ASSESSMENT OF THE ROLES OF REWARD SYSTEM IN RETAINING COMPETENT EMPLOYEES.  
A CASE OF WIAFRICA TANZANIA LIMITED

By
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The Research report submitted in partial fulfillment of the requirements for the Degree of Masters in Business Administration in Corporate Management (MBA-CM) of Mzumbe University. 

2017
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled “The roles of reward system in retaining competent employees at Wiafrica Tanzania Limited”, in partial/fulfillment of the Requirements for award of the degree of Master of Business Administration in Corporate Management (MBA-CM) of Mzumbe University.

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## LIST OF ACRONOMS AND ABBREVIATIONS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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<tr>
<td>ANOVA</td>
<td>Analysis of variance</td>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>IT</td>
<td>Information technology</td>
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<tr>
<td>ROE</td>
<td>Return on equity</td>
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<td>SPSS</td>
<td>Statistical Package for social sciences</td>
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ABSTRACT

Rewarding staff is considered being one of the important human resources management strategies for promoting employees performance and retaining competent staff in an organization. However, many organizations have not implemented reward and motivation in their organization. This study was conducted to assess the roles of reward system in retaining competent employees at Wiafrica Tanzania Limited. The study employed a case study design with both qualitative and quantitative research approaches in investigating for the problem. The targeted populations were 158 staff working at Wiafrica Tanzania Limited. The sample of 47 staff was selected by simple random sampling and purposive sampling techniques. The data were collected through questionnaire and interview. The data were analysed through descriptive statistics, regression analysis and content analysis. The study found that leave package, performance bonus, employees recognition, training and development and carrier development were the most of the reward system that are offered by Wiafrica Tanzania Limited to its staffs. The study found that leave package, performance bonus, employee’s recognition, training and development and carrier development are positively and statistically significant on contributing to retaining talented staff at Wiafrica Tanzania Limited because the p-value obtained from the study is less than 0.05. The study found that challenges related with implementation of reward and pay policy, business focus on profit maximization and supply of labour to the market are facing Wiafrica Tanzania Limited on promoting reward system that contribute toward retaining competent employees while financial performance of an organization is not a challenge facing Wiafrica Tanzania Limited on promoting reward system that contribute toward retaining competent employees. This study recommend that Wiafrica Tanzania Limited should take important and active measures to ensure that talented staff are highly retained by promoting reward scheme and program.
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CHAPTER ONE

PROBLEM SETTING

1.1 Introduction
The study examined the roles of reward system in retaining competent employees at Wiafrica Tanzania Limited. Reward is considered as one of motivation stimulus that plays significant roles not only in motivating workers but also retaining employees in some organizations. Some scholars have argued that retaining competent staffs depend upon many variables such as working relationship between management and staff, reward scheme organization has as compared to its competitors, employees’ recognitions and other variable.

Reward is among of variables that are considered significant as far as retaining competent staff. It is therefore, this reason this study was conducted to assess if there is reward system in retaining competent employees at Wiafrica Tanzania Limited. This chapter is on problem setting, it introduces the problem, describe background to the problem, state statement of the problem, set up research objectives and research questions, explain significant that was derived after conducting this study, describing scope of the study, limitation and delimitation of the study and ends with structure of the study.

1.2 Background to the problem
Rewards to employees is one of motivation that encourage workers perform their duties properly (Bebchuk and Fred, 2004). According to Brick et al. (2006) management involves getting an organization’s objectives achieved through the cooperation and collaboration of people. Keeping their morale up is central to securing their commitment and enthusiasm through reward system.

It is argued that ensuring equity and fairness, setting challenging but achievable goals, specifying clear organizational infrastructure and policies, providing performance-based rewards and incentives, among other things are some of the ways
in which a manager can engender the commitment and thereby facilitate the motivation of employees (Dogra, 2010).

Securing the commitment of workers towards the achievement of organizational goals constitutes one of the greatest problems that managers face. However, such commitment when secured ultimately leads to motivation which improves organizational performance (Buck et al., 2003).

It is argued that manager’s role is creating the conditions that are vital for igniting cooperation between workers and the organization (Collins et al., 2006). Motivation seeks to explain why one sales person responds more favorably to sales commission than his fellow colleague at the workplace (Judge and Robbins, 2009). People’s behaviors are usually directed towards entirely different individual goals, they often respond differently to the same stimuli. This behavior is both a function of the situation and time (Judge and Robbins, 2009).

Reward is contentious most important factor in the employment relationship, it represents equal interest to the employer, employee and government because of the significant part of cost it represents (Core et al., 2003). Reward continues to ensure employees performance and competitiveness of which determines the ability to retain and recruit labor force. Fundamentally, reward measures the value of employee’s service and performance to present their standard of living so as to promote and retain competent and efficiency staff in the organization (Core et al., 2003)

While the basic wage or pay is the main component of compensation, fringe benefits and cash and non-cash benefits influence the level of wages or pay because the employer is concerned more about labour costs than wage rates per se (Zhou et al., 2000). According to Zhou et al. (2000), currently there is tendency towards increasing mix of fringe benefits, which have an important impact on reward levels. In industrialized countries, and sometimes in countries with high personal tax rates, non-pay element of executive compensation has substantially increased in recent years.
According to Kato and Kubo (2006), wages are determined by government regulation, minimum wage determination, negotiation with unions, decisions of arbitration or labour courts and the individual contract of employment. The factors or criteria which have influenced reward increases include profit (but generally unrelated to individual or group performance), job evaluation, seniority, cost of living, manpower shortage or surplus, negotiating strength of the parties and skills (Kato and Kubo, 2006).

Performance aims to measure the productivity and profit of the organization in relation to individual or group performance, of which have been of less importance in determining pay increases. Though skills have been reflected in pay differentials, pay systems have been seldom geared to the encouragement of skills acquisition and application.

Many African employers are now seeking to sustain their competitiveness through reward increases which are more related to retaining staff and promote performance measures as a way of absorbing increased labour costs, while at the same time rewarding and motivating employees (Tosi et al., 2000).

Heneman and Judge, (2000) long urged and considered reward as among the most important tool in the organization that will facilitate the retaining of competent employees who contribute to organization performance. Staff are highly motivated with reward because it allows an employees to obtain satisfactions from their work as the result contribute to their difficult to make decision related to quite the job (Lawler, 1971).

Frederick Taylor (1911) is among the earliest person who proposed that reward is a motivating effect to workers performance, he continuous to urge that most workers will put an extra effort of job performance for their economic gain. But Regardless of this notion to get no fever in the late 1920s in the human relations school (Wren, 1994), continued to support that fundamental money remains to be a way that organizations reward employees. Yet, despite the long-standing importance of reward, the way reward impacts the behavior of employees remains to be explained.
Skinner (1953) in the reinforcement theory, he argued and suggested reward to be the factor and general reinforce as it repeated pairing with primary reinforce. It is through the lesson learned by people’s life experience and the need for basic things such as food and shelter that could be satisfied by obtaining money. Theories from other studies suggest a similar experience that the drive for money itself develops (Dollard and Miller, 1950).

Reinforcement theory have not shown a clear distinct of treating reward as means to an end or an end itself, neither does it give clear explanation on how reward could act as facilitator for action. Rather it suggests people engage themselves in actions based on past experience, however the process to determine individuals future behavior through past experience remains unclear.

There has been a recognized fact that reward contribute to employee retained in an organization but yet reward has organization have been putting less effort in rewarding staff. According to Hall and Liebman (1998) it is assumed that an individual has a general feeling about reward playing important determinant of the individual’s attitudes and behaviors that contribute to staff retaining but many organization have not putting strategies on promoting reward system. This study examined the roles of reward system in retaining competitive employees at Wiafrica Tanzania Limited.

1.3 Statement of the Problem
Reward system has been considered the most important attribute that contribute to employee’s feel to perform to the maximum (Sturman and Short, 2000). Some scholars such as Heneman and Judge (2000) considered reward as compensation satisfaction to employees that promote staff retaining. According to them compensation satisfaction refers to the situation where an employee feels satisfied with efforts given in production of goods or services and reward employees receive. According to Heneman and Judge (2000) despite the considerable attention, reward system has received more attention in human resources management and
organization attainments of objectives, many research lacks empirical tests on contribution of reward on retaining talented staff in different organizations.

There has been dissatisfaction among the staff working in many private and public organization based on amount of reward they receive in relation to efforts invested on performing their duties and responsibility. The questions arise from this complains was; does reward contribute to staff retaining in an organization? What kind of reward system contributes mostly on retaining staff? These questions and others have created a desire to understand the roles of reward system on retaining competent staff in an organization.

Most of the researches to date have examined the determinants of reward satisfaction (McFarlane and Inderrieden, 1990) or the measurement of the construct (Miceli and Near, 1992). With numerous potential important consequences for organizations and their employees relationship through reward system, but there are a few studies that was conducted to assess the relationship between reward and retaining competent staff in an organization (Heneman and Judge, 2000). To advance research and practice regarding reward system and staff retaining, this research was conducted to evaluate the roles of reward system on retaining competent employees.

1.4 Research Objective
1.4.1 Main Research Objectives
The main objective of this study was to evaluate the roles of reward system in retaining competent employees at Wiafrica Tanzania Limited.

