments with similar qualifications were handsomely rewarded with a remuneration package, which I considered to be far better than what I was getting so, I decided to quit and join them. Where I am now, I am satisfied with my salary. I can take care of myself and my family” Fieldwork, 2014.

The premium placed on pay as the determinant of employees’ decision to quit or stay in employment in the Ghanaian context is as a result of a number of factors. One of them is the economic condition of the country. The austerity life led by many salary earners resulting from the escalation of prices of goods and services almost on

a daily basis makes money the most sought for commodity in the country. Also, money has become the barometer for determining the social status of a person by the society. In the Ghanaian society in recent times, respect is accorded to the rich more than any other category of persons. Besides, the social system and the extended family system, coupled with the high unemployment, put excessive demands on the resources of the employed. It is believed that the employed had access to an infinite resource from which they can support their less fortunate relations, hence the demands on them. These factors make teachers lead a kind of nomadic life with many of them looking for alternative job opportunities that give higher remuneration.

In spite of this, there is a well-established literature on motivation (McGregor, 1957; Armstrong, 2007), which suggests that for at least some individuals, pay is not the sole motivating factor. It is reported that motivation has some link with job choice and that pay will not be the sole criterion used when people decide to choose a job, or when they decide to continue within an existing job.

One of such other non-salary related factors which was also identified as key in influencing the attrition intentions of teachers was external opportunity or the number of higher paid jobs for which the employee is qualified to apply. The result of the factor was significant at 1 per cent ($\beta=0.104$). This also confirms the hypothesis (H5) that high perceived external opportunity produces higher turnover. The hypothesis contends that the higher the perceived external opportunity, the higher the attrition of employees. External opportunity refers to the availability of external alternative, attractive and attainable employment in the economy. The interaction of demand and supply forces in the economy should be taken into consideration in measuring opportunity. Availability is mainly about the number of opportunities outside the organisation. Attractiveness refers to the pay levels of such opportunities.

Availability denotes the possession of skills required on the job (Mueller and Price, 1990). Thus, numerous higher paid jobs for which a worker is qualified should produce a higher turnover. The availability of jobs that offer attractive rewards, including not only pay, but a range of other benefits such as payment of book, leave and other allowances and rent and transport subsidies which the employee qualifies to apply, strongly influence their decisions as to whether to stay on or quit a job. As rational beings, employees will under normal circumstances choose employment such that the benefits will far exceed the costs. Employees, therefore, live nomadic life and whenever they realise better opportunities exist elsewhere, they are most likely to quit their current employment for what they consider to be better. Statements made by some of the interviewees, Daniel and Obeng, who have exited teaching, are captured as follows:

“After holding some discussions with my friends, classmates and former colleagues in my current employment, I realised that there existed a number of juicy opportunities outside the field of teaching. I am wondering why we are all in the public sector but we are treated differently. I began to nurse the decision of joining them and finally I quit to enjoy the pastures that is greener at their end there and I must tell you I have not regretted a bit for quitting teaching” Fieldwork, 2014.

“I heard from friends most of whom were formerly in the teaching profession that there are a lot of goodies outside the classroom. They kept telling me this repeatedly. With time I became enticed by these much talked about attractive conditions of service and decided to go and bask the bountiful supply of resources” Fieldwork, 2014.

Tenure, which is the number of years an employee has worked with an employer, was also key in the results as a factor that significantly influences the attrition decisions of employees. The longer an employee remains on a job the more conversant he or she becomes. One gains dexterity as he or she does a particular job repeatedly for a considerable period of time. Most employees are of the opinion that it is better to remain in an employment you can better deliver results than to struggle in an unfamiliar job terrain where your contribution may be almost insignificant. This proves the adage, “the devil you know is better than the angel you do not know.” Taking on a new job in which one cannot employ the skills he or she has acquired in the previous job environment can be most frustrating for some people. One cannot deliver to his or her satisfaction, especially in the first few years of engagement in a new job as one has to spend quite some time to learn the ropes. Human beings are, in most cases, conservative, especially when it becomes necessary for a decision to be taken to bring about a change. Promotion also comes as one stays on a particular job for a longer period. One is likely to start from the lowest rank as one takes on a new job. People who stay on particular job for long are, therefore, not very much enthused at quitting the job to take on a new one. With 1 per cent significant level and ($\beta=0.200$), the variable is significant and positive. The result is, therefore, consistent with the stated Hypothesis (H4) that if tenure is long, then turnover will be low. In an interview with Gladis, a retired female teacher, aged 72 years regarding why in spite of the so-called poor conditions of service in the teaching profession she chose to remain in the job till retirement, she said:

I entered upon the teaching profession at age 21. After I had worked for a while new job opportunities with juicy packages emerged. I decided not to quit teaching because I did not want to start afresh elsewhere. A lot of colleagues left, but I did not. I just

wanted to build a career and rise through the ranks to the top. Thank God, I became a head of a senior high school before I retired. Fieldwork, 2014.

Job insecurity was also significant at 0.000 (beta=0.586). The implication of this is that, employee's value the security of the job they do. Many people are content with jobs in which there is minimal or no threat of their continuous engagement. The continuity of their engagement is assured once they continue to work satisfactorily at the workplace. For most of the respondents this was one important factor they consider in the choice of future jobs. This means that the higher the security of the job the lesser the attrition. Naturally and under normal circumstances, employees will want to work in an establishment where the fear of discontinuity or disengagement is less. Preference for jobs that guarantee the continuous engagement of the employee is mostly high compared to those without this assurance. In an employment where the security of the job is guaranteed, the employee can even contract a loan to do a number of things to undertake long term projects, maintain the family and to do many other things as the facility is reimbursed from the monthly income. Job security thus lowers the rate of attrition. It also follows that job insecurity increases attrition. With the result, Hypothesis (H8), which states that Job insecurity increases turnover is confirmed. In response, a question regarding why he stayed in teaching until retirement, in spite of the so-called poor condition of service, Dora, a 64 year old the retired teacher interviewee indicated as follows:

“Let me tell you young man, in teaching security of your employment is guaranteed. Once employed, the government will continue to pay you till your retirement. As for that, it is assured.

What else do I need? My salary was regular and I knew it would continue to be paid until I go on retirement so I saw no need to leave the job for another whose security of tenure I was not so sure about.” Fieldwork, 2014.

Abu, a 70-year-old retiree also remarked:

“Some of my friends were working with the Ghana Cocoa Marketing Board (GCMB) and they thought they were basking wealth in those days. But with the retrenchment exercise embarked upon by the government in the 1980s, some of them lost their jobs. They became poorer than me, the classroom teacher they used to jeer at. The education of their children was almost in jeopardy because they were no more on salary. No matter how small the salary is, as those friends used to perceive it, my children’s education was not threatened. My kids are all employed now. So, you see the essence of security of tenure?” Fieldwork, 2014.

Hypothesis (H6) which states that “higher investment in training will reduce turnover” was confirmed with another 1 per cent significant level ($\beta=0.206$). It is a truism that some employees consider the investment in training as they think about whether to leave or stay on a job. A 61-year-old retired teacher, Rose, expressed this position vividly in an interview which is captured as follows:

“I am a four-year trained teacher. I went to the teacher training college right after middle form four education. After that I have enjoyed study leave twice. I had study leave to read for a diploma course and another was also granted to enable me pursue a degree programme. I thought I had to end my education after first degree so I could help my children

also further their education. Otherwise I could have got another opportunity to even read for the masters' programme. This opportunity is not found in most establishments. I nursed no intention to leave the teaching profession partly because of this benefit I derived from my employers. I know many people in this town and other places who after secondary school education had no opportunity to further their education in their places of work." Fieldwork, 2014.

Training, that is the number of days or years spent in providing or acquiring knowledge on work skills, or the frequency of making such opportunities available to the employee, equips the individual with skills needed to function effectively and efficiently. The availability of training opportunities for teachers to sharpen their competencies was enough for many of the respondents to remain with the teaching job.

Another factor that also showed significant results (beta =-0.699) was commitment or the loyalty of the employee to the employer. For the respondents, loyalty to the employer significantly influences their attrition decisions.

Age was also significant in the results to an extent. This was so for respondents who fall within the Age 3 (41-50 years) category, but for those in the other categories, namely Age 1 (21-30 years), Age 2 (31-40 years) and Age 4 (51-60 years), the results were insignificant. This partially confirms the hypothesis (H7), which seeks to suggest that "turnover will decrease as age increases". This hypothesis implies that as an employee advances in age their attrition intentions reduce. Asked why he has remained a teacher throughout his working life up to his retirement, Sidney, a 67-year-old male teacher stated:

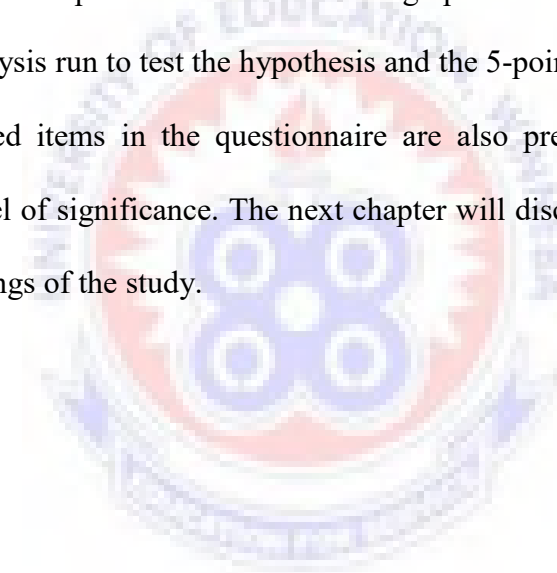
“I did not go to the training college early so when I completed I was a bit advanced in age to attract any new establishment. Many young men on my staff left the job to seek pastures at places where they were green, but I wasn’t interested. I had the chance to further my education and never wished to continue or look for employment outside the classroom. You know, if you are a bit advanced in age you don’t normally have that ambition.” Fieldwork, 2014.

Under normal circumstances, employers prefer to hire the services of employees who can be with them and render continuous services for a relatively longer period, for example at least two decades. Employees who are advanced in age, and have attained the age of 50 years or more are, therefore, less attractive and less competitive on the job market than their relatively younger counterparts. This explains why respondents in the Age 4 (51-60) were not so enthused about quitting the job. The attractiveness and competitive advantage of the young entrants over their older colleagues that give them the competitive urge account for the high rate of attrition of the former. What was surprising is the fact that the much younger respondents, particularly those in ages 1 and 2 categories did not show keen interest in quitting the job. However, their cohorts in Age 2 (41-50) had through study leave and other means to obtained higher qualifications which has made them more attractive on the job market, hence their strong desire to quit increases should there be any opportunity available. Many of them had obtained additional and higher qualifications. Besides, they have gained enough experience from their long stay on the job, thus giving them an edge over others for employment.

Other factors such as organizational size, job satisfaction, psychological contract, participation and autonomy were not so significant in the results. This means that they do not significantly influence the attrition decisions of the respondents.