1.4.2 Specific Research Objective
i. To examine the reward system adopted by Wiafrica Tanzania Limited
ii. To examine how reward system that is adopted by Wiafrica Tanzania Limited contribute to retaining competent employees
iii. To examine challenges facing organization on promoting reward system that contribute toward retaining competent employees
1.5 Research Question

1.5.1 Main Questions

The main research question was what are the roles of reward system in retaining competitive employees at Wiafrica Tanzania Limited?

1.5.2 Specific Questions

i. What are the reward systems that are highly adopted by Wiafrica Tanzania Limited?

ii. In what ways reward system that is adopted by Wiafrica Tanzania Limited contribute to retaining competent employees?

iii. What are challenges facing organization on promoting reward system that contributes toward retaining competent employees?

1.6 Significant of the Study

Research in private and public organization does suffer insufficient systematic understanding of influence of reward system on retaining competent and competitive employees. Therefore through this study, organization will understand the roles of reward in retaining competent staff, also will add value on formulating strategy to ensure there is good organization strategies of retaining staff through reward promotion system.

The findings from this study adds values to organizations by taking the findings as an input in daily operation so that organization can attain reputation and better rewarding the best performer. According to Fondness and Murray (2007) an organization can reward good performer if it has performance measurement system to understand if the staff have attained above the expectation.
1.7 Scope of Study
The study covered at Wiafrica Tanzania Limited head Office. It covered issues related with reward system that was highly adopted by Wiafrica Tanzania Limited, how reward system that was adopted by Wiafrica Tanzania Limited contribute to retaining competent and competitive employees and finally finding the challenges facing organization on promoting reward system that contribute toward retaining competent and competitive employees.

1.8 Limitation of the Study

Financial Constraints
The study faced challenges related to financial constraints because the researcher did not have a sponsor to support the study. To address the challenges the study was carried only at Wiafrica Tanzania Limited, a single case study. These reduced costs of conducting the study and the same time the researcher prepared budget estimated for the study and continue searching for supporters to finance the budget including from very close friends and relatives.

Methodology constraints
The study carried out a study using a single case study design. This caused coverage limitation. The single case study does not provide an ability to make comparison across different organization. These imply that the findings of this study were typically for Wiafrica Tanzania Limited it cannot be exhaustive for other organization. To address the constraints was to ensure no generalization was made for the study and the same time mixed research approaches was used in order to get more information related to the study problem.

1.9 Structure of the study
The study is organized into five consecutive chapters. Chapter one based on introducing the problem of the study. It covered issues related with background to the study problem, statement of the problem research questions and objectives,
relevance or significant of the study, limitation of the study and structure of the study.

Chapter two covers literature review. It based with reviewing different literature related to the study problem. Chapter three covers research methodology. It covered all process that describes how the study was conducted and how analyses were done for report writing. Chapter four presented findings and its discussion and chapter five covered summary, conclusion and recommendations.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction
This chapter presented all issues associated literature based on the roles of reward system in retaining competent employees. The chapter has four important coverage which are first was theoretical literature review that covers definition of key issues, theories related to the study problem and other issues related with reward system and its roles toward retaining competent staff.

The second part was empirical literature review based on studies done by other researchers similar or related to the study problem. The third part covered the research gap that explains the uncovered issues from the studies done by other researchers that necessitated this study. The fourth part covered conceptual framework that explain the relationship between the independent variables and dependent variables.

2.2 Theoretical Literature
2.2.1 Definition of Key Concept
A reward is defined as the amount of money, or equivalents that is in return for service. Kreitner (2004) defines reward as any material pay, or psychological pay to a worker after performance of his task or responsibilities in the work place. It could also mean anything valuable given to an employee on the outcome of his good performance or contribution he made to the organization.

On the other hand, Hornby (2000) defines rewards as anything that an employee is given or he receives from employer that is associated with the outcome of hardworking and good performance of the duties.
The working definition of rewards for this study is adapted according to Kreitner (2004). Reward refers to material and psychological payoffs given to an employee as recognition for good contribution and for performing tasks well in the workplace. Retaining employees refers to the process related with maintaining staff that are wealth enough to perform duties and responsibility of an organization (Abbasi, 2000). From this matter we can argue that maintenance of employees in an organization is termed as retention.

According to Armstrong (2012), staff retaining is the processes of maintaining labour force continue preferring working for such an organization. The organization always focuses to retain its competent workers because loss of them is adding more costs to look others who will be competent working for an organization.

A competent employee refers to an employee who is able to recognize hazards associated with a particular task, and has the ability to mitigate those hazards. A competent employee is an employee who is able to carry out his or her duties more efficiently and productively in order to realize organization objectives (McKenna, 2000). An employee who real knows his or her obligations, performs well on it and is committed to his obligation to achieve an organization objective is regarded as competent employees.

### 2.2.2 Theories related to Reward

In the late 1970s, Heneman and Schwab (1979) built upon the work of Lawler (1971) and Dyer and Theriault (1976) developed and made modification to the discrepancy model and suggested that reward is multidimensional. Heneman and Schwab (1979) described five related and unique dimensions of which the merits and demerits depends on the different ways of administration within the organization.

Miceli and Lane’s (1991) expanded and modified the model of discrepancy and forming dual discrepancy model where they developed two separate models that described reward satisfaction can individual be determined. Gerhart and Milkovich’s (1992) build up the model of compensation where the decisions and its consequences
are determined by similar dimensions that are suggested by other approaches of the multidimensional. However by using a more macro approach to reward in rewarding satisfaction, it suggested the decisions should based on policy of the organization and should reflect implications to individuals, groups and organizational outcomes.

Reinforcement theory and expectancy theory are the first early theories that pave way and light to how employee behavior could be influenced by Reward. Reinforcement theory (Skinner, 1953) argued that, because primary reinforcers are pairing repeating, therefore reward could stand as the general reinforce. He continues that, the lesson people obtain from life experiences of the primary needs for food and shelter, could be satisfied if money is obtained.

Reward could be treated as an end or a means to an end and other theories with similar experience suggest that the drive for money itself develops (Dollard and Miller, 1950).there is no clear explanation that is provided in the reinforcement theory to suggest how reward could be or act as impetus for action. It rather suggests that people behaviors are results of past experience but still no clear determinant for same.

Vroom’s (1964) expectancy theory paved light that clarified the ways on how rewards could influence future behavior. The clarification based on three determined components for motivation: 1) a judgment where the level performance of a person is determined by the level of efforts of the same like hood (Expectancy); 2) a judgment where a person’s level of performance could lead or facilitate to certain outcome (instrumentality); and 3) the importance of the outcome to the individual (valence).

Expectancy and Instrumentality theory were both influenced and determined by the reinforcement theory as the outcome that suggested life experience to be the key determinant of people’s behavior. It is in the expectancy theory that explains that individual’s effort and experience as will lead to a level of performance in which will result to an outcome. Because of that expectation the person is driven to engage in the behavior and most if the outcome is desirable (high valence).
When Reward and pay of individuals allows them to access and obtain more of high valued outcome then Pay motive behavior will be valued by the employees (Vroom, 1964). Equity theory on the other hand suggests that a fair working relation with organization is one of the most interests to the employees as individuals. Fairness is determined by social comparison (Festinger, 1957), based on a social exchange (Homans, 1961). The exchange takes place between the individual and the organization.

Individuals continue to judge the value of what they receive from the organization (outputs) in comparison with the effort and contribution they put to the organization (inputs).

The individual examines the ratio of what is received from the organization (outputs) such includes rewards, time off, pay, recognition and other benefit. They then put in comparison with what is contributed to the organization (inputs) such include experience, tenure, effort, and education. Once the ratio is determined, the individual compares his or her ratio to a referent other’s ratio. The referent could be individuals in the organization doing similar job activities in or outside at different time schedules. If there is more of the similarities in ratio the greater satisfaction to individuals and it will help to reduce the tension that would rise out of dissatisfaction.

To reduce this tension, the individual may change his or her behavior, cognitively adjust his or her inputs and/or outputs or those of the referent, change the referent, or exhibit withdrawal behaviors (Adams, 1963; Campbell and Pritchard, 1976). Clearly, providing an employee with a satisfactory reward package is important to the operations of an organization. If employees do not feel they are being treated fairly, they will act to reduce the tension caused by inequity.

Equity theory is an important advancement in the study of rewards versus retaining competent employees because it explains how individuals form an attitude regarding rewards. Equity theory also suggests that once an attitude regarding rewards is formed, this attitude will cause individuals to act in certain ways, either maintaining
their current behavior or changing their behavior in order to reach a state of satisfaction.

Although equity theory offers a range of behaviors that individuals may engage into reduce perceived inequity, it does not suggest how strong an influence perceived inequity has on each of the outcomes. McKenna (2000), and Sweeney (1990), confirm equity theory as one of the most useful frameworks for understanding and have a role to play in the study of work motivation. Adams' theory states that employees strive for equity between themselves and other workers. Equity is achieved when the ratio of employee outcomes over inputs is equal to other employee outcomes over inputs.

Vroom (1964), theory is based on the belief that employee effort will lead to performance and performance will lead to rewards and rewards may be either positive or negative. The more positive the reward the more likely the employee will be highly motivated. Conversely, the more negative the reward the less likely the employee will be motivated. Skinner's theory simply states those employees' behaviors’ that lead to positive outcomes will be repeated and behaviors’ that lead to negative outcomes will not be repeated.

Therefore managers should positively reinforce employee behaviors’ that lead to positive outcomes and negatively reinforce employee behavior that leads to negative outcomes. According to Lewis et al. (1995), expectancy theory is the most comprehensive motivational model that seeks to predict or explain task-related effort. Gilmore and Williams (2009), discussed the various theories of motivation.

2.2.3 The rewards and pay of employees
Wages and pay have long being determined by the organizations through government regulations, union negotiations, descions of arbitration or labor courts, minimum wages determinations and through individuals contract of employment. Profit is generally unrelated to individual or group performance but it has remained to be the factor and criteria influencing pay and pay increase of an employee. Other factors are job evaluations, seniority, cost of living, man power shortage or surplus, negotiating
strength of the parties and skills. Increases in real earnings have been made possible because investment in education and skills contributed to productivity enhancement which, in turn, created the capacity to absorb higher earnings.

Economies seeking progress through low wages of manufacturing cost with high skilled and technological bases production need to create a pay system with no skill differentials (as standard pay systems do). However should provide incentive to acquire skills and multi skills labor facilitated by years of careful and correct investment in education and training.

2.2.4 Nature of Rewards and pay
2.2.4.1 Merit Rewards and pay
A common method which has long been in existence is rewards and pay increases in the form of increments, for example, for individual performance. Its work ability and effectiveness depend on the existence of a suitable performance appraisal system, which has often been found to be lacking. Due to its integration into the salary, it is not lost due to poor performance later, and therefore may cease to be an incentive.

2.2.4.2 Incentive Rewards and pay
Lump sum payments are another traditional method. It is not added to base pay. Usually the formula and the relationship between performance and the payment of the lump sum are known before hand. Sales commissions may often have little to do with performance because factors such as product quality, brand name and price may contribute more to sales than the ability of the salesman to convince the buyers. Appraisals are less significant to this category since the criteria are statistical and no further measurement is needed.

Another traditional method of rewarding performance is piece rates. Unless related to a reasonable time frame within which the production should be completed, such rates would not be related to performance. Generally speaking, many incentive schemes are more appropriate to measurable repetitive tasks. They are not suitable for high technology and service activities requiring information-sharing, problem-solving and team work.
2.2.4.3 Group Incentives and Productivity Gain-Sharing rewards

Group incentive schemes are of three types. Gain-sharing refers to a compensation system which divides between the employer and employees the results of improved performance consequent upon the better use of human resources resulting in productivity gains. Sharing is according to an agreed, pre-determined formula, second type, namely, profit-sharing, gives employees a share of the profits, third type is employee stock ownership plans. Sometimes bonuses are paid to individuals based on their own performance appraisal ratings. In the case of group incentives, the criteria could be either group or enterprise performance.

The necessity for objective criteria for distribution of the performance component of pay, and a clear relationship between what is paid and the criteria are important. Productivity gain-sharing is practiced by the larger Japanese companies. Their system is based on the premise that basic to successful productivity enhancement in the long term is sharing productivity gains with employees by linking a part of earnings to productivity to achieve such multiple goals.

2.2.4.4 Profit sharing rewards

The schemes of profit sharing reward are related to the profit of the organization and not individual performance. Part of the enterprise profit is shared among the employee as bonus. The form of payment may be in cash or as a deferred payment kept, for instance, in a special fund for a particular period. There are numerous types of schemes in existence. It has been estimated that by 2016 about half a million American firms were operating profit sharing schemes.

2.2.4.5 Long term incentives rewards

These schemes are long time incentives operated mostly for executives, in order to improve performance and to reduce the fixed costs. Such schemes include share options plans to promote convergence of stakeholders’ or interest of executives and bonus linked to long term performance (3-5 years) so as to encourage a focus on long term goals.
2.2.4.6 Performance Bonus Rewards
This type of bonus can be based on individual or group performance. Where it is individual based, the payment would depend on performance ratings. Some of the criteria for the success of such bonus payments are: group over individual performance, the existence of objective criteria for distribution, and the fact that such criteria are capable of measurement to ensure that what is paid is related to it.

2.2.5 Monetary versus non-monetary Rewards
As Armstrong (2007) wrote, money is a motivator because it satisfies a lot of needs. It is a factor which is indispensable for life and which is needed to satisfy basic needs of survival and security. Higher needs such as self-esteem can also be satisfied by it. Money let people buy things that show their status and create a visible sign of appreciation. This monetary reward has a great contribution toward retaining competent employees.

In other words, money is a symbol of many intangible goals what makes it a powerful motivating factor. Some credible studies confirm that in fact money is a good motivator, while others, equally credible neglect that. That might lead to an underestimation of monetary rewards as one of motivating factors in job settings.

A comparison of researches where respondents were asked to rank factors that motivate them with researches on actual behavior shows that people list money on a fifth position among other motivating factors while in actual behavior money is almost always the most effective motivator. One of explanation for that is that respondents tend to give the answer which is socially desirable. If they are asked what motivates other people, the most common answer is money.

Similarly, if respondents’ role is to evaluate attractiveness of holistic job alternative, they most often choose jobs which are characterized by higher level of salaries. The results indicate that people if asked indirectly about importance of money as a motivator rank it much higher than if the question is stated directly. Similar results about the importance of money as a motivator come from Agarwal’s (2010) study.
based on a literature review on motivation and executive compensation. In his opinion money is still the most crucial motivating factor for employee that makes him perform well in the company. He agrees that intrinsic rewards motivate executives but after a certain point of career money seems to have greater importance.

The one of non-financial motivators that plays important role in shaping employees’ behavior is job design. In 1975 Oldham and Hackman introduced *The Job Characteristic Model*. Essential point of this model is that the presence of certain attributes of jobs increases the probability that individuals will find the work meaningful, will experience responsibility for work outcomes, and will have trustworthy knowledge of the results of their work” (Oldham and Hackman, 2010).

Another often rewards is recognition. Indeed, it can be a powerful reinforce that affects peoples’ performance. Employee not only wants to know how well he performed but also desires the feeling that his effort is appreciated. Recognition is a reward for employee’s performance that is defined as acknowledgement, approval and genuine appreciation (not phony praise) (Luthans and Stajkovic, 2000).

There are several ways in which recognition can occur. It can be a verbal or written praise, formal or informal, administrated on public or privately. Theories suggest relating recognition to the real achievements and rewarding them immediately after accomplishment (Armstrong and Murlis, 2004).

The Maritz Pool Survey conducted in 2005 on 1002 employees showed that managers do not meet employees’ needs regarding recognition. The most often used form of recognition is a verbal praise. Results show that just 50% of employees want to receive it and 40% would rather prefer written praise.

2.2.6 Employee Retaining
The establishment of organizations differs from one institute to another, each differs by the objectives they aim to archive. Through utilizations of available resources such as man power, machines raw materials and money/capital this objectives could
differently be obtained. Man power resource plays a virtual role in task performance to accomplish the goals. Employees is vested with skills an able to plan, supervise and execute internal and external activities to result to the aimed objective.

It is equal to say that man power plays most significant role in performance of the duties and roles required in the organization. For that it is very important for organization to retain the competent employees. Armstrong (2007) argued that to preserve and to build organizational reputation as well as cost saving, retaining employees is very important. The presence of high labour turnover in the organization indicates a bad signal that it tends to raise costs of recruiting new employees.

2.2.7 Relationship between rewards and staff retaining

According to Armstrong (2012) an employees is important resources for an organization to achieve its long term objectives. As an employee performs better also an organization perform better. The better performance of an organization results into increase employees rewards.

Rewards is the result of better performance by an employees and an organization. The employees who are well satisfied with rewards system tend to be highly retained for an organization. Therefore rewards and staff retaining have a positive correlation. The rewards influence positively staff retaining and poor reward system has a significant impact to labour turnover.

Cardy and Dobbins (1994), argued that reward is a motivational factors that facilitate employees retaining in an institutions. The employees are able to retain in the organization if they are satisfied with reward system an organization is offering to them. Simeka Management consulting(2004) noted that, rewards are a stimulus for employees satisfied with efforts they are providing to an organization. It is very relevant that as employee satisfied with rewards, they are likely to be retained in organizations.
Amos et al. (2008) noted that, reward is a motivation factors that stimulated lower labour turnover in an organization. According to Van der Waldt (2004) employees who are competent and productive can only be retained with monetary and non monetary reward. To retain competent and productive employees facilitate more gain than costs. Organization will do anything to retain competent staff in order to achieve long term organization objectives.

2.3 Empirical Literature

The available research on pay-performance relationship is documented in two widely cited survey papers of Murphy (1999) and Core et al. (2003). These surveys, mainly based on US studies and covering a variety of issues on compensation, deal with the relationship between chief executive officer (CEO) and shareholder wealth. The most accepted evidence is that the relationship is positive, and the major driving force behind it is equity-based incentives received by the CEO (Hall and Liebman, 1998).

The role played by compensation in aligning managerial interests with those of stake holders is confirmed to be positive pay – performance association. However there are few studies that disagree to this as they do not find positive relationship. Core et al. (1999) document that excess CEO compensation has a significant negative association with subsequent stock return as well as operating performance. Brick et al. (2006) also found that there is a negative relationship between excess director compensation and firm performance.