5.8 Conclusion

The chapter has analysed the data gathered from the survey conducted through the administration of the questionnaire and interview. The responses provided by respondents to the questionnaire including the demographic details and the open and closed ended items presented in table and graphs and analysed in the chapter. Regression analysis run to test the hypothesis and the 5-point Likert scale responses to the closed ended items in the questionnaire are also presented and interpreted to assess their level of significance. The next chapter will discuss the research questions and major findings of the study.



CHAPTER SIX

DISCUSSION OF MAJOR FINDINGS

6.1 Introduction

In the foregoing chapters, we tried to look at the various aspects of the study. In this very chapter, we discuss the research questions and findings. The chapter is made up of two sections. The first section summarises the major findings of the study in relation to the research questions set to guide the study. The second section discusses the findings and relates them to the literature described in Chapter Two. The study set out to investigate the extent to which compensation impacts on teacher attrition in Ghana. This study indicates that the government has embarked upon a number of public sector reforms in the country. It draws attention to a number of important questions about public sector reforms with particular focus on relationship between compensation and attrition of teachers in Ghana. The research questions that guided the study are as follows:

1. To what extent do public sector compensation packages feature in public sector reforms in Ghana?
2. What explains the multiplicity of public sector compensation reforms in Ghana?
3. Does compensation influence teacher attrition?
4. What are the consequences of teacher attrition?
5. What measures should be put in place to reduce or eliminate teacher retention?

In-depth discussion and logical conclusions from the exercise is important in setting the stage for the summary and conclusion of the study. This section discusses the findings in line with the research questions as stated above.

6.2 Brief Summary of results

Research Question One: To what extent do public sector compensation packages feature in public sector reforms in Ghana?

Public sector reforms refer to the processes and practices which are concerned with improving the capacity of institutions to make policy and deliver services in an efficient, effective and accountable manner. It involves the strengthening and management of the public sector (AfDB, 2005). The components of public sector reform initiatives include decentralization, privatization, incorporation, deregulation, introduction of executive agencies, internal markets or the use of purchaser-provider split as well as competitive tendering schemes and contracting-out and partnerships with civil society, including non-governmental organizations (NGOs). These form the key elements of the new public management (Engida & Bardill, 2013).

The ultimate objectives of the Public-Sector Reforms (PSR) were to attain and sustain a specified growth rate; reduce high rate of inflation; improve the management of natural resources; develop the public sector and enhance its capacity to achieve strategic development objectives; and substantially improve the living standards of the people (Wereko, 2009). Public sector-wide reforms have been characteristic of economic policy of the World Bank, which aims at downsizing the “over bloated” public service, reducing the size of government, reducing budget deficits and improving efficiency and effectiveness in services and output in all government institutions (Wereko, 2009). The attainment of effective and efficient service delivery in the public sector, which is the overall goal of public sector reforms demands personnel who are well-trained and well-motivated to render quality service. One effective means to attain this is through the offer of attractive compensation which is capable of attracting and retaining competent staff. It must be stated that even though

compensation reform was not a regular feature of all the public-sector reforms in Ghana, some of the reform programmes came with compensation packages. Specific mention can be made of the Economic Reform Programme (ERP) in 1983, whose implementation came alongside with the establishment of the National Committee for Wage and Salary Rationalization (NCWSR). The implementation of the reform programme had pauperizing effects on both the employed and the unemployed. This led to the clamour for improved conditions of life by labour. The NCWSA was thus, set up in response to demands for reforms in public sector wages as well as utility pricing and subsidies (Killick, 2010). The setting up of the body was part of the effort to improve the standard of living of the entire citizenry and the public-sector workers in particular.

Research Question Two: What explains the multiplicity of public sector compensation reforms in Ghana?

Public sector reforms are aimed at positioning the staff of the service on a pedestal to deliver quality service. Efforts to engender efficient service delivery in the public sector must go hand-in-hand with compensation reforms which is capable of attracting, retaining and motivating better qualified employees. Employees, wherever they find themselves, whether in the private or public sector, expect to get paid for the work they do, while organizations compensate people for the work or services they render. Compensation is the remuneration received by an employee for his or her contribution to the organization (Patnaik and Padhi, 2012). Compensation reforms which are meant to improve the quantum of reward are made with the ultimate motive to attract a sufficient number of qualified employees to fill positions available in the organization; to retain employees or keep them with the organization so as to keep turnover at acceptable levels and to motivate employees to perform to the fullest

extent of their capabilities. According to Berger and Berger (2004), talent migrates quickly as individuals are enticed to move on to bigger challenges. More and more employees are living nomadic kind of existence; as soon as they find a job, they begin hunting for another one where they perceive conditions are better than their current employment. Improving compensation packages through public sector compensation reform is meant to curb the nomadic life exhibited by public sector workers in search of greener economic pastures.

Almost all the compensation reforms were initiated in response to agitations made by the labour unions for improvement in the living condition of workers and also to address the age-long disparities, inequities and distortions that have characterised public sector emoluments since the country's independence. The Mills-Odoi Salary Review Commission set up in 1967 was to, among other issues, examine the salary proposals for the removal of any disparity inherent in the public-sector salary structure and make recommendations for the establishment of parity in the emolument of public officials (Republic of Ghana, 1993). In a similar vein, the Issifu Ali Committee was instituted in 1973, to investigate the remuneration and conditions of service of all grades of personnel in the public services and also to recommend means of bridging the gap between the lower and higher income groups. The terms of reference for the Azu-Crabbe Commission and similar other salary reform bodies were not different from the above. The rationale for introduction of these bodies was to offer equitable compensation reward to public sector personnel by removing distortions and inequities in the salary structure. The aim is to reduce the intra-sector shifts and migration of competent staff from the public to private sector. This is to help attract more competent and dedicated staff and retain as many of them as possible in the public sector. It is regrettable to note that after the implementation of

the numerous salary reforms for public sector workers, the single laudable goal of correcting distortions and disparities inherent in the public sector compensation regime in the country has not been achieved and workers continue to live the nomadic life of hunting for jobs that offer lucrative packages for their staff.

One is left to wonder why successive governments over the past forty years and counting have not succeeded in correcting the age-long problems inherent in the public sector pay regime after setting up as many as seven salary review bodies to advise it. The government continues to pay lip services and demonstrates lack of resolute attitude to solving the problem once and for all, in spite of the pockets of protest staged by workers and the attendant exodus of professional, particularly teachers, from the profession to seek greener pastures elsewhere. As the results of the study have shown, teachers place premium on compensation package and the index strongly influences their decision to quit or stay in the profession. The issue must, therefore, not be treated lightly at all by government. The several bodies were set up to make recommendations whose implementation will help address a problem or a set of problems so non-implementation and partial implementation as became of most of bodies' recommendations have not helped matters much. They have rather compounded the problems and thus making exacerbating their consequences.

Research Question Three: Does compensation influence teacher attrition?

The factors that influence teacher attrition in Ghana are many and varied. They range from retirement, acquisition of higher qualifications, tenure, level of training and poor remuneration among others. It was identified that teachers with higher degrees mostly quit the teaching profession for other fields which are usually non-education fields. Retirement is another reason for teacher attrition. Job dissatisfaction is a major cause of teachers' exit from the profession.

Much of the literature indicates that job satisfaction and dissatisfaction have enormous influence on teacher attrition and retention (Stockard & Lehman, 2004). It was evident that most teachers complained of low salary as a major factor that influences their decision to quit or remain in teaching. A good number of teachers leave the job simply because they see no hope for change in sight. This confirms a study conducted in Finland, Florida in the United States and England (Webb *et al*, 2004). Pay is considered as a factor used by the organization to motivate employees to be in compliance with its regulations and rules (Mueller & Price, 1990). Compensation, therefore, plays a significant role in teacher attrition in Ghana. This is particularly so in Ghana due to the pressure exerted on the employed from their extended family members and friends for support. The social system that operates in the country seems to impose some form of obligation on people who are fortunate to have employment, particularly in the public sector, to provide for the upkeep of not only their nuclear family members, but those of the extended family as well. Besides, money has become the barometer for assessing a person's social status. High respect is accorded to the rich more than any other category of people. In addition, the austere economic condition that prevails in the state which results from the regular escalation of prices of goods and services accounts for the high premium placed on pay as a cardinal determinant of employees' decision to quit or stay on a job.

All the theories used to guide the study confirm the position that compensation is paramount as far as the decision of the employee to quit or stay on a job. John Stacy Adams' equity theory for instance, states that when an employee compares his or her inputs-outcomes ratio in relation to that of another employee in other establishments to find out whether they are being under paid or otherwise. Salary is crucial in the inputs component and plays a significant role in the social comparison. If it turns out

that the employee doing the comparison is under rewarded, means is found to restore equity. One potent option in the case of the under rewarded employee is quitting the job.

The compensation theories, namely the theory of demand and supply as well as the social exchange, efficiency wage and human capital theories, all emphasise the fact that human beings are rational and as such they do cost-benefit analysis using their current employment and opportunities elsewhere. Should the result of the analysis indicate that opportunities elsewhere are better, many of the employees tend to quit as it is the case currently in the teaching profession in Ghana and elsewhere. A study conducted by Mampane (2012), to find out the cause of high teacher attrition in South Africa, where as many as 20 000 teachers quit the job annually indicated that many of the migrating teachers are poached by overseas recruitment organizations with promises of better working conditions and in particular salaries. The findings of Mampane coincides with studies undertaken by Osunde and Omoroyi (2005), as well as Yusuf (2010), which concluded that low salary is one of the principal factors that influence teachers to leave the teaching profession in search of other jobs. Other studies conducted in both England and Finland on rewards and teacher retention showed similar results as most teachers complained of low salary as a major factor for their decision to stay or remain in teaching (Webb *et al*, 2004). More than 50 per cent of teachers who left the teaching field in Florida between 2002 and 2004, mentioned poor remuneration as the principal cause for their exit (Gladis *et al*, 2007).

The findings of the above studies are consistent with that of the current study which indicates that pay or compensation on plays a significant role as the cost-benefit analysis is carried out by employees who participated in the survey.

Research Question Four: What are the consequences of teacher attrition? Attrition has negative consequences on both employers and employees alike. It is not very easy to come by employees with unique skills. Losing one, a few or several of such highly skilled and talented employees can produce negative consequences since it is difficult and costly to recruit and hire replacements. There are also other related costs, such as those associated with quality problems and customer complaints that can be high and disturbing. It is estimated that hiring and training a replacement for a lost employee cost approximately 50 per cent of the worker's annual salary. Employers or organisations have to go through the recruitment, selection and hiring process all over again and once a new employee is found, he or she might be trained and all these cost time and money. The cost of recruiting replacement of quitting employees includes payment of recruiters, advertising new positions and lost productivity when the current employee leaves the organisation. It can sometimes take several months or even years to find qualified employees to replace those who quit. Besides that, the morale in organisations that experience high attrition is usually low. The consequence is colossal, especially if those who quit are performers. The situation badly affects the corporate culture of the organisation. When colleagues and co-workers vanish every now and then, at such an astronomical rate, motivating employees to share the vision of the enterprise and performance at all levels becomes difficult. In addition, high attrition can also result in reduction in the efficiency of production as inexperienced employees will not be able to produce as much as those who know more about what they are doing in production production job. Aside that, managers get frustrated as they spend much time hiring and training new employees.