Firth et al. (2006) also noted positive but very low pay-performance sensitivity for Chinese listed firms owned by private block holders. Kato and Kubo (2006) analyzed CEO's compensation of a sample of listed and non-listed Japanese firms. They confirm the positive pay performance relationship. On the other hand, analyzing a
sample of Portuguese listed companies; Fernandez (2006) does not find any link between pay and performance.

Gerhart and Milkovich (1990) analyzed the pay of 14,000 middle- and top-level managers in the 1980-1985 periods. They divided the pay into three components short-term bonus, long-term incentives and base salary and find some evidence that future ROA is positively related to the level of incentive pay, but not to base salary. Over the same period, Leonard (1990) finds that the presence of long-term incentive plans is associated with greater increases in ROE than in those firms without long-term incentive plans.

Hayes and Schaefer (2000) investigate the relationship between future accounting performance and compensation. Their main regression equation used current firm performance variables and current log CEO compensation to predict future returns on shareholder’s equity. They find that compensation is positively related to future return on equity.

Masson (1971) tests the structure of executive compensation for effects on firm performance for a sample of top executives in 39 firms from 1947-1966. He finds that firms with executives whose financial rewards more closely parallel stockholders’ interest perform better in the stock market over the postwar period.

Abowd (1990) analyzes the effects that the level of pay-performance sensitivity has on firm performance, in a sample of 16,000 managers in 250 large corporations over the 1981-86 periods. He finds that performance, as measured by operating income after taxes, divided by the replacement cost of assets, is significantly and positively related to pay-performance sensitivity. Firms with above median pay-performance sensitivity had a higher probability of above-median future performance in both accounting and market returns.

2.4 Research Gap
There are different results from different studies which show Reward and Performance to differ. Zhou (2000) shows a weak relationship for Canadian firms;
Brick et al. (2006), in the same way found a negative interaction between director's compensation and firm performance. Canyon and Murphy (2000) and Buck et al. (2003) for UK found that pay-performance sensitivity was very low.

The limited and inconclusive evidence of a significant positive rewards-performance relationship has led many to question the role of compensation as a remedy to the problem of alignment between managers and shareholders' objectives. Bebchuk and Fried (2003) noted that, compensation is an ingredient of the agency problem itself. It is found that payment of high compensation is an outcome of managerial power and the associated act of rent extraction.

The empirical studies have shown insufficient effort done to link rewards and employees retaining. There exists gap whether reward has a positive or negative influence to retaining employees. This made it therefore imperative to investigate roles of reward system in retaining competent employees as an attempt to fill the existing research gap.

2.5 Conceptual Framework
In this study the research investigated roles of reward system in retaining competent employees. Reward system was independent variables that assumed to contribute toward retaining competent staff in an organization. It may be noted that retaining staff depend by number of variables. This study focused to observe reward system as specific issue on retaining competent employees. The study assumed that the implementation of monetary and non monetary reward system has a direct impact toward retaining competent staff. Figure 2.1 demonstrates such kind of relationship.
The study considered that monetary rewards have a positive role toward retaining competent staff at an organization. It assumed that annual leave packages, extra working hour allowances, incentive rewards and performance bonus have a direct role for promoting retaining competent employees at an organization. As long as staff is satisfied with these monetary rewards they are capable to remain working for an organization for a long period of time.

On the other hand non monetary rewards have a positive role toward retaining staff at an organization. If employees are well recognized and appreciated for their
contributions toward organization performance, they are likely to remain working for an organization for a long period of time. If employees are given opportunities of training and development associated with their efforts in performing their duties and responsibility they are likely to reduce labour turnover. If a competent staff is rewarded to be in the programs of succession plan, it is very useful to retain them working for an organization.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction
The study investigated roles of reward system in retaining competent employees. Therefore to ensure the study was conducted successfully it is relevant to show scientific procedures and process that was done to complete the study. Therefore, this chapter presents research methodology that was adopted. It is noted by Kothari (2004) that, research methodology as a scientific procedures and process that was taken in order to solve the research problem.

The procedures and processes that was taken in this chapter include identifying the areas to conduct the study, research design or types, demonstrating research approaches to use in study, who the study population and how the sample would be selected, how the data was collected, how the data collected was analyzed, how the reliability and validity was handled and how ethical issues was handled during the study.

3.2 Area of the Study
The study was conducted at Wiafrica Tanzania Limited. Wiafrica Tanzania Limited deploys and operates state-of- the-art 4G communication networks. The company is based in Dar as Salaam, Tanzania. Wiafrica Tanzania Limited operates as a subsidiary of Chongqing Xinwei Telecom Technology Co., Ltd. The company is located at Mwenge nearby Coca-Cola Company in Tanzania.

The choice of the study area was due to challenges an organization was facing on retaining competent employees. The organization in years 2014 lost 5 competent IT specialists for Vodacom, in 2015 lost 7 IT and Sales staff and in 2016 there were about 10 staff quitting their jobs. The trend has been a problem for an organization
that created a desire to investigate if reward plays significant roles in retaining employees.

3.3 Research Design
The study employed a case study design. The Wiafrica Tanzania Limited was the case for assessing roles of reward system in retaining competent employees. According to Andrew and Halcomb (2007) argued that adopting case study design provides benefits associated with facilitating triangulation, complementarities development, initiation, expansion and enhance significant findings for the study problem.

Furthermore, a case study enabled researcher to get the most appropriate data considering the limits of the research. Despite the limitations under the single case study, it is the most common of approach to the inter-related issues of methodological rig our, researcher subjectivity and external validity. It is however suggested by Bennett and Elman’s (2010) that more discipline-specific understanding of contemporary case study methods as an analytical framework is better and valid to explain the research problem.

3.4 Research Approaches
The study applied both qualitative and quantitative research approaches. Qualitative approach to research was concerned with subjective assessment of attitudes, opinions and behavior. Research in such a situation is a function of researcher’s insights and impressions. The qualitative approaches were applied in the interviewed data collection and analysis process. The quantitative approach involved the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion and quantitative approaches was applied questionnaires data collection and analysis.

3.5 Study Population
The study population in this study was 158 staff who is employed at Wiafrica Tanzania Limited. This population was used in this study because they understand
different rewards that Wiafrica Tanzania Limited offered to them and they are able to
tell if such reward system contribute to retaining staff or not.

3.6 Sampling Techniques and Sample Size

3.6.1 Sample Size
As stated by Kothari (2004), the best sample size should be selected from 5-30
percent of the total population. Therefore, this study used the upper limit of 30% of
the total population as the result the sample size will be 47 staff. The sample frame in
this study was grouped based seniority. This sample entails the heads of department,
principal staff, senior staff and junior staff at each section.

Table 3. 1: Table of figures entries found.

<table>
<thead>
<tr>
<th>Source of Data Collection</th>
<th>Sample Size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head of departments</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Principal Staff</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Senior staff</td>
<td>12</td>
<td>26</td>
</tr>
<tr>
<td>Junior staff</td>
<td>23</td>
<td>48</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>47</td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Researchers Design, 207

3.6.1 Sampling Techniques
Based on nature of respondents who are staffs working at Wiafrica Tanzania
Limited, the study used purposive sampling to select head staff and principal staff.
The purposive was employed because head of department and principal staff were
selected based on virtual of their positions in an organizations. The study used simple
random sampling techniques to select senior staff and junior staff. The simple
random sampling technique was used in order to ensure each respondent had equal
chance to be selected in the study.
3.7 Data Collection Methods

This study collected primary data and secondary data that were valid for the study problem. In primary data questionnaire and interview was applied while in secondary data documentary review was employed.

3.7.1 Interviews

Interview was a research instrument for data collection that sought the collection of data through direct verbal interaction. The researcher prepared interview guide to collect data to head of department and senior staff. The interview was administered to them because their position gives ability for researcher to probe more information that was relevant to answer research questions. Furthermore, this method because it provided rich data, offer the opportunity to establish rapport with the interviewees and help to explore and understand complex issues related to study problem.

3.7.2 Questionnaires

A questionnaire entails a set of questions to which respondents record their answers. The questionnaires were designed to answer the research questions, thus achieve the research objectives. The researcher used simple and liker scale questionnaires to examine the roles of rewards on retaining competent workers at Wiafrica Tanzania Limited. The questionnaire was administered senior and junior staff because their duties and responsibility is not highly dominated with pressure.

3.7.3 Documentary Review

The researcher collected secondary data through reviewing documents related to assessment of roles of rewards on retaining competent workers at Wiafrica Tanzania Limited. This study used documentary review guide to collect data from the annual performance reports, training report reports and other related report that was seen relevant for the study problem.

3.8 Data Analysis

Preliminary data analysis was to edit the data and prepare it for further analysis, describe the key features of the data, and summarize the results. It involves a
systematically organizing raw data which was collected in a manner that facilitates analysis of data. For open ended questions the researcher categorized all respondents given and assigned numbers to them and for closed ended questions the researcher assigned numbers to them directly.

Data coding, classification and editing. After that data was analysed qualitatively using content analysis and quantitatively using descriptive statistics and correlation analysis.

3.9 Ethical Issues
This research adhered to ethical issues in data collection and analysis as well as to confidential information provided by respondents and all actors involved in this study. The researcher tried her level best not to be biased during the construction of questionnaire in order to be able to get reliable and accurate data related to assessment of roles of rewards on retaining competent workers at Wiafrica Tanzania Limited

3.10 Accuracy and Reliability of Data
In this study, the researcher made sure that the threats to the study are minimized as much as possible in assessment of roles of rewards on retaining competent workers at Wiafrica Tanzania Limited.