The rate of teacher attrition in Ghana is described as alarming. The situation is more serious, especially with the new entrants into the profession. This leaves huge

teacher deficit mostly at the basic level of education. Due to supply gap, the vacancies are filled with untrained teachers, who are not as effective and efficient in service delivery as their trained counterparts who quit, in spite of the huge expenditure made to retrain them. Some schools find it difficult to engage teachers even on part time basis to hold the fort when certain subject teachers leave. Sometimes, some subject teachers are made to take on additional teaching load of their exited colleagues. In the majority of cases, those teachers may be made to teach subjects they are not very conversant with. In all this it is the students and parents who become the net losers. Should the student fail to perform in the external terminal examination, the parents have to incur extra cost to provide remedial tuition to make up the loss. The student bears all the inconveniences that come as a result of this.

The cost incurred by the government to recruit additional personnel to replace staff who exit the teaching profession yearly has not been taken seriously by the government and other stakeholders in education. Every year, teachers quit the classroom and they have to be replaced at a great cost. It is like drawing water with a basket. Many of those who remain in the profession are not committed to the work. Moonlighting and conflict of interest have become the order of the day in the teaching service as many teachers take on multiple employment to make ends meet. When an employee takes on multiple jobs, the time, commitment, enthusiasm and energy he or she spends on one job hurts and affects the other badly. Because of the so-called unattractive remuneration paid teachers in the public sector, many of them, particularly the males take up part-time teaching appointments in the private senior high and basic schools.

Many of the teachers' resident on campuses have converted their garages and porches into temporary classrooms for part-time classes they run for both their own

regular students and remedial students. Some teachers deliberately laze around during contact hours in order to create a situation for them to organize extra classes for students who recognise the need that they lag behind. In some situations, the part-time classes organised by the teachers is made compulsory for the whole class and those who are unable to afford are tactfully punished. In recent times, the organization of part time classes have been regularised and sponsored by the Parent- Teacher Association (PTA) in almost all senior high schools. In spite of that some teachers continue to organised their own classes for a section of the students they teach.

Some of the female teachers have also taken to trading and other commercial activities to supplement their perceived meagre income. Some of them are agents of insurance and trading companies who promote their products for them at a commission. All these moonlighting activities detract teachers from the commitment required of every employee by the employer. This produces passive attrition; they have not quit the job completely, yet they are not fully committed to it. The multiple jobs the teacher performs make it almost impossible for them to give assignments and exercises and mark. The time is simply not there for such academic obligations. How can the the students be assessed and their mistakes be pointed out to them for remedial action if exercises are not given and marked?

The overall effect of the attrition on students' performance in learning and examinations cannot be quantified. Students perform poorly in examinations and as a result many of them are unable to further their education and, thereby increasing the school dropout rate of pupils. The inadequate preparation of students for examinations and other purposes resulting from the high teacher attrition and moonlighting also account for the mass cheating in public examinations and other forms of examination malpractice the country is currently witnessing. Complains from industries about the

poor performance of personnel in various work places in recent times can also be attributable to this same problem.

Research Question Five: What measures must be put in place to reduce or eliminate teacher attrition?

Attrition in all its forms, particularly avoidable and dysfunctional attrition, can be frustrating and it behoves management of organisations to take appropriate measures to avoid it if possible or reduce it to the barest minimum. Dysfunctional attrition occurs when high performers quit the job. It was identified by the study that in most cases it is teachers who add value to themselves by obtaining additional qualifications through further studies who quit the profession. This in effect means that the attrition experienced in the teaching profession is mostly dysfunctional. It is very expensive to spend huge sums of money to train staff only to lose them to your competitors in no time. It is always the employer who loses when high performers who have trained at the employers' expense quits for another job shortly after training. Something definitely needs to be done to stem the tide of teacher attrition.

One potent means to ensure this is the offer of attractive, competitive, comprehensive compensation and benefits package. This should include, but not limited to life, health and disability insurance; scholarship scheme for wards; car loans, subsidised rent and subsidised meals, among others. Though government supplies textbooks in the country's pre-tertiary levels of education, teachers who want to achieve results strive to buy additional books to supplement at their own expense, but they are not compensated for that. Interestingly, their counterparts in the tertiary levels of education are given book allowance for the same purpose. An introduction of book allowance for them as well will be of immense help. Also, due to housing deficit in the country, many teachers commute long distances to work at their expense, all

from their basic salary. Payment of transport subsidy which is enjoyed by other public sector workers must be extended to them, for, it is said that what is sauce for the goose is equally sauce for the gander. It became evident in the survey that the unattractive nature of teachers' compensation has been one of the push or drag factors of teacher attrition in the country. The regular increases in the prices of goods and services and the pressure on the worker from the social system should be taken into account when fixing the salary levels for public sector workers in general and teachers in particular.

Opportunities for career and personal growth should be provided to the employees through education and training to better equip them to deliver efficient services. There should be regular in-service training sessions to keep them abreast of the new topics that have been included in the curriculum. The measure will also boost the confidence of the employees. Employers should demonstrate respect to employees at all times and involve and engage them when making decisions that will affect them. This will go a long way to strengthen their commitment to the employer.

To cushion teachers from the harsh effects of exorbitant and hefty rent exacted on accommodation seekers by owners of landed property such as housing, government should introduce housing benefits to teachers who are found in almost every settlement, both rural and urban. Newly posted teachers on transfer always have the burden to mobilize financial resources to pay for hefty rent advances for their accommodation. In recent times, newly posted teachers have to work for a long while before they are paid their first salary. Mobilizing money to pay rent advances and for maintenance is indeed a big blow to any beginning employee.

6.3 The Extent of pay on attrition

This section discusses the major findings of the study under the sub-headings in relation to the results of the regression analysis used to test the hypothesis. The regression analysis results to determine the extent of pay on attrition of teachers which is positive and highly significant at 1 percent indicates that pay has significant influence on attrition intentions. The result indicates that higher remuneration elsewhere has a greater influence on employees' intentions to quit current job. The results therefore reject, the Hypothesis (H 3) that higher pay has no satisfactory effect on turnover. Pay is a major component in economic analysis of turnover. What this implies is that, higher pay reduces the attrition intentions of the teachers. The finding is consistent with a study by Brewer (1996) which asserts that higher wages reduce teachers' attrition propensity. It also confirms separate studies conducted by Osunde and Omoroyi, (2005) and Yusuf (2010) which concluded that low salary is one of the major factors that influence teachers to exit teaching for other fields whenever there is the opportunity for them to do so. Studies conducted in both England and Finland on rewards and teacher retention showed that most teachers complained of low salary as a major factor for their decision to quit or remain in teaching (Webb *et al*, 2004). More than 50 per cent of teachers who left the teaching field in Florida between 2002 and 2004, mentioned poor remuneration as the principal cause for their exit. (Gladiset *al*, 2007).

Numerous studies have shown that in most African countries, teachers receive less than three dollars a day. Because of this, many of them are unable to meet their basic needs of life, and in their attempt to sustain themselves some of them engage in moonlighting or take on other jobs alongside the teaching (Paul & Kwame, 2007; Osei, 2006; Wushishi, Foori, Basri & Baki, 2013). According to Mampane (2012), in

South Africa, as many as 20 000 teachers quit the job annually. He stated that between 2005 and 2008, a period of three years, as many as 24,700 teachers left the profession. The country could turn out only 8, 000 teachers annually. According to him, many of the migrating teachers are poached by overseas recruitment organizations with promises of better working conditions and in particular salaries. Mampane also identified factors such as the availability of other higher paying jobs, organizational culture and higher reward system as responsible for the development. The case in South Africa is not diametrically different from those in some other countries in the continent. Cobbold and Asamani (2015) reported that numerous studies in Ghana point to a high degree of teacher attrition in the country. There are as many as 10 000 teachers who exit the service for various reasons every year (Daily Graphic, 2010; Asamani, Cobblod & Dai-Kosi, 2015). The country's 38 colleges of education can turn out only 9 000 teachers in a year, thus creating a shortfall of 1 000 teachers per year. In the year 2012, the Ghana Education Service (GES) reported that the country had a 60 000 teacher deficit at the basic level of education alone with the over 80 000 pupil teachers filling the classroom as a stop gap measure (Ghanaian Chronicle, 2012). Cobbold and Asamani (2005) found that teachers in Ghana constantly agitate for increased remuneration and improved conditions of service. These are enough evidence to show that low salaries and poor conditions of service for teachers have contributed to the low morale and high teacher attrition in Ghana. This condition compels most teachers to take on multiple jobs, which in turn greatly affects the quality of teaching. As the working conditions of teachers fall, the number of teachers leaving the classroom for greener pastures increases (GNAT & TEWU, 2009).

The position is confirmed by this study as pay showed a significant result in the multiple regression test. For a significant number of the respondents, pay comes top of all the variables in the test. It also reflects the position shared by two respondents interviewed in the qualitative study, Manu, a 52-year-old retired teacher and Rosemary, a 39 year old former teacher. The two emphasised the premium they and several others place on pay as a major determinant of employees' decision to quit or stay on a job.

The economic determinants of an employee include pay, training and company size. Pay as one of the economic determinants of an employee is considered as a factor used by organizations to motivate employees to be in compliance with its regulations and rules (Mueller and Price, 1990). According to the researchers, the view of economists is that the decision by an employee to quit or stay on a job is the result of a rational cost-benefit assessment. For Mano, *et al.* (2004) employees decide to quit from an organization for economic reasons. Even though compensation ranks among the top contributors to employee job satisfaction, it is unlikely that employees view it in isolation from other factors. Griffeth *et al.* (2000) established that pay and pay-related variables have a modest effect on attrition. The researchers concluded that when high performers are not sufficiently rewarded, they quit the employment. The finding confirms the Equity theory, which is the main theory used to guide the study. The Equity theory states that employees do a social comparison analysis and if they find that the ratio of their inputs and outcomes are less than that of the referent other, they resort to other means, including quitting the job to restore equity. It is also consistent with the economic law of demand and supply which states that as wages rise, other workers are attracted to the labour market by the incentive of higher rewards. This may cause shifts of people from other occupations, thus leading to an

expansion in labour supply. The social exchange theory states that as rational beings, employees seek to maximise the profits or benefits to be gained in the social exchange situations. In the social exchange situation, employees consider their qualifications acquired through training and experience and other factors in relation to the pay they receive from their current employment and compare to conditions that prevail elsewhere in arriving at a decision either to quit or stay in an establishment.

6.4 The Extent to which external opportunity influences attrition

The study identified external opportunity as one non-salary related factor which is key in influencing the attrition intentions of teachers. The result of external opportunity of 1 per cent significant level ($\beta=0.582$), also confirms the hypothesis (H5) that high perceived external opportunity produces higher turnover. The finding indicates that when employees perceive the existence of better job opportunities, they will be more likely to have intentions to exit their current job. External opportunity refers to the availability of external alternative, attractive and attainable employment in the economy. Graduate teachers possess the qualifications required for employment outside the classroom and are, therefore, better positioned for recruitment into such jobs which are in most cases more lucrative. The literature indicates that teachers with higher degrees from prestigious schools of higher learning and those graduates with degrees in “high market-value” disciplines such as mathematics, engineering and science, mostly quit the teaching profession for other fields which are usually non-education fields in droves than their colleagues without such educational attributes. The studies further indicate that for such teachers, the opportunity cost of remaining in the classroom is higher than they are for teachers with skills and knowledge perceived to be less well-rewarding outside the teaching profession (Guaino, Santibanez, Daley and Brewer, 2004). It is also evident that some teachers quit full-

time classroom teaching for jobs in fields unrelated to teaching, while some others leave the workforce all together. Ingersoll (2003) identified job dissatisfaction as a major cause of teachers' exit of the profession. He states that a good number of teachers leave the job altogether simply because they see no hope for change in sight. This gives ample evidence that better opportunities attract and pull teachers to quit the profession and take on new ones.

Mampane (2012) confirms the above position as he attributes the exodus of teachers in South Africa to poaching by overseas recruitment organizations with promises of better working conditions and in particular salaries. He identified factors such as the availability of other higher paying jobs, organizational culture and higher reward system as responsible for the development.

The significance level of external opportunity in the regression results confirms this position too and it is consistent with the major theory of the study, equity theory, which states that, workers do a social comparison to find out whether they are being over rewarded or under rewarded, taking into account their inputs and outputs ration vis-à-vis that of the referent other. And should it turn out that, in the comparison, the employee finds out that he or she is being under rewarded, they resort to means to resort equity. Many of those who find it difficult to bear the negative equity quit the job for another whose conditions of service are considered to be better than the current job. Graduate teachers, just like any other category of workers elsewhere, also lead nomadic life; they look for places with better external opportunities as they accept teaching appointment. And as soon as they find one of such places, they quit the profession. There are many professions whose conditions are relatively better than teaching, hence the exodus of teachers for either sectors.

The other supporting theories, the theory of demand and supply as well as the social exchange, efficiency wage and human capital theories, all emphasise the fact that human beings are rational and as such they do cost-benefit analysis using their current employment and opportunities elsewhere. Should the result of the analysis indicate that opportunities elsewhere are better, many of the employees tend to quit as it is the case currently in the teaching profession in Ghana and elsewhere. Many of the graduate teachers have the professional qualifications in addition to the qualifications needed to work in establishments other than teaching. So when they find out that the conditions elsewhere are better many of them tend to quit the job. The study indicated that as many as 42 per cent of the male respondents interviewed indicated their intention to quit the job. Only about 29 per cent of female respondents had that intention. To reduce the rate of teacher attrition resulting from external opportunity, attractive compensation packages and other non- salary related conditions should be introduced.

6.5 The extent of tenure on attrition

Tenure was also found to be another key factor that significantly influences the attrition intentions of employees. With 1 per cent significant level and ($\beta=0.200$), the variable is significant and positive. This implication is that the higher the security of tenure, the lesser the attrition intentions. In other words, job security lowers the rate of attrition. Tenure is negatively related to turnover. The longer a person works with an organization, the more likely they are to stay. The longer an employer and employee benefit from their relationship, the costlier the ending of it will be. This is why tenure is negatively associated with turnover. In particular, the benefits of long public sector tenure in terms of wages, job security, and pension rights will decrease intention to leave. Age has been found to be

negatively correlated with the probability of job turnover intent (Henneberger & Souza-Poza, 2002). Based on the matching theory, younger people have an experimental stage at the beginning of their professional life. A change is less attractive, since the available time to redeem the costs associated with a job turnover diminishes with age. Emphasizing the turnover rate amongst employees, McGlaham (2006) remarks that the mobility rate is such that a young employee entering the work force after graduation can expect to have an average of twelve different jobs by the time such an employee attains the age of 40 years.

6.6 The extent of job insecurity on attrition

The study further identified job insecurity as another significant factor that impacts on the attrition intentions of teachers. The result of 1 per cent significant level at ($\beta=0.586$) gives the indication that employees value the security of the job they do. This confirms the finding by Greenhalgh & Rosenblatt (1984) that best qualified employees try to quit jobs as soon as possible because they have better chances in finding jobs elsewhere. The exit of such best performers weakens the organization's strength and creates new costs for the organization as they have to look for immediate replacement. The high rate of dysfunctional attrition experienced by the Ghana Education Service (GES) is a cost to the organization and the state as a whole.

Preference for jobs that guarantee the continuous engagement of the employee is mostly higher than those without this assurance. The adage "the devil you know is better than the angel you do not know" comes into play here. This position is consistent with that of the conservative ideologues which states that it is always better to prefer the tried and tested to the untried, known to the unknown, and the familiar to the unfamiliar (Asah-Asante & Brako, 2015). Dora, a 64-year-old female retired teacher interviewee, vividly expressed this position as she stated that she remained

with the teaching profession till retirement all because she did not want to go and experiment anywhere. She was assured of her salary at the end of the month and for her that assurance alone was more than enough. A 70-year-old male retired, Abu also shared the same sentiment.

According to Greenhalgh and Rosenblatt (1984), employees who feel insecure are uncertain about the continuity of their employment status. Such people are uncertain whether they will retain or lose their current job and, cannot, therefore make adequate preparation towards the future. The uncertainty can thus trigger attrition. In spite of the security of tenure in the teaching profession, many of the professionals leave. This very intriguing and gives an indication that the high rate of teacher attrition in Ghana is caused by some other factors as well.

6.7 The extent of age on attrition

Age is another factor identified as playing a significant role on teachers' decision to stay or leave the teaching profession. Research indicates that the rate of teacher attrition is higher among young teachers, and it stabilizes through the mid-career period and rises again before retirement years. The Canadian Teachers' Federation reported on the phenomenon in Ontario and Australia (Kabungaidze & Mahlatshana, 2013). Most of the teachers who quit the job are in their early years of their entry into the profession. Cobbold (2007) described as alarming the rate at which new teachers are exiting the classroom, especially within the first three years of teaching after completion of Teacher Training College. Studies on new teacher attrition ranges from 20 per cent with respect to those who quit the profession in their first three years of teaching to 60 per cent, regarding those who leave within the first five years (Darling-Hammond, 1999; Odell, 1990). In the United States for example, it is estimated that 9.3 per cent of the public-school teachers leave the service contract

in less than one year of their entry into the profession, while about fifty per cent also exit the job within the first five years of service (Rosenow, 2005; Greiner & Smith, 2006; Ingersoll, 2001). In another study in the United States, Chang (2009), discovered that the rate of teacher attrition within the first four years to be 25 per cent, while about 40 per cent leave the profession within five years of their entrance.

The findings of this study are at variance with the literature. Contrary to the literature, the attrition decision was not higher among the new entrants and the young teachers than it was with those in the Age 3 (41-50) category. Under normal circumstances, employers prefer to engage the services of employees who can be with them and render continuous services for a relatively longer period, for example at least two decades. However, the findings of this study indicate something to the contrary. A number of factors account for the deviation from the norm as this study established. Many of the young and new entrants take teaching as a stepping stone. They take the appointment as an opportunity to prepare themselves for better opportunities elsewhere in the future. Some of them, particularly those who are posted to locations in and around where the country's tertiary institutions are located, take advantage to pursue further studies through evening classes, distance education, sandwich and regular programmes while teaching. By the time many of them complete their programme of study they will be within the Age 3 category. It should be borne in mind that most of the teachers were trained after senior school education, proceeds to the colleges of education for the initial professional training and worked for some time before going to the university for the first-degree programmes. Majority of them have to work for some time before they are able to mobilize money to pursue studies for the additional higher qualifications. Some of the women also, prefer to marry and even start a family before they begin to nurse the ambition to

further their studies. The time spent in all these counts towards their chronological age so, by the time they are set to quit they are already in the Age 3 bracket. New entrants cannot afford to add value to their education immediately after coming out of school and landing on first employment. They have to start life by trying to acquire a few basic things in life. And due to ever rising cost of living in the country, it takes quite some time for one to get set or even to think of further education.

In spite of the deviation, it is consistent with the matching theory. The theory postulates that younger people have an experimental stage at the beginning of their professional life. A change is therefore less attractive since the available time to redeem the costs associated with a job turnover diminishes with age. Respondents in the ages 1 and 2 categories are in the experimental stage at the beginning of their professional life and, therefore have to spend some time to find their feet in their chosen profession or profession of first appointment.

It is interesting to state that none of the theories directly mentions age as a factor in the determination of the employee's decision or stay on a job. Equity theory mentions the variable along with a range of other variables as constituting the inputs component of the employee as they engage in undertaking the social comparison. In spite of that, age plays a significant role in the determination of employee's decision to quit or stay in employment. As the 67 year, old retired teacher, Sidney, indicated in the study, he was not interested in joining the fray as his colleagues exited the teaching profession for greener pastures because of his advanced age. According to him, one does not normally nurse the ambition of quitting job if the one is advanced in age.

6.8 Extent of training on attrition

Training came as another factor that can influence an employees' attrition intention. The relationship between training and attrition can be traced back to the Human Capital theory, which proclaims that education as an investment in human capital can raise the quality of an employee (Becker, 1993). It is often assumed that the level of education has a positive effect on the probability of job mobility since high education is often associated with better labour-market alternative (Royalty, 1998). Results of some well-established research indicate that behavioural change brought about by learning does not only improve the job performance but also the satisfaction of employees. It is worth noting that employees who are more highly educated are more likely to quit job because education is a form of human capital that can easily be used in other organizations.

Caution should be exercised here because other researchers distinguish between two types of training with each having a different effect on attrition. A distinction is made between "general training" and "specific training." According to Becker (1993), general training requires training to raise an employee's marginal product equally in all firms. General training is usually not paid by the employer and makes the employee easily replaceable, although it makes them attractive to other organizations (Heneberger *et al*, 2007).

Specific training refers to "training that has no effect on the productivity of trainees that would be useful in other firms" (Becker, 1993: 40). Usually the cost of such training is borne by the employer. This investment is provided by offering higher pay. Thus, specific training as an economic determinant decreases attrition intentions. Teachers acquire general training in the universities aside the specific training they are given in colleges of education. They are, therefore, capable of performing in other

sectors as well just as their non-teaching counterparts. They have added advantages; they can teach and render similar services their other colleague graduates can do. This makes them more competitive on the job market, hence the high attrition rate involving them.

6.9 Extent of organizational commitment on attrition

Organizational commitment, which refers to the strength of the individual employee's identification with and involvement in a particular organization, also showed significant results. This was particularly so, because for most of the respondents, their continuous stay in the teaching employment is influenced by what Allen and Meyer (1996) describe as affective, normative and continuance commitment to one's employment. Affective commitment refers to employees who may feel emotional attachment to their employment because for them such an attachment is good for their personality and values, or feel competent in their work role. Employees with normative commitment remain with an organization simply because they feel that they ought to do so. Those with continuance commitment consider the costs associated with their exit. According to Bercker (1960) in his side-bet theory, individuals who quit employment often stand to lose certain benefits and entitlements, including their retirement funds and friendship.