3.10.1 Reliability
The researcher ensured the reliability of data and information collected by cross checking on the data that was obtained through questionnaires against those collected through interviews and where possible in documentary reviews. But the same time the researcher used the Cronbach’s test of SPSS to verify the reliability of the study.

3.10.2 Validity
The researcher ensured that data and information obtained through questionnaires, interviews, and documents are valid to the best of the researcher’s knowledge.
CHAPTER FOUR

PRESENTATION OF FINDINGS, ANALYSIS AND DISCUSSION

4.1 Introduction
This chapter presents the findings. The study focused on the assessment of the role of reward system in retaining competent employees at Wiafrica Tanzania Limited. The specific objectives include:

i. Examining the reward system that is highly adopted by Wiafrica Tanzania Limited,

ii. Examining reward system that is adopted by Wiafrica Tanzania Limited contribute to retaining competent employees and

iii. Examining the challenges facing organization on promoting reward system that contribute toward retaining competent employees.

The findings from this study are then discussed in relation to the literature review.

4.2 Findings in relation to features of participants
4.2.1 Working experience of participants
The working experience of participant’s measures number of year’s staff had been working for a particular organization. In this study, the focus was to understand working experience of staff with Wiafrica Tanzania Limited. The purpose of assessing working experience of staff was because it has a direct impact in understanding the reward package that an organization has been offering to staff and if such reward promotes retention of competent and talented staff at Wiafrica Tanzania Limited.

The study observed that, 70% of staff who participated in this study had a working experience ranging from 7-12 years, followed by 19% with working experience ranging from 1-6 years and 11% had working experience above 13 years (figure 4.1). The findings imply that respondents had enough experiences working with Wiafrica
Tanzania Limited that added value in assessing roles of reward system in retaining competent employees at Wiafrica Tanzania Limited. This is supported by the argument by Brick et al. (2006) who wrote that staff with enough experiences understands the values of workers compensation on promoting employees productivity and organization performance.

**Figure 4.1: Working experience of staff at Wiafrica Tanzania Limited participated in the study**

![Pie chart showing working experience of staff at Wiafrica Tanzania Limited]

*Source: Research results (2017)*

**4.2.2 Sex of participants**

The sex of participants is categorization of employees who participated in the study based on gender status. It involves categorizing participants based male and female status. In this study sex of participants was assessed because it gives reflection how different sex categories perceive reward system and its contribution on retention of competent and talented staff. People with different sex have different opinion related to the types of reward system that influence retention at workplace. Therefore assessing it was very useful in order to get the true picture about the roles of reward system in retaining competent employees at Wiafrica Tanzania Limited.
The study observed that, 64% of participants are male and 36% of participants are female (figure 4.2). The study shows that, there is uneven distribution of participants based on gender but there are no specific reasons to justify why at Wiafrica Tanzania Limited have such situations.

The findings relate with Bebchuk and Fried (2004) who argued that staff with different sex categories perceive differently in the manner to which pay contributes to organization performance. This study observed that there was participation of different sex categories in assessing roles of reward system in retaining competent employees at Wiafrica Tanzania Limited.

**Figure 4. 2: Sex of participants**

![Pie chart showing sex distribution of participants]

*Source: Research results (2017)*

**4.2.3 Education level of participants**

The education level of participant measured the highest level of education that participants have achieved. The education level of participants tells the skills and knowledge that participants in the study have that added advantages in assessing roles of reward system in retaining competent employees at Wiafrica Tanzania Limited.
The study observed that, 70% of participants had attained bachelor degree education level; followed by 13% of participants who held diploma education level, 11% had attained master degree and only 6% had attained certificate education level (figure 4.3).

The findings imply that, respondents had different education level but majority of them have bachelor degree education status. The findings from this study is related with Zhou (2000) pay and reward system depend on education level of staff and the manner to which organization can retain staff, reward scheme should be proportion to the level of education of staff. The findings of this study has been contributed with staff working at Wiafrica Tanzania Limited who have different level of education that added advantages in providing the true reflection of roles of reward system in retaining competent employees at Wiafrica Tanzania Limited.

Figure 4.3: Education level of participants

Source: Research results (2017)
4.2.4 Awareness of issues related with retaining competent and talented staff
The study was interested to know awareness of participants for issues and factors that are important for retaining competent and talented staff at an organization. The awareness level of participant’s added value in during their answering question for assessing roles of reward system in retaining competent employees at Wiafrica Tanzania Limited.

The study had observed that, 64% of participants were aware on issues and factors that are important for retaining competent and talented staff at an organization, 30% were fully aware on it and only 6% were insufficient aware on it (figure 4.4).

The findings imply that almost participants were aware on issues and factors that are important for retaining competent and talented staff at an organization. Their level of awareness played very significant benefits as far as assessing roles of reward system in retaining competent employees at Wiafrica Tanzania Limited. This is because the findings originated from the people who real understand the issues where the study focused.

Figure 4.4: Awareness on issues related with retaining competent staff
Source: Research results (2017)

4.3 Findings in relation to objectives

4.3.1 Objective 1:

The reward system adopted by Wiafrica Tanzania Limited

The objective was set to find out the types of reward system that is highly adopted by Wiafrica Tanzania Limited. In this study various monetary and non monetary reward systems was analyzed and the finding are presented differently according to what it was observed.

4.3.1.1 Leave Package Reward System

The leave package reward is the types reward scheme at which staffs are given annual leaves with monthly salary each year or one year after two years of leave. The study has observed that 53% of participants agreed that Wiafrica Tanzania Limited offers annual leave package as reward scheme for its staff, 17% of participants strongly agreed on it, 15 percent were neutral on it, 11% disagree on it and 4% strongly disagreed on it (figure 4.5).

The findings imply that, 70% of participant agreed that Wiafrica Tanzania Limited offers annual leave package as reward scheme for its staff and 15% disagreed on it. The respondents who disagree imply that they consider annual leave package is not important reward scheme that Wiafrica Tanzania Limited has been offering to staffs. The respondents who agreed considered it as important reward system that Wiafrica Tanzania Limited has been offering to staffs. As the majority of respondents (70%) agreed in it we can conclude that leave package is the reward system that is offered by Wiafrica Tanzania Limited to its staffs.

The finding from this study relates with Bergstresser and Philippon's (2006), that the leave package is important incentives employees receive from an organization in order to determine their efforts for an organization. Also James (2015) in his study of incentive package to staff observed that many organization offers leave packages as incentives for its employees.
4.3.1.2 Extra Working Hours' Reward System

The extra working hours is the types reward scheme at which staffs are paid for performing duties and responsibility beyond working hours. Normally working hours is 8 hours a day that an extension of performing duties above 8 hours employees receives reward. The study observed that, 6% of participants agreed that Wiafrica Tanzania Limited offers extra working hours as reward scheme for its staff, 2% of participants strongly agreed on it, 9 percent were neutral on it, 40% disagree on it and 43% strongly disagreed on it (figure 4.6).

The findings imply that, only 8% of participant agreed that Wiafrica Tanzania Limited uses extra working hours as reward scheme for its staff and 83% disagreed on it. The respondents who disagree imply that they consider extra working hours is not reward scheme that Wiafrica Tanzania Limited have been offering to staffs. Majority of respondents (83%) disagreed on Wiafrica Tanzania Limited uses extra working hours as reward scheme for its staff, we can conclude that extra working
hours is not the reward system that is offered by Wiafrica Tanzania Limited to its staffs.

The findings from this study disconfirm the earlier study conducted by James (2015) and observed that extra working hours is important incentive that is offered by an organization to its staff. Despite the disconfirmation of this study to earlier study, it should be noted that extra working hour is paid only if there is duties that is done above working hours and it is necessary to be done by that day. Therefore, it is not all organization do offer extra working hours that require reward system. This is the main reasons why finding can differ on this matter.

**Figure 4.6: Extra Working Hours' Reward System**

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Percentage</strong></td>
<td>45%</td>
<td>10%</td>
<td>5%</td>
<td>5%</td>
<td>2%</td>
</tr>
</tbody>
</table>

**Source:** Research results (2017)

**4.3.1.3 Performance Bonus Reward System**

The performance bonus is the types reward scheme under which staffs are paid for contributing better performance of work for the organization. Normally, it can be department wise, individual level or all staff in an institution. The study has observed that 53% of participants agree that Wiafrica Tanzania Limited offers performance
bonus as reward scheme for its staff, 21% of participants strongly agreed on it, 13% were neutral on it, 11% disagree on it and 2% strongly disagreed on it (figure 4.7).

The findings imply that, only 74% of participant agreed that Wiafrica Tanzania Limited used performance bonus as reward scheme for its staff and 13% disagreed on it. The respondents who disagree imply that they consider performance bonus is not reward scheme that Wiafrica Tanzania Limited has been offering to staffs while those who agree they do. As the majority of respondents (74%) agreed on Wiafrica Tanzania Limited uses performance bonus as reward scheme for its staff, we can conclude that performance bonus is the reward system that is offered by Wiafrica Tanzania Limited to its staffs.

The findings from this study disconfirm the earlier study conducted by James (2015) and observed that extra working hours is important incentive that is offered by an organization to its staff. Despite the disconfirmation of this study to earlier study, it should be noted that extra working hour is paid only if there is duties that is done above working hours and it is necessary to be done by that day. Therefore, it is not all organization do offer extra working hours that require reward system. This is the main reasons why finding can differ on this matter.

**Figure 4.7: Performance Bonus Reward System**
4.3.1.4 Employees ‘recognition Reward System

The recognition reward system is the types reward scheme at which staffs appreciated and recognized for their efforts they have invested at work done. The study has observed that 68% of participants agree that Wiafrica Tanzania Limited employees recognition as reward scheme for its staff, 11% of participants strongly agreed on it, 6% were neutral on it, 9% disagreed on it and 6% strongly disagreed on it (figure 4.8).

The findings imply that only 79% of participant agreed that Wiafrica Tanzania Limited uses employees’ recognition as reward scheme for its staff and 15% disagreed on it. The respondents who disagree imply that they consider employees recognition is not reward scheme that Wiafrica Tanzania Limited have been offering to staffs while those who agree they do. As the majority of respondents (79%) agreed on Wiafrica Tanzania Limited uses employees rewards as reward scheme for its staff, we can conclude that employees recognitions is the reward system that is offered by Wiafrica Tanzania Limited to its staffs.

The findings from this study relate with theories, which suggest relating recognition to the real achievements and rewarding them immediately after accomplishment.

Source: Research results (2017)
(Armstrong and Murlis, 2004) and Maritz Pool Survey conducted in 2005 on 1002 employees showed that managers do not meet employees’ needs regarding recognition. Maritz's study found that managers do understand employee’s recognition is an important reward toward promoting employees motivation but large percent of human resources managers and directors of institution do not take this motivation motive as important reward for its staff. Many of them think money is important motivation factor that stimulate employees productivity and retaining talents staff.
### 4.3.1.5 Training and Development Reward System

The training and development is the types reward scheme under which organization invests on providing relevant skills and knowledge to its staff so that they can be more productive in an organization. The short term and long term training programs are prepared and the organization invests on training its staff. The study has observed that, 57% of participants agree that Wiafrica Tanzania Limited uses training and development as reward scheme for its staff, 13% of participants strongly agreed on it, 9% were neutral on it, 13% disagree on it and 9% strongly disagreed on it (figure 4.9).

The findings imply that, only 70% of participant agreed that Wiafrica Tanzania Limited uses training and development as reward scheme for its staff and 21% disagreed on it. The respondents who disagree imply that they consider training and development is not reward scheme that Wiafrica Tanzania Limited have been offering to staffs while those who agree they do. As the majority of respondents (70%) agreed on Wiafrica Tanzania Limited uses training and development as

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#### Figure 4. 8: Employees ‘recognition Reward System

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization uses employee recognition as reward system for employees</td>
<td>6%</td>
<td>9%</td>
<td>6%</td>
<td>68%</td>
<td>11%</td>
</tr>
</tbody>
</table>

**Source:** Research results (2017)
reward scheme for its staff, we can conclude that training and development is the reward system that is offered by Wiafrica Tanzania Limited to its staffs.

The findings from this study disconfirmed argument by Buck et al. (2003) who noted that investment in long term incentive plans has played a significant roles for the future prosperity but many private organization does not have execution of long term training plans which considered to play roles in equipping staff with necessary skills capable to perform their duties properly and effectively. The private organization has not properly implementing the long term training programs for its staff but they always blame staff for not delivering maximum even though they know a need of investing in training and development. This study revealed that training and development is one of the reward system adopted by Wiafrica Tanzania Limited in promoting talented staff retained.

**Figure 4.9: Training and Development Reward System**

![Training and Development Reward System](chart)

**Source:** Research results (2017)

**4.3.1.6 Carrier Development Reward System**

The carrier development is the types reward scheme under which the organization invests on providing staff working in an organization for higher posts. The
organization does not recruit senior staff from outside but it has staff promoted inside to the seniority posts. The study has observed that 51% of participants agreed that Wiafrica Tanzania Limited uses carrier development as reward scheme for its staff, 26% of participants strongly agreed on it, 11% were neutral on it, 6% disagree on it and 6% strongly disagreed on it (figure 4.10).

The findings imply that, only 77% of participant agreed that Wiafrica Tanzania Limited uses carrier development as reward scheme for its staff and 12% disagreed on it. The respondents who disagree imply that they consider carrier development is not reward scheme that Wiafrica Tanzania Limited has been offering to staffs while those who agree they do. As the majority of respondents (77%) agreed on Wiafrica Tanzania Limited uses carrier development as reward scheme for its staff, we can conclude that carrier development is the reward system that is offered by Wiafrica Tanzania Limited to its staffs.

The findings from this study relate with Core et al (2003) who argued that carrier development has been one of the important motivation package for retaining competent staff as instrument of executive incentives used by many managers in today's organization. This study has found that large percent agreed that carrier development is adopted by Wiafrica Tanzania Limited as motivation and reward scheme.
The findings from the questionnaire in this study related with the result observed from quoted answer from the one interviewed member of staff who said: *Different organization has different reward scheme that are used to retain employees. In this organization, salary and promoting them to higher positions among staff are used to retain talented and productive staff.*

4.3.2 Objective 2:

**The how reward system that is adopted by Wiafrica Tanzania Limited contributes to retaining competent employees**

The study was set to find out the how reward system that is adopted by Wiafrica Tanzania Limited contribute to retaining competent employees. In this study various monetary and non monetary reward systems was analysed to find out how do they contributes to the retaining talented and competent staff at Wiafrica Tanzania Limited.

The study employed simple regression analysis to analyze the contribution of reward system adopted by Wiafrica Tanzania Limited on retaining competent employees. The reward system that was analysed in this study are Carrier development reward system.
(Succession plan), Employees recognitions, Incentive rewards, Leave Package, Performance bonus, Extra working hours allowance, Training and development. This variable was investigated to know if they are significant predictors of retaining talented employees at Wiafrica Tanzania Limited.

The result shows that R-square is 0.594 (see model summary table) implying that Carrier development (Succession plan), Employees recognitions, Incentive rewards, Leave Package, Performance bonus, Extra working hours allowance, Training and development has ability to predict retaining talented staff at Wiafrica Tanzania Limited by 59.4 percent only while 40.6 is determined by variables that were not included in this study.

The ANOVA analysis has shown that the F-value is 3.629 and the p-value is 0.004 (see ANOVA table) implying that there is statistically significance of differences of means and its associations in the model because the p-value is less than 0.05.

The study found that leave package has 0.105 coefficient, 2.883 t-value and 0.004 p-value (see coefficient table). The findings imply that first there is positive contribution of leave package on retaining talented staff at Wiafrica Tanzania Limited, that one unit change of leave package adds 0.105 units to the retaining of talented staff at Wiafrica Tanzania Limited. The second is that the leave package is positively and statistically significant on contributing to retaining talented staff at Wiafrica Tanzania Limited because the p-value obtained from the study is less than 0.05.

The study found that extra working hours allowances has 0.184 coefficient, 1.403 t-value and 0.169 p-value (see coefficient table). The findings imply that first there is positive contribution of extra working hours allowances on retaining talented staff at Wiafrica Tanzania Limited, that one unit change of extra working hours allowances adds 0.169 units to the retaining of talented staff at Wiafrica Tanzania Limited. The second is that the extra working hours allowances is positively and statistically insignificant on contributing to retaining talented staff at Wiafrica Tanzania Limited because the p-value obtained from the study is greater than 0.05.
The study found that incentive rewards has 0.181 coefficient, 1.416 t-value and 0.165 p-value (see coefficient table). The findings imply that, first, there is positive contribution of incentive rewards on retaining talented staff at Wiafrica Tanzania Limited, that one unit change of incentive rewards adds 0.181 units to the retaining of talented staff at Wiafrica Tanzania Limited. The second is that the incentive rewards is positively and statistically insignificant on contributing to retaining talented staff at Wiafrica Tanzania Limited because the p-value obtained from the study is greater than 0.05.

The study found that, performance bonus has 0.187 coefficient, 2.413 t-value and 0.004 p-value (see coefficient table). The findings imply that first there is positive contribution of performance bonus on retaining talented staff at Wiafrica Tanzania Limited, that one unit change of performance bonus adds 0.187 units to the retaining of talented staff at Wiafrica Tanzania Limited. The second is that the performance bonus is positively and statistically significant on contributing to retaining talented staff at Wiafrica Tanzania Limited because the p-value obtained from the study is less than 0.05.

The study found that employees recognition has 0.355 coefficient, 3.752 t-value and 0.001 p-value (see coefficient table). The findings imply that first there is positive contribution of employees recognition on retaining talented staff at Wiafrica Tanzania Limited, that one unit change of employees recognition adds 0.355 units to the retaining of talented staff at Wiafrica Tanzania Limited. The second is that the employee’s recognition is positively and statistically significant on contributing to retaining talented staff at Wiafrica Tanzania Limited because the p-value obtained from the study is less than 0.05.

The study found that training and development has 0.525 coefficient, 3.131 t-value and 0.003 p-value (see coefficient table). The findings imply that first there is positive contribution of training and development on retaining talented staff at Wiafrica Tanzania Limited, that one unit change of training and development adds 0.525 units to the retaining of talented staff at Wiafrica Tanzania Limited.
The second is that the training and development is positively and statistically significant on contributing to retaining talented staff at Wiafrica Tanzania Limited because the p-value obtained from the study is less than 0.05.

The study found that carrier development has 0.118 coefficient, 3.140 t-value and 0.003 p-value (see coefficient table). The findings imply that first there is positive contribution of carrier development on retaining talented staff at Wiafrica Tanzania Limited, that one unit change of carrier development adds 0.118 units to the retaining of talented staff at Wiafrica Tanzania Limited. The second is that the carrier development is positively and statistically significant on contributing to retaining talented staff at Wiafrica Tanzania Limited because the p-value obtained from the study is less than 0.05.

The findings shows that leave package, performance bonus, employee’s recognition, training and development and carrier development are positively and statistically significant on contributing to retaining talented staff at Wiafrica Tanzania Limited because the p-value obtained from the study is less than 0.05.

The findings from this study relate with Armstrong (2012) an employee's is important resources for an organization to achieve its long term objectives. As employees perform better also an organization perform better. The better performance of an organization results into increase employees rewards. A reward is the result of better performance by an employees and an organization. The employees who are well satisfied with rewards system tend to be highly retained for an organization. Therefore rewards and staff retaining have a positive correlation. The rewards influence positively staff retaining and poor reward system has a significant impact to labour turnover.

The findings from this study related with Cardy and Dobbins (1994), argued that reward is a motivational factors that facilitate employees retaining in an institutions. The employees are able to retain in the organization if they are satisfied with reward system an organization is offering to them. Simeka Management consulting, (2004)
noted that a reward is a stimulus for employees satisfied with efforts they are providing to an organization. It is very relevant that as employee satisfied with rewards, they are likely to be retained in organizations. Amos et al. (2008) noted that reward is a motivation factors that stimulated lower labour turnover in an organization. According to Van der Waldt (2004) employees who are competent and productive can only be retained with monetary and non monetary reward. To retain competent and productive employees facilitate more gain than costs. Organization will do anything to retain competent staff in order to achieve long term organization objectives.

Table 4.1: Model summary output

<table>
<thead>
<tr>
<th>Model Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

\(a\). Predictors: (Constant), Carrier development (Succession plan), Employees recognitions, Incentive rewards, Leave Package, Performance bonus, Extra working hours allowance, Training and development

Source: Research results (2017)

Table 4.2: ANOVA Output

<table>
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<th>ANOVA(^a)</th>
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<tr>
<td></td>
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<tr>
<td></td>
</tr>
</tbody>
</table>

\(a\). Dependent Variable: Retaining competent and talented staff

\(b\). Predictors: (Constant), Carrier development (Succession plan), Employees recognitions, Incentive rewards, Leave Package, Performance bonus, Extra working hours allowance, Training and development

Source: Research results (2017)
Table 4.3: The coefficient output

<table>
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<tr>
<th>Model</th>
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<th>Standardized Coefficients</th>
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<th>Sig.</th>
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</thead>
<tbody>
<tr>
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<td>B (Constant)</td>
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<td></td>
<td></td>
</tr>
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<td>1.777</td>
<td>.871</td>
<td>2.039</td>
<td>.048</td>
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<td>Leave Package</td>
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<td>.019</td>
<td>2.883</td>
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<tr>
<td></td>
<td>Extra working hours allowance</td>
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<td>.131</td>
<td>.207</td>
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<td></td>
<td>Incentive rewards</td>
<td>.181</td>
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<td>.201</td>
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<td></td>
<td>Performance bonus</td>
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<tr>
<td></td>
<td>Employees recognitions</td>
<td>.355</td>
<td>.095</td>
<td>.547</td>
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<tr>
<td></td>
<td>Training and development</td>
<td>.525</td>
<td>.168</td>
<td>.496</td>
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<tr>
<td></td>
<td>Carrier development</td>
<td>.118</td>
<td>.028</td>
<td>.222</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Retaining competent and talented staff

Source: Research results (2017)

The findings from the questionnaire in this study related with the result observed from quoted answer from the second interviewed member who said:-

There are close relationship between reward and retaining talented and productive staff in an organization. In this organization monthly salary and promoting staff to senior position plays a significant role in retaining talented and productive staffs.

4.3.3 Objective 3:

Failure of organization promoting reward system
The study was set to find out reasons for failure of organization promoting reward system that contribute toward retaining competent employees. In this study various
reasons for failure of organization promoting reward system that contribute toward retaining competent employees were presented separately and discussed effectively. The reasons for failure related with financial performance of an organization, implementation of reward and pay policy, business focus on profit maximization and supply of labour to the market were analysed properly in this part.

4.3.3.1 Reasons for financial performance of an organization
The rewarding and motivating staff in an organization is directly proportion to the financial performance of an organization. An organization that does not financially performing cannot increase reward and incentives for staff. This study found that 23% of participants strongly disagree that financial performance of Wiafrica Tanzania Limited acts as the reasons for failure of organization promoting reward system that contribute toward retaining competent employees, 32% disagree to the statement, 17% were undecided, 19% agree on it and 9% strongly agree on it (see figure 4.11).

The findings imply that 28% of participant agreed that financial performance of Wiafrica Tanzania Limited acts as the reasons for failure of organization promoting reward system that contribute toward retaining competent employees and 55% disagreed on it.

The respondents who disagree imply that they consider financial performance of an organization not reasons for failure of organization promoting reward system that contribute toward retaining competent employees while those who agree they do. As the majority of respondents (55%) disagreed financial performance of an organization is a reasons for failure of organization promoting reward system that contribute toward retaining competent employees, we can conclude that financial performance of Wiafrica Tanzania Limited is not a reasons for failure of organization promoting reward system that contribute toward retaining competent employees.
The findings from this study disconfirm the findings observed by Fernandes (2006) that board member provide staff incentives and reward if an organization has better corporate financial performance while eliminate incentives and reward if there is poor financial performance. This study has found financial performance is not challenges that face Wiafrica Tanzania Limited in promoting reward system that contribute toward retaining competent employees.

**Figure 4.11: Financial performance reason.**

![Financial performance reasons chart]

Source: Research results (2017)

4.3.3.2 Implementation of reward and pay policy

The rewarding and motivating staff in an organization is directly proportion to the implementation of pay and reward policy. An organization that does not implement properly and effectively reward and payment policy creates reasons for failure of organization promoting reward system that contribute toward retaining competent employees.

This study found that 2% of participants strongly disagree that poor implementation of pay and reward policy at Wiafrica Tanzania Limited acts as the reasons for failure of organization promoting reward system that contribute toward retaining competent
employees, 6% disagree to the statement, 6% were undecided, 23% agree on it and 62% strongly agree on it (see figure 4.12).

The findings imply that, 85% of participant agreed that poor implementation of pay and reward policy at Wiafrica Tanzania Limited acts as the reasons for failure of organization promoting reward system that contribute toward retaining competent employees and 8% disagreed on it. The respondents who disagree imply that they consider poor implementation of pay and reward policy at Wiafrica Tanzania Limited is not reasons for failure of organization promoting reward system that contribute toward retaining competent employees while those who agree they do. As the majority of respondents (85%) agreed for poor implementation of pay and reward policy at Wiafrica Tanzania Limited is a reasons for failure of organization promoting reward system that contribute toward retaining competent employees, we can conclude that poor implementation of pay and reward policy at Wiafrica Tanzania Limited is a reasons for failure of organization promoting reward system that contribute toward retaining competent employees.

The findings from this study confirmed the findings observed by Murphy (1999) that executive compensation of staff in an organization depend upon pay and reward policy and many organizations which does not implement it gets challenges in implementing compensation scheme.
4.3.3.3 Management focus on maximization of profits

The rewarding and motivating staff in an organization is directly proportion to the shareholders focus in the business. If their focus is not maximization of profits implementation of reward and pay motivation package become a reasons for failure of organization promoting reward system that contribute toward retaining competent employees.

This study found that 4% of participants strongly disagree that owners focusing on profit maximization at Wiafrica Tanzania Limited acts as the reasons for failure of organization promoting reward system that contribute toward retaining competent employees, 6% disagree to the statement, 4% were undecided, 40% agree on it and 43% strongly agree on it (see figure 4.13).

The findings imply that 83% of participant agreed that management focusing on profit maximization at Wiafrica Tanzania Limited acts as the reasons for failure of organization promoting reward system that contribute toward retaining competent employees and 12% disagreed on it.

Source: Research results (2017)
The respondents who disagree imply that they consider management focusing on profit maximization at Wiafrica Tanzania Limited is not reasons for failure of organization promoting reward system that contribute toward retaining competent employees while those who agree they do.

As the majority of respondents (85%) agreed for management focusing on profit maximization at Wiafrica Tanzania Limited acts as the reasons for failure of organization promoting reward system that contribute toward retaining competent employees, we can conclude that management focusing on profit maximization at Wiafrica Tanzania Limited is a reasons for failure of organization promoting reward system that contribute toward retaining competent employees.

Figure 4. 13: Management focusing on profit maximization

4.3.3.3 Higher supply of labor to the market

The rewarding and motivating staff in an organization is directly proportion to the supply and demand of labor to the market. If it is easy to get labor to the market at
lower costs creates reasons for failure of organization promoting reward system that contribute toward retaining competent employees.

This study found that 4% of participants strongly disagree that higher supply of labour to the market acts as the reasons for failure of organization promoting reward system that contribute toward retaining competent employees, 4% disagree to the statement, 6% were undecided, 51% agree on it and 34% strongly agree on it (see figure 4.14).

The findings imply that 85% of participant agreed that higher supply of labor to the market acts as the reasons for failure of organization promoting reward system that contribute toward retaining competent employees and 8% disagreed on it.

The respondents who disagree imply that they consider higher supply of labor in the market is not reasons for failure of organization promoting reward system that contribute toward retaining competent employees while those who agree they do.

As the majority of respondents (85%) agreed for higher supply of labor to the market acts as the reasons for failure of organization promoting reward system that contribute toward retaining competent employees, we can conclude that higher supply of labor to the market is the reasons for failure of organization promoting reward system that contribute toward retaining competent employees.
The findings from this objective shows that implementation of reward and pay policy, management focus on profit maximization and supply of labour to the market are reasons for failure of organization promoting reward system that contribute toward retaining competent employees while financial performance of an organization is not reasons for failure of organization promoting reward system that contribute toward retaining competent employees. The findings from the questionnaire in this study related with the result observed from quoted answer from the third interviewed management member who said:

_The only reasons that an organization failed to retain talented and productive staff is when the staff has found a green pasture that this organization cannot afford as the result it become difficult to convince the staff to remain working for this organization._

Source: Research results (2017)
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

Reward and motivation of staff is considered to be one of the important human resources management strategies for promoting employees performance and retaining competent staff in an organization. However many organization have not implementing reward and motivation in their organization.

This study was conducted assessing the roles of reward system in retaining competent employees at Wiafrica Tanzania Limited. The specific objectives were examining the reward system that is highly adopted by Wiafrica Tanzania Limited, examining reward system that is adopted by Wiafrica Tanzania Limited contribute to retaining competent employees and examining the challenges facing organization on promoting reward system that contribute toward retaining competent employees.

The study reviewed reinforcement theory and expectancy theory that lighted on how a reward influences employee behavior. Reinforcement theory (Skinner, 1953) suggests that rewards acts as a general reinforce because of its repeated pairing with primary rein forcers. Vroom’s (1964) expectancy theory, three components determine motivation: 1) a judgment regarding the likelihood that an effort leads to a certain level of performance (expectancy); 2) a judgment regarding the likelihood that this level of performance leads to a certain outcome (instrumentality); and 3) the importance of the outcome to the individual (valence).

The study employed a case study design with both qualitative and quantitative research approaches in investigating for the problem. The targeted population was 158 staff working at Wiafrica Tanzania Limited. The sample of 47 staff was selected by simple random sampling and purposive sampling techniques. The data were
collected through questionnaire and interview. The data were analysed through descriptive statistics, regression analysis and content analysis.

The study found that leave package, performance bonus, employees recognition, training and development and carrier development were the most of the reward system that are offered by Wiafrica Tanzania Limited to its staffs while extra working hour was not used as the reward system that is offered by Wiafrica Tanzania Limited to its staffs.

The study found that leave package, performance bonus, employee’s recognition, training and development and carrier development are positively and statistically significant on contributing to retaining talented staff at Wiafrica Tanzania Limited because the p-value obtained from the study is less than 0.05.

The study found that challenges related with implementation of reward and pay policy, business focus on profit maximization and supply of labor to the market are facing Wiafrica Tanzania Limited on promoting reward system that contribute toward retaining competent employees while financial performance of an organization is not a challenge facing Wiafrica Tanzania Limited on promoting reward system that contribute toward retaining competent employees.

5.2 Conclusion

The study concludes that reward is important motivator for retaining staff, the management of Wiafrica should not focus on profit maximization but they should make sure that they provide motivation packages that contribute to retaining talent and competent staff in order to promote more organization and employees performance.

The study concludes that both monetary and non monetary motivation package should be considered important in motivating talented and competent staff instead of concentrating in salary alone.
5.3 Recommendations

Based on motivation package that is mostly used by Wiafrica Tanzania Limited it was observed that leave package, performance bonus, employees recognition, training and development and carrier development were the most of the reward system that are offered by Wiafrica Tanzania Limited to its staffs. This study recommend that Wiafrica Tanzania Limited to take important and active measures to ensure that talented staff are highly retained and if retaining them they should improve motivation then it has to be so.

Based on motivation package that contribute to retaining competent and talented staff, the study found that leave package, performance bonus, employees recognition, training and development and carrier development are positively and statistically significant on contributing to retaining talented staff at Wiafrica Tanzania Limited because the p-value obtained from the study is less than 0.05. The study recommends that leave package, performance bonus, employees recognition, training and development and carrier development have to be properly implemented in order to facilitate retaining competent staff.

Based on challenges facing Wiafrica Tanzania Limited challenges related with implementation of reward and pay policy, business focus on profit maximization and supply of labor to the market are facing Wiafrica Tanzania Limited on promoting reward system that contribute toward retaining competent employees. This study recommends that these challenges have to be properly and effectively addressed by considering the value of competent and talented staff plays for the performance of Wiafrica.

5.4 Areas for further study.

The study propose that study should conducted to assess how motivation packages adopted by Wiafrica contributes to the performance in order to come up with a concrete package of result that will add value for proper and effectively implementation of the motivation scheme. The studies propose that the same study
has to be conducted for more than one organization in order to come up with a comprehensive analysis related with the study problem.
REFERENCES


APPENDENCES

QUESTIONNAIRES GUIDE

SECTION B: PERSONAL DATA

1. What is sex of respondents
   (a) Male [       ] (b) Female [      ]

2. What is your working experience?
   a. 1-6 years [          ] b. 7 – 12 years [     ] c. Above 13 years [         ]

3. What is the level of your education status?
   d. Bachelor degree [     ] e. Masters [      ] f. others please mention.............

4. Are you aware issues that influence retaining competent and talented staff at an organization
   (a) Totally aware (b) Aware (c) Partially aware (d) Unaware (e) totally unaware

SECTION B: KNOWLEDGE, ATTITUDES AND PRACTICES (KAP)

For the question below are in Likert scale score. Based on your experience working with Wiafrica Tanzania Limited, choose the score value for each statement for each question.

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<thead>
<tr>
<th>SCORE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strongly Disagree</td>
</tr>
<tr>
<td>2</td>
<td>Disagree</td>
</tr>
<tr>
<td>3</td>
<td>Neutral</td>
</tr>
<tr>
<td>4</td>
<td>Agree</td>
</tr>
<tr>
<td>5</td>
<td>Strongly Agree</td>
</tr>
</tbody>
</table>
5. The following statements shows the reward system that is highly adopted by Wiafrica Tanzania Limited. Please tick on agreeableness score for each statement.

<table>
<thead>
<tr>
<th>No.</th>
<th>Statement</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The organization uses leave package as reward system for employees</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>The organization uses extra working hours allowances as reward system for employees</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>The organization uses incentive package as reward system for employees</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>The organization uses performance bonus as reward system for employees</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>The organization uses employees recognitions as reward system for employees</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>The organization uses training and development as reward system for employees</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>The organization uses carrier development through succession plan as reward system for employees</td>
<td></td>
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</tbody>
</table>

6. What are other reward system that is highly adopted by Wiafrica Tanzania Limited that have not mentioned at question 6

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7. The following statement indicates the what ways reward system that is adopted by Wiafrica Tanzania Limited contribute to retaining competent employees. Please tick your score number based on your agreeableness

<table>
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<tr>
<th>No.</th>
<th>Statement</th>
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<td>2.</td>
<td>The extra working hours allowances contribute to retaining competent employees</td>
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<tr>
<td>3.</td>
<td>The incentive package contribute to retaining competent employees</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>The performance bonus contribute to retaining competent employees</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>The organization uses employees recognitions as reward system for employees</td>
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<tr>
<td>6.</td>
<td>The training and development contribute to retaining competent employees</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>The carrier development through succession plan contribute to retaining competent employees</td>
<td></td>
</tr>
</tbody>
</table>

8. What are other reward system that is adopted by Wiafrica Tanzania Limited contribute to retaining competent employees that have not mentioned at question 7

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9. The following statement indicates the challenges facing organization on promoting reward system that contribute toward retaining competent employees. Please tick your score number based on your experiences.

<table>
<thead>
<tr>
<th>No.</th>
<th>Statement</th>
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</thead>
<tbody>
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<td>The financial performance of an organization</td>
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<td>2.</td>
<td>The organization having poor implementation of reward and pay policy</td>
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<tr>
<td>3.</td>
<td>The owners of the organization focus mostly on profit making</td>
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<td>4.</td>
<td>The higher supply of labour in the market</td>
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</table>

<table>
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<th>4</th>
<th>5</th>
</tr>
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</table>

10. What are other challenges facing organization on promoting reward system that contribute toward retaining competent employees that are not mentioned at question 10?

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INTERVIEW GUIDE

1. What do you know about reward system for employees?
2. What are your levels of labour turn over at your organization?
3. What are the specific reward system that is provided by your organization to the employees?
4. Does such kind of reward contribute to retaining most competent and talented employees at your organization?
5. What are challenges facing your organization in providing rewards that have values in retaining most competent and talented employees at your organization?