For most of the respondents, particularly those who had remained with the organization for long, their decision to quit or stay hinges on the strong attachment and involvement in the work they do. They also consider what they stand to lose, by way of retirement funds from both their employer and professional associations such as the National Association of Graduate Teachers (NAGRAT), Ghana National Association of Teachers (GNAT) and Concerned Teachers Association of Ghana

(CTAG). Some have risen through the ranks, and that is also a source of pride for them. They, therefore, see no reason why they should go elsewhere as beginners.

6.10 Effects of other factors on attrition

Factors such as organization size, psychological contract, participation and autonomy were not significant in the results. This means that they do not significantly influence the attrition intentions of the respondents. Organization size is also identified as another factor that influences attrition intentions of employees. Research has indicated that smaller organizations are confronted with higher turnover rate, whereas bigger organizations are able to keep their employees (Henneberger & Sousa-Poza, 2002). Many people assume that bigger companies pay a higher salary, have more existing promotion opportunity and offer a higher job safety than smaller companies. Large organizations can provide employees with better chances for advancement and higher wages and hence ensure attachment (Idson & Feaster, 1990). Therefore, an inverse relationship between company size and intention to leave exists.

A number of factors are responsible for the counter findings of the current study with what is reported in the literature. One explanation is the premium the respondents placed on the economic and demographic factors such as remuneration, external opportunity, training, age and tenure. The harsh economic condition, coupled with social pressure exuding from the society as well as the reverence given to the rich make most Ghanaian workers put premium on monetary considerations and other economic factors more than anything else, as far as decisions of whether to quit or stay in an organization are concerned. Other non-economic factors are, for most of them remote. Apart from the above, there are other factors that cause attrition, but have not been acknowledged by this study. This explains why the co-efficient of determination of R^2 is not 100 per cent.

Several studies, including Allen and Griffeth (2001), have investigated the relationship between performance and attrition. Retaining high performers is a challenge for many organizations and this can be inimical to organizational efficiency (Tziner & Birati, 1996). In contrast, if poor performers leave it will be beneficial to an organization.

Marital status, also known as kinship responsibilities, has to be considered in the attrition process as a potentially significant demographic determinant. The cost of job change increases when the family is involved. Married employees are less likely to quit than unmarried people (Cotton & Tuttle, 1986; Horn & Griffeth, 1991). The presence of children in school going age can also have a negative impact on job mobility (Heneberger *et al*, 2002).

Structural variables such as the presence or absence of social support-supervisory support and peer or co-worker support, have implications for attrition. Peer support, for example, is concerned with issues such as integration, work group cohesion, social capital and primary group (Price, 2001). Peer support is predicated to be positively related to job satisfaction which in turn decreases attrition intent.

Also, there is said to be an inverse relationship between unemployment and attrition, increasing unemployment rate decreases alternative employment options (Heneberger & Sousa-Poza, 2002). Unemployment is an economic variable. The development of unemployment and attrition rates over time can reveal interesting findings.

It is pertinent to note that the responses and attitudes of respondents in the study reflected the assumptions of all the six theories that undergird the study. The compensation theories for example, comprising the economic theory of demand and

supply, the labour exchange theory, the human capital theory and efficiency wage theory all emphasise the incentive of higher rewards to enter the labour market.

The theory of demand and supply, for instance, argues that the labour market is a factor market which provides a means by which employers find the labour they need, whilst millions of individuals offer their labour services in different jobs. The theory further states that, labour is not wanted for its own sake, but for what it can contribute to production. This means that the number of workers a firm wishes to employ is derived from the revenue that can be earned from the sale of what is produced. Therefore, the number of workers a firm wishes to employ depends principally on the revenue that can be earned from what is produced. If demand rises or the price of the products made increases, a firm will usually seek to employ more workers. Supply of labour on the other hand is the amount of people offering their labour services at different wage rates. It is the number of workers willing and able to work in a particular job or industry for a given wage. As wages rise, other workers enter the labour market attracted by the incentive of higher rewards. They may have moved from other occupations or they may not have previously held a job, such as housewives or the unemployed. The extent to which a rise in the prevailing wage or salary in an occupation leads to an expansion in the supply of labour depends on the elasticity of labour supply. In the study, it became evident that a greater number of the respondents mentioned poor remuneration as a major factor that influences their intention to quit the teaching profession.

The social exchange theory also suggests that human beings make social decisions based on perceived costs and benefits. This hypothesis asserts that people evaluate all social relationships to determine the benefits they will get out of them. It also argues that an employee will typically leave a relationship if he or she perceives

that the effort or cost of it outweighs any perceived advantages. The fundamental principle of the theory is that human beings in social situations choose behaviours that maximize their likelihood of meeting self-interests in those situations and in taking such a view of human social interactions. The social exchange theory includes a number of key assumptions. The theory operates on the assumption that individuals are generally rational and engage in calculation of costs and benefits in social exchanges. In this respect, they exist as both rational actors and reactors in social exchanges.

The principles of the above are the same as the efficiency wage theory which argues that when workers are paid a higher wage than they would get at other firms, they are less inclined to quit their jobs, thus decreasing the firm's turnover.

The human capital theory states that being rational beings, employees seek to maximise the benefits to be derived from their employers in terms of meeting their basic needs of life. The employers on the other hand also seek to offer remuneration package that will not only attract, but retain and motivate employees to provide quality service. Employers are alive to the fact that an offer of an attractive compensation package will reduce attrition intentions which will also save them the cost of recruiting and training fresh employees all the time. On the part of the employees too, good and attractive compensation will motivate them to remain in employment and also urge them to give of their best.

The central arguments made in all the above theories are reemphasised by the equity theory. The theory argues that the attrition intentions of employees are mostly influenced by results produced by their social comparison analysis. That is, if an employee perceives his inputs- outcomes ratio is lower than the referent other in the social comparison, they resort to finding means of restoring equity and one of the

means of achieving this goal is to quit the job for another that gives better conditions of service.

The assertions made in the above theories can be summarised that better or attractive emolument is one cardinal factor that influences employee's intention to quit a particular job for another. Employees mostly look for jobs that offer greener economic pastures so as they accept one employment opportunity, they begin to fish for other opportunities that offer higher or better rewards than their current employment and when they find one they quit. The study therefore supports the assertion that the incentive of higher pay is a key determinant of the attrition intentions of employees. The finding confirms the Equity theory, which is the main theory used to guide the study. Equity theory states that employees do a social comparison analysis and if they find that the ratio of their inputs and outcomes are less than that of the referent other, they resort to other means, including quitting the job to restore equity. It is also consistent with the economic law of demand and supply which states that as wages rise, other workers are attracted to the labour market by the incentive of higher rewards. This may cause shifts of people from other occupations, thus leading to an expansion in labour supply. The social exchange theory states that as rational beings, employees seek to maximise the profits or benefits to be gained in the social exchange situations. In the social exchange situation, employees consider their qualifications acquired through training and experience and other factors in relation to the pay they receive from their current employment and compare to conditions that prevail elsewhere in arriving at a decision either to quit or stay in an establishment.

The study confirms both theories of the compensation and attrition results. It is interesting to note all the theories place emphasis on remuneration as the only factor

that causes employee attrition and neglect such other factors like age, external opportunity, organizational commitment, psychological contract, training, job satisfaction, tenure, job insecurity, kinship status, work autonomy, organizational size and participation among others. This study has identified the significance of other non-salary related factors such as training, organizational commitment, job insecurity, psychological contract and age as playing a significant role in employee attrition and thus, extending the frontiers of attrition theories. Though, remuneration is key in attrition decisions, other factors such as the aforementioned are equally strong in causing attrition. In compensation and human resource planning and administration, sight should not be lost on those factors since their non-inclusion can equally trigger attrition.

6.11 Conclusion

The major findings of the study were discussed in the chapter. The discussions were made in relation to the research questions contained in Chapter One as well as the theories used to guide the study and the literature review both of which are detailed in Chapter Two. The extent to which the variables set in both the research questions and hypothesis influence teacher attrition were comprehensively discussed. The next chapter presents a summary of findings, conclusions and recommendations of the study.

CHAPTER SEVEN

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

The study set out to determine the extent to which public sector compensation reforms impact on teacher attrition. To achieve this objective, a blend of both qualitative and quantitative research techniques was employed. Both interviews and questionnaire were used in collecting data from the respondents. The following research questions were posed to guide the study:

1. To what extent do public sector compensation reforms feature in public sector reforms in Ghana?
2. What explains the multiplicity of public sector compensation reforms in Ghana?
3. Does compensation influence teacher attrition?
4. What are the consequences of teacher attrition?
5. What measures should be put in place to reduce or eliminate teacher retention?

The primary goal in this chapter is to summarise the key findings and then draw relevant conclusions from the discussions in the preceding chapter.

7.2 Summary of key findings

The thrust of the study was to investigate the impact of compensation on teacher attrition in Ghana taking two regions, the Ashanti and Central as areas of focus. The findings of the study indicate that one of the major objectives of the numerous public sector compensation reforms was to improve conditions of service in the country's public sector so as to attract and retain competent and dedicated teachers to render quality service. This goal has not been fully achieved as teachers,

who are to train the country's manpower, continue to look for employment opportunities that offer more attractive compensation packages and quit the teaching profession in droves as and when they find them. The findings that emerged from the study are discussed as follows:

The study revealed through the interviews and responses to the questionnaire that the teachers are aware of the conditions of service of the work they do. A good knowledge of the conditions of service of one's employment provides a sound basis in the determination of whether one is satisfied with terms and conditions of engagement or not. Armed with this knowledge teachers are better positioned to identify which conditions of service exist elsewhere which are denied them so as to be able to make claims for them. Such a comparison helps employees to make an informed decision whether to quit or stay on the job.

Evidence from the study further indicated that enhanced compensation package was a factor that would motivate teachers to remain with the teaching profession. For most of them, teaching is their preferred profession. The teachers have great interest in their chosen profession, but the unattractive nature of the emolument is one major factor that pushes some of them out of the job. For most of the teachers who responded to the questionnaire and participated in the interview, the low level of salaries and absence of allowances enjoyed by employees in other sectors of the public service are the major challenges that confront them in the teaching service.

Interview with the respondents showed that majority of the male teachers had knowledge of public sector compensation reforms. They also demonstrated that they had adequate knowledge of the salary review bodies set up by successive governments to review compensation for the public-sector employees and the

respective recommendations they made. Many of the female teachers were, however, not aware of the salary reform bodies.

It was established that more male teachers than females had the intention to quit the profession. The bearing of greater financial responsibilities in the family regarding house-keeping money, payment of school fees and health bills as well as utility bills by males in Ghana is perhaps the reason behind this high attrition intention by them. They look for jobs which offer higher rewards that will enable them to meet these family commitments.

Another factor identified by the study as the cause of teacher attrition is the existence of attractive opportunities outside the teaching profession. External opportunities refer to the availability of external alternative, attractive and attainable employment in the economy. Graduate teachers possess the qualifications required for employment outside the classroom and are, therefore, better positioned for recruitment into such jobs which are in most cases more lucrative. Teachers with master's degrees mostly quit the teaching profession for other fields which are usually non-education fields in droves than do their colleagues without such educational attributes.

The study also revealed that tenure was another key factor that influences the attrition decisions of teachers. It became evident that many of the teachers remained in the profession because of the secured tenure they enjoyed and work flexibility. The higher security of tenure lessens the attrition intentions of many of the teachers. The flexible nature of the job retains most of the female teachers. With the three regular holidays, they enjoy in each academic year, the teachers are able to attend do other things during working hours. They are able to take on additional jobs to raise additional income to supplement what they earn from teaching. Besides, they can

attend sandwich, distance and evening lectures to obtain additional qualifications as they retain their job and duty post. The female teachers have enough time to be with their children at home. This is because classes officially close at 2 o'clock in the afternoon. The closing time for other public servants is 5 o'clock in the evening.

It was also found that age did not play any significant role on teachers' decision to stay or leave the profession. A good number of the teachers who expressed the intention to quit the service were mostly fairly advanced in age (41-50 years). This contradicts the position in the literature that new entrants into the profession are those who nurse intentions to quit jobs.

The study revealed that graduate professional teachers with diploma in education are those whose decision to quit the job are high. Their services were perhaps needed in other teaching and non-teaching sectors because of the professional background in teaching.

The impact of training on attrition of teachers who participated in the survey was also identified by the study to be high. The general training which teachers obtained rather than the specific (professional, including in-service) training led to the rise in teacher attrition. The additional qualifications acquired at the universities made them more attractive to employers.

It also came to light that job insecurity leads to increase turnover. The fear of uncertainty of the continuity is of their engagement.

7.3 Conclusions

The study has shown that public sector compensation reform has had some impact, however, its impact on teachers has not been well felt. Teachers who participated in the survey and those who were interviewed confirmed this. The participants were of the view that the current public sector compensation regime, the

single spine salary structure, has not completely eliminated the inequities and distortions that bedevilled the public sector pay reforms since the country's independence. The disparities in the salary regime, coupled with the absence of certain categories of allowances which some public-sector workers enjoy alongside a host of other entitlements account for the exodus of teachers to join other establishments. Even though majority of the teachers claim that teaching is their most preferred profession and are committed to it, the disparities and discrimination inherent in the pay regime strongly influence their intentions to quit teaching. The conclusions drawn from the study are summarised as follows:

Compensation package for teachers are generally low. The allowances which other public sector workers enjoy, but are denied teachers make them worse off. The graduate teachers see this as discriminatory and this influences the intentions of them, especially the young and mostly new entrants to look for other places where they will get what is due them. Most of the teachers see teaching as their most preferred profession, however, what they perceive to be the unattractive conditions of service has been one factor that discourages them from remaining in the job.

Teachers, particularly the males are conversant with the public-sector reforms. They are also very much conversant with the public-sector compensation reforms, the salary review bodies and the recommendations they made as well as how they impact on the salary structure of teachers.

The mass exodus of teachers from the teaching profession will produce negative consequences on the performance of students in examinations. It can also trigger other colleagues to follow suit, especially if those who leave become better off. Female teachers are not mostly interested in quitting the profession in search for

greener pastures. In majority of cases it is men who have strong feeling to quit the profession.

Based on the study's findings, the thesis argues that the concerns of teachers, particularly with regard to their emolument, have not been adequately addressed by the public-sector compensation reforms. The study, therefore, concludes that teachers generally have love for the profession and many of them would like to work till retirement due to the fact that the job is more flexible and less risky as compared to other professions. The only factor that poses a great challenge to them is the current conditions of service. Most of the teachers are likely to quit the profession if the conditions of service remain unchanged. Teacher attrition is thus, a decision that teachers are compelled to make, but not an action which is motivated by lack of interest in the profession.

7.4 Recommendations

Based on the findings made by the study, the following recommendations are made to help reduce the high incidence of graduate teacher attrition in Ghana:

Payment of attractive compensation to teachers: As revealed by the study, many of the teachers in the field prefer the profession and are committed to it, however, the unattractive nature of the remuneration package influences their intention to quit in search of greener pastures that exist elsewhere which are not available to teachers. Per the implementation of the single spine salary structure (SSSS), salary levels of all public-sector workers are determined at certain agreed upon levels, so nothing can be done to effect any serious changes in the salary levels exclusively for teachers. Such an attempt will create further distortion in the single spine salary structure (SSSS) as it became of the Ghana Universal Salary Structure (GUSS) when health workers were lifted from it and were given an exclusive salary structure. It is, therefore,

recommended that the government should introduce some form of allowances such as book and professional allowances which should be based on a percentage of teachers' basic salary to cushion them against hardships and also enhance their compensation package so as to retain a high percentage of good teachers in the classroom. The restoration of leave claims, meals and rent subsidies which were enjoyed by teachers until it was scrapped with the implementation of the Ghana Universal Salary Structure (GUSS) will in this regard be a welcoming relief to the teacher. Some public servants still enjoy these claims so one wonders why those of teachers were withdrawn.

Besides, the introduction of out of station and night subsistence allowances for teachers whose work take them outside their place of work will help. When teachers attend workshops to improve upon and sharpen their professional skills, they are made to lodge in classrooms at the mercy of the weather and mosquitoes with no hotel allowances paid them. Other public servants enjoy these allowances. This flagrant discrimination against teachers has the potential of influencing their attrition. Dysfunctional attrition, that is, the exit of highly qualified and well trained graduate teachers has a negative impact on the quality of tuition and performance of students and candidates both in school and in external examinations.

Payment of Equitable Compensation: The disparities and distortions that have bedevilled compensation regimes in Ghana since time immemorial still find space in the single spine salary reform programme. The inherent inequity that characterises the current salary regime just like all the previous ones is one reason for the continuous attrition of teachers in search for alternative job opportunities within and outside the public sector. Based on this, the study suggests that a new pay regime be introduced by government to properly provide equitable compensation to all public-sector workers without discrimination. The implementation of the single spine pay policy

was done with some motive to reward a section of the public-sector workers with particular reference to the police personnel, but for others, including teachers, no such consideration was given. This has made teachers' worse off and many of them feel that the new pay regime does not favour them as it does for other public sector workers, hence the search for jobs in other sectors where they think the pasture is green.

Attractive conditions of service: The study identified the existence of better opportunities was another factor that attracts teachers to quit the service for other sectors of employment. The study recommends to the government to make the conditions of service for teachers very attractive such that it can retain good, dedicated and performing teachers in the profession. The granting of cars, housing and loans, which prevail and are enjoyed by employees in some public-sector institutions should be extended to teachers as well. The introduction of such facilities will suffice to retain quite a sizable number of teachers who constantly nurse the intention to quit the job following the non-existence of such facilities which prevail elsewhere.

Subsidised-housing Scheme: Further to that, the study recommends to the government to consider introducing a subsidised housing scheme for teachers. The implementation of such a scheme will help retain many teachers in the service since it will relieve them of the burden of looking for loans to pay for hefty rent, especially for newly posted teachers and those on transfer. The frustration resulting from the lack of accommodation facilities and the requirement for newly-posted and transferred teachers to mobilise resources to rent the facility is one factor for the departure of newest entrants from the service.

Community Subsidy: There should also be community subsidy of teachers' salaries to ensure that good and dedicated teachers stay in the communities and work. The

subsidy may take the form of monetary payment, but can also be in the form of food and other forms of material gifts. The subsidy should target only teachers who the community thinks are doing exceptionally good work.

Adequate and Timely Provision of Instructional Materials: It is also recommended that there should be adequate and timely provision of textbooks and instructional materials by the Education Ministry to influence teacher retention. Good instructional materials make the job of the teacher easier as they help the teacher in sequencing, pacing and structuring instructions. The use of good instructional materials results in higher levels of student achievement, which can significantly contribute to boost teachers' morale, greater recognition and approval from parents whose wards achieve such feat and the community as a whole.

Teacher Participation in Decision-Making: Teaching can be repetitive and boring. To lessen the effect of the boredom on teachers, it is recommended by the study that teachers should be involved in the taking of professional decisions that most directly affect their work such as the formulation of the curricula, preparation of instructional materials and the design of experiment using available local resources. The involvement of teachers in decision-making will make them have a feeling that they are dully recognised as partners whose contributions are needed as far as policy formulation issues are concerned.

Good School Tone: The study recommends school administrators to set a good tone for the school by blending rapport, respect and sense of accomplishment that permeates relationships and influences teacher morale. The actions of administrators should arouse the sense of pride teachers feel about their school, the profession and even how they are perceived in the local community in which they teach. All these can help encourage teacher retention.

Organisation of Frequent Seminars and Contacts: The study also wishes to suggest that the Ministry should organise frequent seminars and professional contacts with other educators to provide opportunities for teachers to develop a network of social relationship with counterparts from other countries. The development can reduce teacher isolation and also build in them a feeling to contribute to higher professional morale. The organization of such courses will sharpen their skills and increase their professional competencies to carry on with the job. Emphasis should be put on specific training which aims at equipping the employee with skills needed to deliver quality service rather than on general training which usually put the individual in a position where he or she will be found very useful by competitors.

Involvement of teachers in Decision-making: It is also recommended by the study that teachers should be made to feel that they play prominent roles in decision-making and implementation of policies that concern them and the work they do so. The development will help build and deepen their commitment towards the organization and the profession. In this regard, as major stakeholders in education, namely: the GES, the MoE, Heads of various school should be involved in the formulation and implementation of policies such as planning of the school calendar, introduction of new curricula and organization of in-service training courses on new courses or subjects and examinations, among others. If teachers are made to develop the feeling that they own the policies, the implementation will be easy. Their inputs will help smooth than any rough edges in the policy for successful implementation.

7.5 Contribution of the study

This study makes modest contributions to the literature on public sector reform with particular reference to public sector compensation reform. The discussion of the study is made under practical and theoretical contribution.

7.5.1 Theoretical contribution

Theoretically, the literature on public sector reform has often centred on the components of the reform programme such as privatization, decentralization, deregulation and contracting out, among others. Most of the reform programmes come with downsizing or rightsizing of the staff of the public sector and cuts in public sector budgets. The budget reforms often, but not always, lead to public sector compensation reforms. The general idea has been that once the reforms are implemented, it will motivate the staff of the public sector to remain in the job and deliver quality service. In Ghana, however, the numerous public sector compensation reforms failed to stem attrition in the public sector. Not even the implementation of the single spine pay policy, which was reckoned to award equitable compensation to public servants could abate this age long problem. As indicated, the study was conducted in the context of public sector compensation reforms. Previous studies such as those by Lambert (2004), Kiragu and Mukandala (2003), Ayee (2001) and Ayee (2005), sought to trace the origin and identify the features, components and general impact of Public Sector Reform in Africa in general and Ghana in particular, but were not linked to pay reforms and teacher attrition. They were all conducted before the implementation of the single spine pay regime. A study by Seniwoliba (2014) was on the single spine pay policy, however, it focused on the agitations the various labour groups made on allowances such as market and retention premium, but did not link the effects of the policy on teacher attrition. To the best of the author's knowledge, there has not been a study on the post-single spine pay reform which is linked to teacher attrition in Ghana. The context of public sector reform is the gap this study seeks to fill. This study, therefore bridges that gap as it identifies the real causes of compensation and other factors that cause teacher attrition in Ghana, particularly after

the implementation of the single spine salary reform. Seeking the views of all the three groups in a single study as in this study has provided comprehensive answers to the issue of salary reforms and how they impact on teacher attrition.

The findings and recommendations of the study offer useful and practical explanations to the real causes of teacher attrition in the post-single spine pay reform regime in the country. The current study has gone one step beyond these previous studies by finding out how the various compensation reforms undertaken in the public sector in Ghana have impacted on teachers, particularly with regard to attrition. Secondly, the study has attempted to approach the issue in a more holistic way by seeking the views of not only teachers in active service, but those who have quit the profession and those who, in spite of the so-called poor conditions of service, chose to remain with the profession until retirement.

It is significant to report that the study reinforces the prediction of the main theory-Stacy Adams' equity theory, which states that if workers after doing social comparison find out that there is underpayment inequity to their disfavour, they find means to restore equity. One of such means is attrition. This is resorted to by people who feel strongly about the inequity and they find more juicy opportunities to exist elsewhere. In the case of the graduate teachers, after comparing their qualifications and how much they earn to their colleagues elsewhere, they realise that there is a huge difference, hence their decisions to quit the profession. What the equity, like the other compensation theories fail to capture are factors that equally cause attrition such as age, tenure, training, psychological contract and job insecurity all of which are significant causes of attrition.

The study is important in two ways: First, it sought the views of the key players in the education sector-teachers. It investigated the factors that influence

teacher attrition. Secondly, the study sought to establish the factors that retain them in the profession. For these reasons, the findings of this study are useful and practical to explaining public sector reforms in general and compensation reforms in Ghana in particular. The study elucidated the direct and indirect or attendant causal effects of implementing a compensation regime that distributes rewards in an inequitable manner in the public sector. This is of value to literature that aims at theorising about the strength and predictability of factors affecting public sector compensation reform and its impact on employee behaviour regarding attrition or retention as well as policy implementation in general.

7.5.2 Practical contribution

With regard to practical contribution, the study is of value to policy makers and implementers of public policy. The study underscores the fact that even though implementing reforms in the public sector, including compensation reform, is vital in achieving the goal of positioning the staff of the sector to deliver quality services that alone is not enough. There is the need for conscious managerial effort to spread the equitable compensation policy to cover all categories of public sector workers. Compensation is not only about basic pay, but all other remuneration, including allowances. The recommendations of the study play a significant role in equipping policy makers and implementers to take strategic decisions regarding the implementation of equitable compensation pay policy whose ultimate aim is to attract and retain competent personnel in the public sector.

7.6 Study Limitations and direction for future research

This study investigated how compensation and other variables influence teacher attrition in Ghana. The main rationale for the study was to use its results to

inform policy makers about the factors that are the principal causes of graduate teacher attrition in the country. This might in time help improve the planning and implementation of policies regarding teacher compensation which may, in the end, help improve their condition of service. Notwithstanding these aims, the study also has its limitations. This reflects the position of Marshall and Rossman (1999), that there is nothing like a perfectly designed piece of research. First, the study's findings are built around self-reported data. For example, one section of the survey required teachers to indicate the factors that influence their decision to quit the teaching profession. The results from this section showed that a greater percentage of the graduate teachers reported that the juicy compensation packages that exist in other establishments motivated them to nurse the desire to quit the teaching job. The former GES employees, who are in other establishments, also gave the same reason for their exit from the classroom.

Although the study has inherent empirical limitations, attempts have been made to undertake reliability and validity of all the study contacts. It must however be pointed out that the data for analysis were obtained from the perspectives of respondents who are in active service, on retirement or have left the teaching service. Even though they are considered to be knowledgeable, possess information and have immense experience as far as the subject-matter of the research is concerned, the extent of bias cannot be ruled out. Arguably, because the study falls within their conditions of service and job experience, they were likely to have provided favourable responses in their job experiences.

Also, the relatively defined sample might not be large enough to generalise the results to other regions of Ghana. The study collected data from only two out of the ten regions of Ghana. On the positive side, however, the two regions selected

for the study were seen to be widely representative because they have the characteristics of metropolitan, municipal and districts in Ghana. The advantage is in the detailed analysis which yields what George (1979), refers to as contingent generalization. Furthermore, the researcher was able to obtain rich data from 130 teachers in active service who responded to closed and open-ended survey items, as well as interviews with 20 retired teachers and 30 former teachers. Because of challenges associated with travelling between districts in Ghana, obtaining such rich data would not have been possible if the samples were to include participants from the other eight remaining regions of Ghana.

It is unlikely, however, that these limitations related to the data collecting process seriously affected the conclusions of the study. This is because a mixed method approach was used to collect data from multiple sources including surveys and interviews. These various sources complemented, and provided corroboration for one another by providing explanations and confirmation to the responses in each section.

Future studies can assess the impact of teacher attrition on student performance. Another area future studies can assess is the cost of hiring teachers to replace those who quit the profession for greener pastures elsewhere.

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APPENDIX A

SURVEY OF GRADUATE TEACHERS' AND FORMER GRADUATE TEACHERS' PERSPECTIVE ON COMPENSATION

Dear Participant,

The purpose of this study is to collect information on how graduate teachers and former graduate teachers perceive compensation and other conditions of service in teaching. Thank you for accepting to help us by completing this anonymous survey please feel free to indicate your opinion because no response is treated as wrong.

Participant Consent

I have read the information about the purpose of this survey. Any questions I have about the research have been answered to my satisfaction. I accept to take part in this research. By handing over the survey to the researcher, I give my consent for the results to be used in the research. I am aware that this survey is anonymous and does not contain any details which may personally identify me by the research.

I know that I may change my mind and withdraw my consent to participate at any time; and I acknowledge that once my survey has been submitted it may not be possible to withdraw my data.

I understand that the researcher will treat all information I provide confidential and will not release it to a third party unless required by law to do so. I understand that no information which can specifically identify me will be published as part of the findings.

APPENDIX B

Interview Schedule for Graduate Teachers Currently in Employment of the Ghana Education Service (GES)

A. Demographic Data

Sex: Male/Female

1. Age:

- a) 21-30 ()
- b) 31-40 ()
- c) 41-50 ()
- d) 51-60 ()

2. Marital Status:

- a) Single ()
- b) Married ()
- c) Divorced ()

3. Highest Educational Level Completed:

- a) Bachelor's Degree ()
- b) Master's Degree ()
- c) Doctorate ()

4. Professional Educational Qualifications:

- a) Cert "A" Post-secondary ()
- b) Cert "A" Post-middle ()
- c) Diploma ()
- d) Post-graduate diploma ()
- e) Post-graduate degree ()



5. Region of Employment:

- a) Ashanti ()
- b) Central ()

6. Level Employed:

- a) Basic School ()
- b) Second Cycle ()

7. Basic Pay (in GH)

- a) 100-400 ()
- b) 500-900 ()
- c) 1,000-1 400 ()
- d) 1,500 and above()

8. Teaching Experience (years)

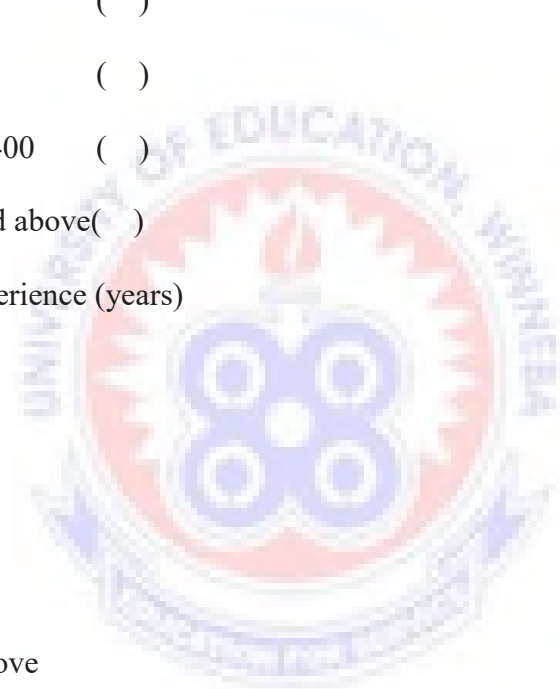
- a) 1-5
- b) 6-10
- c) 11-15
- d) 16-20
- e) 21 and above

9. Present Rank

- a) Principal Superintendent
- b) Assistant Director II
- c) Assistant Director I
- d) Director II
- e) Director I

10. Other Allowances Enjoyed:

- a) Housing
- b) Transport



- c) Clothing
- d) Responsibility
- e) Book 6

Others, specify.....

B. Knowledge of public sector reforms and teachers' condition of service

11. Why did you opt for the teaching profession?

- a) Most preferred choice ()
- b) Advice from peers ()
- c) Influence from family ()
- d) By accident ()

Other, please specify.....

12. Do you regret being a teacher?

- a) Yes ()
- b) No ()
- c) Indifferent ()

13. Do you have any intention to leave the teaching service?

- a) Yes ()
- b) No ()

14. If yes, what motivates you to leave the teaching service?.....

15. Is there any sector in the public service outside the GES that attracts you so much? a) Yes () b) No ()

16. If yes, can you kindly state it?.....

17. In your candid opinion, what is condition of service?

- a) Salary and allowances
- b) Work related benefits
- c) Terms of employment and monetary rewards

18. What do you think compensation is about?

- a) Salary ()

- b) Allowances ()
- c) Salary and other non-financial rewards

19. Which particular condition of service in teaching do you find to be most rewarding?

- a) Salary ()
- b) Leaves/ Holidays ()
- c) Free accommodation ()
- d) Other, please specify.....

20. Why do you find it rewarding?.....

21. Which particular condition of service in teaching do you find challenging?

- a) Salary ()
- b) Absence of allowances ()
- c) Other, please specify.....

22. Why is it a challenge to you?.....

23. Do you know of any of the salary review bodies set up by the government?

(You may select more than one item)

1. Mills-Odoi Commission: 1967
2. Issifu Ali Committee: 1973
3. Azu Crabbbe Commission: 1979
4. National Committee for Wage Rationalization: 1983
5. Gyampoh Commission: 1993
6. Price Waterhouse (GUSS):1997
7. Fair Wages and Salaries Commission (SSSS): 2010 a) Yes () b) No ()

24. If yes, which of the salary review bodies made favourable recommendations for teachers?.....

25. Which of the recommendations is/was so rewarding to you?
- a) Enhanced salary ()
 - b) Additional allowances ()
 - c) Promotion opportunities ()
 - d) Other, specify.....
26. Can you state one particular facility/condition/benefit that you want to be given to teachers to make them satisfied with the work?
- a) Car loan
 - b) Free accommodation
 - c) Enhanced salary
 - d) Scholarship for wards
 - e) Book allowance
 - f) Other, specify.....
27. Do you perchance compare your salary with your friends/former classmates/former colleagues who are currently employed in other sectors within the public service? a) Yes () b) No ()
28. If yes, do you find any significant difference between the salaries of teachers and those of other public sector workers?
- a) Yes ()
 - b) No () Not sure ()
29. If yes, does the difference in income provide a challenge such that it motivates you to leave the teaching service?
- a) Yes () No () c) Indifferent ()
30. Has there been any significant improvement in your salary since the implementation of the single spine pay policy?

a) Yes ()

b) No ()

c) Not sure ()

31. How do you think compensation in the teaching service would be improved?

a) Increased salary ()

b) Introduction of allowances ()

c) Participation in management ()

d) Improved ()

e) Other, specify.....

32. Is salary the only factor that motivates you as a worker?

a) Yes () b) No ()

33. If no, what other condition of service motivates you to work?.....

34. Are you aware of public sector reform in Ghana? a) Yes () b) No ()

C. Factors that Influence Attrition Intentions of Teachers

Determinants of Attrition Intentions

On a scale of 1 being the lowest and 5 being the highest extent, rate the the following by checking (√) the appropriate box corresponding to your choce of rating.

	1	2	3	4	5
35. Extent to which basic pay determines attrition					
36. Extent to which external opportunities determines attrition					
37. Extent to which training determines attrition					
38. Extent to which organization size determines attrition					
39. Extent to which age determines attrition					

Demographic Determinants of Attrition

On a scale of 1 being the lowest and 5 being the highest extent, rate the the following by checking (√) the appropriate box corresponding to your choice of rating.

	1	2	3	4	5
40. Extent to which tenure determines attrition					
41. Extent to which age determines attrition					

Psychological Determinants of Attrition

On a scale of 1 being the lowest and 5 being the highest extent, rate the the following by checking (√) the appropriate box corresponding to your choce of rating.

	1	2	3	4	5
42 Extent to which organizational commitment determines attrition					
43. Extent to which psychological contract determines attrition					
44. Extent to which job satisfaction determines attrition					
45. Extent to which job insecurity determines attrition					

Determinants of Job Satisfaction

On a scale of 1 being the lowest and 5 being the highest extent, rate the the following by checking (√) the appropriate box corresponding to your choice of rating.

	1	2	3	4	5
46. Extent to which autonomy ss determines job satisfaction					
47. Extent to which pay satisfaction determines job satisfaction					
48. Extent to which organizational size determines job satisfaction					
49. Extent to which job participation determines job satisfaction					
50. Extent to which supervisory support determines job satisfaction					
51. Extent to which tenure determines job satisfaction					
52. Extent to which commitment determines job satisfaction					

APPENDIX C

Interview schedule for Retired Graduate Teachers

Demographic Data

Sex: Male/Female

1. Age:

- a) 21-30 ()
- b) 31-40 ()
- c) 41-50 ()
- d) 51-60 ()

2. Marital Status:

- a) Single ()
- b) Married ()
- c) Divorced ()

3. Highest Educational Level Completed:

- a) Bachelor's Degree ()
- b) Master's Degree ()
- c) Doctorate ()

4. Professional Educational Qualifications:

- a) Cert "A" Post-secondary ()
- b) Cert "A" Post-middle ()
- c) Diploma ()
- d) Post-graduate diploma ()
- e) Post-graduate degree ()

5. Region of Employment:

- a) Ashanti ()
- b) Central ()

6. Level Employed:

- a) Basic School () b) Second Cycle ()

7. Basic Pay (in GH)

- a) 100-400 ()
b) 500-900 ()
c) 1 000-1 400 ()
d) 1 500 and above ()

8. Teaching Experience (years)

- a) 1-5 ()
b) 6-10 ()
c) 11-15 ()
d) 16-20 ()
e) 21 and above ()

9. Present Rank

- a) Principal Superintendent ()
b) Assistant Director II ()
c) Assistant Director I ()
d) Director II ()
e) Director I ()

10. Other Allowances Enjoyed:

- a) Housing Transport ()
b) Clothing Responsibility ()
c) Book Others ()



1. Why did you opt for the teaching profession?
2. Did you ever regret being a teacher? Could you assign a brief reason for your answer?
3. What motivated you to remain in the profession till retirement in spite of the challenges?
4. Did you at a point in time have any intention to leave the teaching service?
5. If yes, what was the motivation for you to do so?
6. Was there any sector in the public service outside the GES that was so attractive to you?
7. If yes, can you kindly state it?
8. In your candid opinion, what is condition of service?
9. What do you think compensation is about?
10. Which particular condition of service in teaching did you find to be most rewarding?
11. Why did you find it rewarding?
12. Which particular condition of service in teaching did you find challenging?
13. Why was it a challenge to you?
14. Do you know of any of the salary review bodies set up by the government?
 - a) Mills-Odoi Commission: 1967
 - b) Issifu Ali Committee: 1973
 - c) Azu Crabbbe Commission: 1979
 - d) National Committee for Wage Rationalization: 1983
 - e) Gyampoh Commission: 1993
 - f) Price Waterhouse (GUSS):1997
 - g) Fair Wages and Salaries Commission (SSSS): 2010

15. If yes, which of the salary review bodies made favourable recommendations for teachers?
16. Which of the recommendations was so rewarding to you?
17. Can you state one particular facility/condition/benefit that you want to be given to teachers to make them satisfied with the work?
18. Did you perchance compare your salary with your friends/former classmates/former colleagues who were employed in other sectors within the public service?
19. If yes, did you find any significant difference between the salaries of teachers and those of other public sector workers? Yes/No
20. If yes, did the difference in income provide a challenge such that it motivated you to leave the teaching service?
21. Has there been any significant improvement in your salary since the implementation of the single spine pay policy?
22. How do you think compensation in the teaching service would be improved?
23. Is salary the only factor that motivated you as a worker? Yes /No
24. If no, what other conditions of service motivated you to work?

APPENDIX D

Interview Schedule for Former Graduate Teachers who have Migrated to other Sectors of Employment

Demographic Data

Sex: Male/Female

1. Age:

- a) 21-30 ()
- b) 31-40 ()
- c) 41-50 ()
- d) 51-60 ()

11. Marital Status:

- a) Single ()
- b) Married ()
- c) Divorced ()

2. Highest Educational Level Completed:

- a) Bachelor's Degree ()
- b) Master's Degree ()
- c) Doctorate ()

3. Professional Educational Qualifications:

- a) Cert "A" Post-secondary ()
- b) Cert "A" Post-middle ()
- c) Diploma ()
- d) Post-graduate diploma ()
- e) Post-graduate degree ()



4. Region of Employment:

- a) Ashanti Region ()
- b) Central Region ()

5. Level Employed:

- a) Basic School ()
- b) Second Cycle ()

6. Basic Pay (in GH)

- a) 1.100-400 ()
- b) 500-900 ()
- c) 1 000-1 400 ()
- d) 1 500 and above ()

7. Teaching Experience (years)

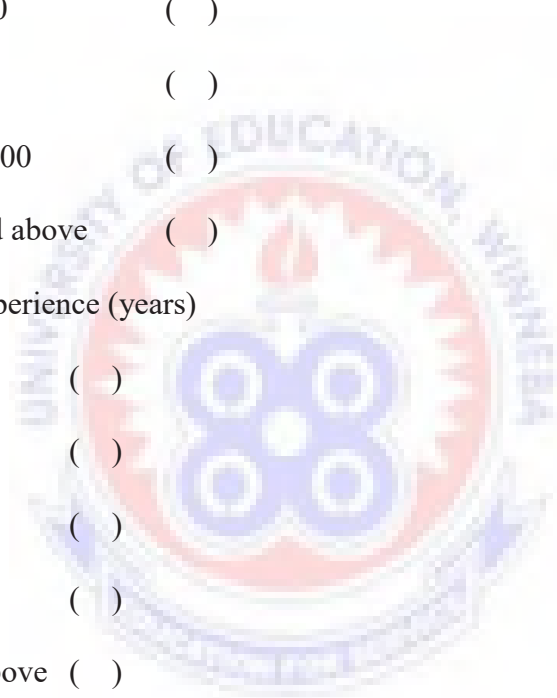
- a) 1-5 ()
- b) 6-10 ()
- c) 11-15 ()
- d) 16-20 ()
- e) 21 and above ()

8. Present Rank

- a) Principal Superintendent ()
- b) Assistant Director II ()
- c) Assistant Director I ()
- d) Director II ()
- e) Director I ()

9. Other Allowances Enjoyed:

- a) Housing ()



- b) Transport ()
- c) Clothing ()
- d) Responsibility ()
- e) Book ()
- f) Others.....

1. Why did you opt for the teaching profession?
2. Did you ever regret being a teacher? Could you assign a brief reason for your answer?
3. In your candid opinion, what is condition of service?
4. Can you please state one condition of service that attracted you to leave the teaching service?
5. Can you please indicate one particular condition/conditions of service that attracted you most to take up your present appointment?
6. Why did you find the condition of service so attractive and rewarding?
7. How do you think compensation in the teaching service would be improved ?
8. What do you think compensation is about?
9. Which particular condition of service in teaching did you find to be most rewarding?
10. Why did you find it rewarding?
11. Which particular condition of service in teaching did you find challenging?
12. Why is it a challenge to you?
13. Do you know of any of the salary review bodies set up by the government?
 - a) Mills-Odoi Commission: 1967
 - b) Issifu Ali Committee: 1973
 - c) Azu Crabbbe Commission: 1979

- d) National Committee for Wage Rationalization: 1983
 - e) Gyampoh Commission: 1993
 - f) Price Waterhouse (GUSS):1997
 - g) Fair Wages and Salaries Commission (SSSS): 2010
14. If yes, which of the salary review bodies made favourable recommendations for teachers?
15. Which of the recommendations was so rewarding to you?
16. How do you think compensation in the teaching service would be improved?
17. Do you regret quitting the GES?
18. Can you assign reasons for your answer?
19. Can you state one particular facility/condition/benefit that you want to be given to teachers to make them satisfied with the work?
20. Did you perchance compare your salary with your friends/former classmates/former colleagues who were employed in other sectors within the public service?
21. If yes, did you find any significant difference between the salaries of teachers and those of other public sector workers? Yes/No
22. If yes, did the difference in income provide a challenge such that it motivated you to leave the teaching service?
23. Has there been any significant improvement in your salary since the implementation of the single spine pay policy?
24. How do you think compensation in the teaching service would be improved?
25. Is salary the only factor that motivated you as a worker? Yes /No
26. If no, what other conditions of service motivated you to work?

APPENDIX E

Interview Consent Form

Survey of Graduate Teachers' and Former Graduate Teachers' Perspective on Compensation

I have read the participant information sheet, which explains then a true of the research and the possible risks. The information is clear to me and all my questions have been satisfactorily answered. I have been given a copy of the information sheet to keep.

I am happy to be invited for an interview to be audio recorded as part of this research.

I understand that I do not have to answer particular questions if I do not want to and that I can with draw at any time without any consequences to myself.

I agree that research data gathered from the result soft he study may be published provided my name or any identifying data is not used.

I have also been informed that.

I may not receive any direct benefits from participating in this study.

I understand that all information provided by me is treated as confidential and will not be released by the researcher to a third party unless required to do so bylaw.

.....

Signature of Participant

.....

Date

Researcher

I have fully explained to then a true and purpose of the research, the procedures to be employed, and the possible risks involved. I have provided the Participant with a copy of the Information Sheet.

.....

Signature of Researcher

.....

Date

Name:

