LABOUR TURNOVER AND ITS IMPACT ON ORGANIZATION’S PERFORMANCE: CASE STUDY OF SASATEL
LABOUR TURNOVER AND ITS IMPACT ON ORGANIZATION’S PERFORMANCE: CASE STUDY OF SASATEL

By
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A Dissertation Submitted in Partial Fulfilment of the Requirements for Award of the Degree of Masters of Science in Human Resources Management of Mzumbe University

2013
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled the Labour turnover and its Impact on Organization’s performance the case study of SASATEL Head quarter Dar es Salaam in partial fulfilment of the requirements for award of the degree of Masters of Science in Human Resources Management of Mzumbe University.

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ACKNOWLEDGEMENT

First, I would like to give thanks to ALMIGHT GOD through his son Jesus Christ my saviour for all His blessings and for bringing such wonderful people into my life to help me.

I thank my husband Mr Anthony Kabora and My family who have had the great influence on my life and thoughts and whom gave me the best example of uncompromising integrity.

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Lastly but not least, I would like to express my heartfelt gratitude to my close fellow Masters students at Mzumbe University. To them all, I wish to register my heartfelt thanks. Notwithstanding, all the shortcoming of this study remains my responsibility.
DEDICATION

I dedicate this dissertation to my dear husband Anthony Kabora and our beloved son Alvin. The completion of this dissertation would not have been possible without their devoted support, patients and assistance.
ABSTRACT

This study assessed the labour turnover and its impact on organizations performance: case study of SASATEL. It was conducted at SASATEL.

Both qualitative and quantitative approaches were employed using a sample of 60 respondents. The main research instruments used were questionnaire and interview. Both qualitative and quantitative data collected were analyzed using simple descriptive statistical methods such as frequencies, percentages and cross tabulations. The major focus was to establish the factors that lead to labour turnover, to find out patterns of labour turnover and to find out the effects of labour turnover.

Findings revealed that company has experienced resignation, in the year of 2009, 45 employees left the organization. Finally, it has been noted that most turnover for permanent employee is voluntary. Establishing the factors that lead to labour turnover are Organization stability, Dissatisfaction with pay, Dissatisfaction with benefit, Poor relation with line manager, Unclear role(Role clarity), Better employment opportunities, Organization stability, Poor organizational justice, and Work life are considered to be the job factors of labour turn over. Non job-related causes of employee turnover are those things in the employee's personal life that impact their performance in the workplace. On the effects of labour turnover, results revealed that labour turn over reduced morale, retardation on organization performance, increase in recruitment and training costs, loss of skilled staff, bad organizations image, failure or late achievement of organization goals, delay of program implementation were considered as the impact of labour turn over. It is recommendations on broadening body of knowledge, improving managerial practices and help for clear investment strategies by shareholders, Management should introduce better overtime pay and workers encouraged to take up the opportunity, and the Managers should involve workers in decision making. Management should review its pay package, fringe benefits and opportunities for growth in order to retain its workforce.
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CHAPTER ONE

INTRODUCTION

1.1 Background of the Problem
The normal saying that the devil you know is better than the angel you do not know suggest that it is better for organizations to continue working with their existing employees than to encourage labour turnover by employing new employees most of the time.

Labour turnover is the rate at which an employer gains and losses employee. Simple ways to describe it are “how long employees tend to stay”. Turnover is measured for individual companies and for their industries as a whole. High turnover may be harmful to a company’s productivity, if skilled workers are often leaving and the worker population contains a high percentage of novice workers (Hutchunson and Jand Beruvides, 1997). Turnover can be voluntary and involuntary.

According to Price (1977) employee turnover is the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period. This term is also often utilized in efforts to measure relationships of employees in an organization as they leave, regardless of the reason. Organizations all over the world invest a lot in their employees in terms of training, developing, maintaining and retaining. The essence of providing these huge sums of money toward training actually conforms to the comment given by Becker (1999) that the most common cause of employees leaving their jobs is inability of the employees to match their skills against the skills demanded by the job.

Employee turnover is the rotation of workers around the labour market; between firms, jobs and occupations; and between the states of employment and unemployment Abassi et al. (2000). The term “turnover” is defined by Price (1977) as: the ratio of the number of organizational members who have left during the
period being considered divided by the average number of people in that organization during the period. Frequently, managers refer to turnover as the entire process associated with filling a vacancy.

Employees are extremely crucial to the organisation since their value to the organization is essentially intangible and not easily replicated Meaghan et al. (2002). Therefore, managers must recognize that employees as major contributors to the efficient achievement of the organization’s success Abbasi et al. (2000). Managers should control employee turnover for the benefit of the organization success.

There may be several factors involving why employees leave their job. It could be a voluntary turn over where employees choose to leave. Some of the reasons includes, career opportunities, increased compensation and broaden the current task.

1.2 Statement of Research Problem
The Tanzania Communications Regulatory Authority (TCRA) licensed SASATEL in June 2008. SASATEL has a licence for voice and data services, internet service provision and international gateway services. It offers services over a CDMA network providing high-speed internet connections and the option of prepaid packages. The company offers fixed-wireless phones that have internet connectivity capabilities as well as mobile phones. The company has got 8 departments of which have got a high demand of effective manpower for a competitive advantage with other telecommunication industry. It was found in the year 2008, currently it has 205 employees.

Labor turnover as noticed, if not looked into, could eat deep into the profitability and threaten the sustainability of any organization. As a global challenge as well mandatory confrontation of the technological and environmental diversities which organizations have to face, many brows are raised on its persistence. The Communication sector in Tanzania has not been left out as labor turnover has been disrupting their services and relatively their organization productivity. The Human
Resource Managers and the executives of these organizations have always been on their toes to proffer solutions to labor turnover. The consciousness of hiring, monetary and time cost recorded when highly frequent labor turnover occurs; thereby affecting productivity which makes this a problem that begs for answer. Organizations lose not just financially, or in productivity when they have an employee with huge human capital permanently departing from their organization. This could have been due to avoidable or unavoidable reasons. The technological and business demands of electronic dealings have also affected ways in which operations are carried out in the communication industry. Some new fresh idea shave been witnessed with the opportunities for new transfers and promotions, but those still have to be compared to the contributions or reductions which are now available. This study would look into how the effects of the voluntary or involuntary labor turnover have impacted the organization performance at the SASATEL Company Ltd.

1.3 Objectives of the Study

1.3.1 General Objectives
To investigate the impact of labour turns over on the organization performance in Telecommunication sector

1.3.2 Specific Objectives
(i) To establish the factors that leads to labour turnover at SASATEL Company Limited
(ii) To find out patterns of labour turnover at SASATEL Company Limited
(iii) To find out the effects of labour turnover at SASATEL Company Limited

1.3.3 Research Questions
(i) What are the factors that lead to labour turnover at SASATEL Company Limited
(ii) What are the patterns of labour turnover at SASATEL Company Limited
(iii) What are effects of labour turnover on SASATEL Company Limited
1.4 Significance of the study
The significance of this study is tailored towards the evaluation, analysis and addition to the current existing body of knowledge. It would assist the human resource managers in capturing adverse labour turnover effect which could halt their organization’s effectiveness and efficiency. Knowing the costly effect of an unchecked labor turnover on the organization productivity, this study would help HR managers on other logical steps to militate against employee turnover.

The recommendations can be used in helping organizations not just in the Communication sector in Tanzania but as well other sectors of the economy. However, this study is carried out because the company is going down, it’s also meant to contribute knowledge and lay the foundation for further research on labour turnover. By using this study different organization can reduce the rate of employee turnover and increase their performance and profitability.

The study is also a condition for academic fulfilment for the award of Masters Science in Human Resource Management offered by Mzumbe University (Dar es Salaam Business School).

1.5 Scope and Limitations of this Study
A major limitation of this arose emanated from the negative attitude caused by low level of awareness and knowledge among some respondents on the topic. To address this problem, prior to the interview, the researcher had to explain the respondents what is the effect of labour turnover.

Another limitation was caused by some of the respondents being unwilling to be interviewed because of the fatigue of being the subject of research with hardly any tangible personal benefits accruing at the end of the exercise. Also the tradition of them neither getting to know the results nor seeing the impact of studies in which they participate. Sometime others respondents think that research are a management and administration staff affair.
However, in order to get the cooperation of the interviewees, the researcher had to explain that this is an academic study to make the respondents more receptive. Some interviewees sometimes claimed that they do not have time to be interviewed. In order to increase willingness to participate, interviewees were given the freedom to choose a convenient time and venue to be interviewed. Sometimes the respondents, for example, prefer to be interviewed outside their offices in a quiet place away from interruptions. Although this issue did not affect this study very much, the general research patience in scheduling interviews is something that future researchers needed to take into considerations.

1.6 Organizations of the Dissertation
This dissertation is divided into five chapters. Chapter one has given the general background to the study. An exploration of key concepts has been provided and how they have been applied in the study. It is in this chapter where the research problem, objectives of the study both general and specific objectives the significance limitation and delimitation of the study have been stated. Chapter two discusses the theoretical framework as well as a survey of related literature. Chapter Three presents the study methodology and the following chapter, Chapter four presents the findings and analysis of the findings. The last chapter, Chapter Five presents the Conclusions and recommendations drawn from the analysis of the findings of the study.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Labour turnover is a term that is widely used by many human resource practitioners. It is true that many studies have been conducted on this topic but what must be noted here is that most of the researchers focus on the causes and as such little had been done on examining the sources of employee turnover, effects and various strategies that can be used by managers in various organizations to ensure that there is employee continuity in their organizations to enhance overall organizational performance.

According to Price (1977) employee turnover is the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period. This term is also often utilized in efforts to measure relationships of employees in an organization as they leave, regardless of the reason. Organizations all over the world invest a lot in their employees in terms of training, developing, maintaining and retaining.

The essence of providing these huge sums of money toward training actually conforms to the comment given by Becker (1999) that the most common cause of employees leaving their jobs is inability of the employees to match their skills against the skills demanded by the job. According to Kevin et al (2004), although there is no standard framework for understanding employee’s turnover process as whole, a wide range of factors have been found useful in interpreting employee turnover. In line with this, there is need to develop a fuller understanding of employee turnover, more especially its impact on performance of the organizations.

With the increase in competition in the Ghana’s banking industry, Banks in Ghana should note that their competitive advantage can easily erase if they experience high rate of labour turnover. This is based on the fact that whilst tangible products can
easily be copied and imitated, intangible assets such as the skills and knowledge of the employees cannot be copied by rivals. The most common means by which a rival can have access to the skills and knowledge of an organization is where there is a labour turnover and as such the employee leaves the organization and joins the rival. When organizations employ new people due to the existing employee leaving, it takes time for the employee to get the necessary skills and knowledge required by the job and as such whilst the new employee is in the process of learning, it is believed that the work provided by the new employee will not meet the expectation of the customer and as such that affects the overall performance of the company in terms of increase in customer complains. Information from Bank of Ghana Annual Report (2005) indicates that the most of the handled various complain from the general public due to poor services rendered by various banks. These include unfair banking practices, poor customer services and irregularities in the foreign market.

Labour turnover affects both workers and organizations. Workers experience disruption, they need to learn new job specific skills and find different career prospects (Alogoskoufia et al., 1995). Organisations suffer the loss of job-specific skills disruption in production and incur costs of hiring and training new workers. But incoming workers may be educated, more skilled and have greater imitative and enthusiasm than those who leave. The effect of turnover on workers is quite well understood. However we know very little about the impact of turnover on organizations. According to Business Dictionary (2011), the ratio of the number of employees that leave a company through attrition, dismissal, or resignation during a period to the number of employees on payroll during the same period makes up what is referred to as Labour Turnover. An employee leaving the organization either voluntarily or involuntarily is certain to have positive or negative effects on the organization. This as well would reflect on the productivity of the organization concerned. In other words, high turnover can be harmful to a company's productivity if skilled workers are often leaving and the worker population contains a high percentage of novice workers (Open Forum, 2011). This is especially the case if those leaving are either
key to its success and continuity or do so because they think you have treated them unfairly, which could result in tribunal claims (Business Link, 2011).

This means maintaining the satisfactory level of productivity might be threatened. Therefore curbing turnover to its optimal level for the organization is a major challenge. However, the research on the consequences of labour turnover is inconclusive, and provides little guidance on how much turnover, if any, is optimal (Siebert, 2006). It hereby leaves us wondering what optimal number is needed for the organization’s best productivity. As turnover even poses to be a major and widely studied organizational behavior phenomenon, it fosters why researchers are becoming interested in it more. It is a phenomenon that not just affects a company, occupation or industry, but an issue tackled by organizations all around the world. This is because at one employee’s voluntary or involuntary time they would have to leave the organization. (Abelson 1987; Campion 1991).

Ruby (2002) classified labour turnover into internal or external. Internal turnover involves employees leaving their current positions and taking new position within the same organisation. Both positive (such as increased moral from the change of task and supervisor) and negative (such as project/rational disruption exists, and therefore, it may be equally important to monitor this form of turnover as it is to monitor its external counterpart. Internal turnover might be moderated and controlled by typical human resource mechanics, such as an internal recruitment policy or formal succession planning.

The practice of human resource management (HRM) is concerned with all aspects of how people are employed and managed in an organization (Armstrong, 2009). The strategic business function organ of the organization sees to the inflow and outflow of employees in the organization. The HRM function of directing the organization system to ensure that human talents are used effectively to accomplish desired goals is very crucial, thereby not left ignored. Organizations zealous about growth would always intend to develop their respective current human capital and other potentials. But in this world of frequent upgrade and innovations in the business environment
and the technological ways of doing things, organizations would commit themselves towards bringing their workforce to the task requiring intellectual and manual growth and development. The idea behind this would be to intensify the additional productivity generated by extra employee hired. All these put together would amount to organizations being cost conscious in making sure that employees with high human capital do not leave their organizations. But in order to be realistic, organizations cannot be everything to all people. No matter how great your company is, it is likely that some of your employees will eventually move on to other opportunities. That may be costing you a lot and affecting your well enjoyed stabilized organization productivity. Labour turnover has it is often referred to, is the number of permanent employees leaving the company within the reported period versus the number of actual Active Permanent employees on the last day of the previous reported period (physical headcount).

Bolton went further to state that turnover rate may not be a problem if staff can be cheaply and effectively replaced and that low turnover rate will be a problem if it is expensive to replace staff and if training staff takes sometimes. Employees are important in any running of a business; without them the business would be unsuccessful. Another effect of labour turnover is that organizational effectiveness diminishes if employees cannot stay on the job (Stear, 1991). This corroborates the finding of Ovadge (1998), which stated that today’s highly competitive and chaotic environment requires retention of people who will be willing to perform if organization are to survive.

Testa (2008) in his research work, noted that high turnover rates of skilled professional is not desirable and can pose as a risk to organisation due to human capital cost. He emphasized that these employees by their skilful ability are likely to be re-employed within the same industry by the competitor.

Turnover has its consequences apart from the cost implication as a result of recruiting new staff and training replacement. Ubeku (1975) stated leakage of vital information to competitors by the departing staff as one of the consequences of
labour turnover. He also emphasized that the training giving to the departing staff may not be realized and that this might encourage other staff in organisation to resign their appointment for other establishment.

Although, labour turnover increase organizational cost, disrupt organisation plan, ongoing projects and cause untold hardship to organisation, but there are some advantages to it. These advantages are replacement of separated employees with new ones who could bring experiences, knowledge, practice and skill. Turnover can be driver to organizational renewal. Although high turnover is expensive, low rate can be cost saving. Also competent ones with lower remuneration could replace employees with higher remuneration. The organization can undergo some form of restructuring, merger of some positions, which can improve bottom line. Turnover can enable organisation eliminate poor performances, unmotivated workers and people who are difficult to get along with.

High labour turnover rate has impacts on organizations in relation to organizational costs, morale, training and customer service. Labour turnover is a term used to describe the number of employees leaving an organization and a certain level is expected and is acceptable. The analysis of labour turnover is a vital role of the HR department as the data may be used to forecast future recruitment requirements and also assists an organization’s retention strategy. It also highlights areas of business that may require assistance in terms of people management problem issues.

Graham and Benneth (1988: 169) stated that: “Labour turnover is the movement of people into and out of the firm. It is usually convenient to measure by recording movements out of the firm on the assumption that a leaver is eventually replaced by a new employee. The term separation is used to denote an employee who leaves for any reason.”

Morrell et. al. (2001) argues that employee turnover affects the effectiveness and efficiency of service delivery in addition to being costly to the organisation. Generally, the effects of employee turnover can be devastating to an organisation
because it results in the deterioration of rapport and trust, as well as increased client dissatisfaction with agency services.

Armstrong (1999: pg 323) says that employee turnover should be analyzed in order to forecast future losses and to identify the reasons for people leaving the organization. Plans can then be made to attach the future problems causing unnecessary wastage and to reduce uncontrollable losses. The human resource planner therefore has to know how to measure wastage and how to analyze its causes. Werther and Keith (1996) said that training and development teaches existing employees new knowledge, skills and abilities to ensure their continued usefulness to the organization and meeting their personal desires for advancement. The employer must be committed to training and development of the staff and show this by releasing employees from regular work to attend training and even sponsor them where possible.

2.2 Literature Review

According to Abbasi et al (2000) employees are seen as major contributors to organizations competitive advantage and as such for the competitive advantage to be maintained, labour turnover should be discouraged by management. Whilst their literature points to the fact that labour turnover can have a negative impact on organization’s performance, it is not everyone who will abide by that idea and as such part of the literature will examine what causes employee turnover and the impact it has on organizations particularly at SASATEL. From the words of Amediku (2008), labour turnover in the in communication industry though has not been stable; it has a lot of cost implications to the industry. Taking training cost, cost associated with exit interview, cost of replacing new employees and cost of gossip of the turnover which involves employee saying negative things about the company cannot be overlooked. This means that if organizations are to remain competitive, they should know that such costs although cannot be avoided as labour turnover is not avoidable as far as death is concern; efforts should be made to mitigate these costs by retaining employees in the organization.
This is in line with a comment given by Chapman (1993) that it cost twice the employer to get a new employee than to retain an existing employee. Most of these costs can be attributed to mistakes, errors and poor service the newly recruited employee will provide to customers whilst learning on the job. Cascio (2000) in support of Bernstein (1998) revealed that replacement costs alone of companies are over approximately US$30,000 for all jobs. These estimates highlight the considerable costs that can be associated with turnover. Looking at the causes of labour turnover, Alexander et.al (1994) and Ahmad and Schroeder (2003) are of the view that in situations where employees are not stable in terms of the jobs they do, they tend to quit and look for jobs that are secured because with secured jobs employees can easily predict their career advancement. This cause of labour turnover from the observations of the researcher seems to be a common cause of employees leaving one bank to the other or joining a company outside the sector.

When training opportunities are lacking, workers gets demoralized and easily move to other companies even for allow pay but as long as there are chances for training and development. Chapman and Torrington (1987) maintained that an employer believes that employees should be paid a fair amount in relation to the skill and effort that have been exercised. Employees on their part that there is reasonable level of payment that can be expected for the contribution made, so that if the pay is low they get dissatisfied and causes mass exodus from the company.

Herzberg (1968) in his theory he said that hygiene or maintenance factors help prevent loss of money, efficiency and demonization. They are the primary cause of unhappiness at work. They are external and do not relate directly to the persons work. They constitute the persons work environment. They include salaries, job security, working conditions, status, company policies and quality of technical supervision among others.

Employees are important in any running of a business, without them the business would be unsuccessful. However, more and more employers today are finding employees remain for approximately 23 to 24 months, according to the 2006 Bureau
of Labour Statistics. Providing a stimulating workplace environment in which fosters happy, motivated and empowered individuals, this lowers employee turnover and absentee rates. Promoting a work environment that fosters personal and professional growth promotes harmony and encouragement on all levels, so the effects are felt company wide.

According to Flippo (1984), the movement into and out of an organization by the workforce is an index of the stability of that force. An excessive movement is undesirable and expensive. High turnover from certain departments suggests a need for improvements in working conditions and/or supervision. Reasons given for leaving must be analyzed carefully to ascertain their truth.

A survey of labour turnover published in December 1140 Educ. Res. 1997, by the institute of Personnel and Development indicated that the cost of replacing staff has increased significantly in the UK in the last twelve months. Taking a detailed look at the available data on the labour in the UK the independent employment researchers, industrial relations services argued in 1997 that the economic recovery in the UK is leading to increasing numbers of resignations and skill shortages, which in turn are leading to substantial resourcing problems for employers. At the same time labour turnover is being adopted by many organizations in the UK as a “bench mark” indicator of performance and business efficiency (Betts, 2000). The overall conclusion of the IPD survey was that the cost of labour turnover associated with all occupational groups, with the exception of unskilled workers had increased over the period of the survey.

2.3 Patterns and Benefits of Labour Turnover

The highest rate of labour turnover tends to be among those who have recently joined an organization. Long serving employees are more likely to stay, mainly because they become used to the work and the business and have an established relationship with those around them (Armstrong, 1992). Labour turnover does not just create costs. Some level of labour turnover is important to bring new ideas, skills and enthusiasm to the labour force. A “natural” level of turnover can be a way in which a
business can slowly reduce its workforce without having to resort to redundancies (this is often referred to as “natural wastage”. An alternative calculation of labour turnover is known as the “stability index”. This illustrates the extent to which the experienced workforce it’s being retained and is calculated as follows (Thomson, 1997).

2.4 Costs of Labour Turnover
High labour turnover can be expensive although the actual costs are difficult to get some indications, organizations can start by adding up the most obvious expenses – those of advertising, recruitment and training together with the cost of associated management and supervisory time. The annual total could well convince the organization that time and effort spent reducing labour turnover is cost effective (saleemi, 2005).

2.5 The Causes of Turnover
Most of the factors leading to labour turnover are believed to be employee oriented. According to Armstrong, these factors would be such as looking for more pay, better prospect (carrier move/ advancement), more security, and more opportunity to develop skills, recognition, and better working condition. On the other hand, such factors are normally motivated by poor relationships with the manager or fellow colleagues, lack of involvement in decision making, harassment, stress and work pressure, image of the organization, poor pay and reward in both actual and perceived fairness (Armstrong, 2006).

Karakowasky categorizes factors for turnover as push factors (work related attitudes), pull factors (external environment factors), and individual characteristics and job performance factors (Karakowasky, 2001). It is believed that if an organization makes substantial investments in its human resources in terms of recruitment, training and development, compensation, motivation, and health and safety, it can acquire employees with the right skills to perform the right job at the right time. However, the assumption is always found to be affected by the
movements of employees into, within and outside the organization caused by job dissatisfaction (Unugbro, 1996).

Employee turnover is said to be the last step undertaken by many employees who are dissatisfied with their jobs. Most teachers, after being dissatisfied and discovering that no effort is made to find a solution to their concerns, tend to leave their jobs and seek another one where they expect to be satisfied (Patricia, 1992). In this respect, employee turnover is a result of job dissatisfaction of workers in an organization. This suggests that there is a close relationship between job dissatisfaction and labour turnover.

Generally, job dissatisfaction in different working stations could be the main factor for teachers’ turnover. Job dissatisfaction refers to unpleasant or negative emotional state which employees experience after making the assessment of their job or work experience (Locke 1978). According to Hoy and Miskel (1991) job dissatisfaction comprises a present and past oriented unpleasant feeling that comes after the employee evaluates his or her work role. There are different causes of job dissatisfaction. These are as follows:

First, an employee is likely to be dissatisfied when she lands into a profession or position which is not in line with her profession and level of education. This feeling is natural as the employee is unable to match her preference for that kind of job.

Second, the pressure at work is also likely to get employees dissatisfied. Many times employers ask their employees to complete as many tasks as possible within a stipulated time, thus creating huge work pressure on the employees. In such situations, employees develop aversion to the work.

Third, workplace politics and inability on the part of an employee to suit with the office environment is another reason for job dissatisfaction. This minimizes the employee’s efficiency and productivity. Fourth, a sudden cut in salaries, withdrawal of expected perks and promotions also causes job dissatisfaction of an employee.
Fifth, inefficiency on the part of the HR department of the company to place the right employee for the right jobs and track their individual performance also causes job dissatisfaction among employees. The HR executives should pay attention to concerns which are likely to affect productivity (Hoy & Miskel, 1991). Armstrong (2003:373) attributes job dissatisfaction to the following factors:

(i) **Poor Job Design**

The term job design refers to the way that tasks are arranged to form complete jobs in an organization. Job design should accommodate human and industrial engineering considerations of the job. Human engineering means that job design should consider human capabilities and limitations of those who are to perform the job. This task involves adapting the job, work environment, tools, machines, equipment, and processes to match human characteristics of those who are to perform the job. Industrial engineering refers to the analysis of work methods and establishing time standards. So the design of a job should consider elements of work cycles, which comprise a particular job activity and determine the realistic time required to complete each element (Organ & Konovsky, 1989).

Lack of these two considerations can result into failure to meet the standards, carelessness, negligence, and unnecessary complaints against the job's design by the doers and can therefore lead to job dissatisfaction. Ngirwa (2005) says that poorly designed jobs are a burden to both an employee and management. Such jobs do not only lead to low productivity, they also become uninteresting to the employees, thus causing employee turnover, absenteeism, complaints, sabotage, unionizations, and a host of other problems.

(ii) **Poor Salary**

Money is said to be a motivator for an employee to perform properly. An increase in salary is confirmation of success at the job. The size of salary also indicates status within a firm’s internal hierarchy, and that is to say, the pay should be fair with regards to one’s output. If individuals believe that they are not compensated well, they will be unhappy (Hageman, 1993).
(iii) **Poor Working Conditions**

The environment in which people work has a tremendous effect on their level of pride for themselves and for the work they are doing. Most employees react negatively to extreme physical environment (Noe et al., 1994:293). Job attitude and job performance of these educators are negatively affected by poor working conditions such as lack of supporting infrastructures like water, electricity, banking services, health services and roads. Lack these infrastructures affects negatively an individual’s living condition and hence his/her job (Hageman, 1993).

Physical conditions that are seen and experienced as frustrating and unpleasant make considerable contribution to job dissatisfaction. These include recognition, achievement, possibility of growth, advancement, salary, interpersonal relations, supervision- technical, responsibility, company policy and administration, working conditions, work itself, status and job security. Good facilities encourage a positive school climate with a sense of community, mutual support and mutual growth. If there is also a mutual pattern of management, it encourages a high level of educators’ job satisfaction (Catherine, 1998).

According to Herzberg (1959) the following aspects should be taken in consideration in the whole process of human resource management within an organization, namely: First, company policy and administration which involves availability of clearly defined policies especially those relating to people and adequacy of organization and management. Second, there should be the supervision- technical aspect, which involves accessibility, competence and fairness of the superior. Third are interpersonal relations which involve the relations with supervisors, subordinates and colleagues and the quality of social life at work.

Fourth, salary which involves the total compensation packages such as salary, pension, company car and other financially related benefits. Fifth, status which involves a person’s position or rank in relation to others symbolized by title, size of office or other tangible elements. Sixth is job security which involves freedom from
insecurity such as position or loss of employment altogether. Seven, personal life which involves the effect of work on family life, for example stress, unsocial working hours or moving house. The eighth aspect is working conditions, which involve the physical space in which you work in, the amount of work, facilities available, and environmental aspects such as ventilation, light, space, tools and noise.

(iv) Lack of Responsibility
Employees will be more motivated if they have ownership of their work. This requires giving employees enough freedom and power to carry out their tasks so that they feel they "own" the result. As individuals mature in their jobs, they need opportunities for added responsibility. Many employers do simply add more work instead of finding ways to add challenging and meaningful work, perhaps giving the employee greater freedom and authority as well.

(iv) Lack of Career Advancement
Employees are satisfied to work where they see a clear path for their career. Promoting valuable employees does not only motivate the promoted employees but also other employees who see their potential to advance in their career. Promotion policy boosts employees' satisfaction and retains them in the organization. If there is no career advancement, employees can be de-motivated and decide to shift. Armstrong (1996) explains that resignation and turnover may increase if people are not trained properly. They feel that demands are not made upon them which they can not be reasonably being expected to fulfil without proper training. Training or career development gives competence and confidence to the respective employees.

(v) Achievement
Achievement could be one of the causes for labour turnover. One premise inherent in Herzberg's theory is that most individuals sincerely want to do a good job. To help them, the employer should make sure he/she has placed them in positions that use their talents and are not set up for failure. If goals and standards for each position are not clear, the employee will not know what he/she is expected to achieve. A job that
does not send to the employees a regular and timely feedback on how they are doing is dissatisfying.

**(vi) Lack of Recognition**

Individuals at all levels of the organization want to be recognized for their achievements on the job. Their successes don't have to be monumental before they deserve recognition, but your praise should be sincere. If you notice employees doing something well, take the time to acknowledge their good work immediately. Publicly thank them for handling a situation particularly well. Write them a kind note of praise. Or give them a bonus, if appropriate. You may even want to establish a formal recognition program, such as "employee of the month."

**(vii) Lack of Motivation**

‘Motivation is the inner force that impels human being to behave in a variety of ways’. These inner forces are the needs that have to be satisfied and thus a motivation is a continuous process since the satisfaction of one need stimulates a desire for further needs, hence satisfaction of these needs leads to the achievements of goal (Tyson and York, 1997). Motivation is persons’ drive to take an action because that person wants to do so. Therefore people do pushed with something that they feel inside but the pressure depends on how strong the force is. Motivation is a product of participation though working together and it is not an easy task. What is needed is to create environment that will encourage human relationship within the workers themselves. The managers should give rooms for social competence within organization (Adair et al, 1990).

Employees are motivated by different motivators depending on their experience, age, education level, status, nature of job to be done the few to mention. However motivation to be effective employees must feel a sense of job and individual importance, feel a sense of responsibility, they must be able to get a sense of achievements and accomplishment from their jobs. They must receive recognition when they are earned and they must have opportunities for new experiences, growth
and development of the job. If not motivated they can lose the interest in working in a given firm.

According to Maslow’s needs of hierarchy theory, the premise behind needs hierarchy theory is that if managers can understand the needs that motivate people, then reward systems can be implemented that fulfil those needs and reinforce the appropriate behaviour (Minshara, 2004). Abraham Maslow, a practicing psychologist developed the hierarchy of needs theory. He identified a set of needs that he prioritized into a hierarchy based on two conclusions on human needs which are either of an attraction/desire nature or of an avoidance nature. When one desire is satisfied, another desire will take its place. The five levels of needs as explained by Maslow are as follows:

The first level is physiological needs which are basic bodily needs. These include things like food, sex, drink, and sleep. In the workplace, these needs translate into a safe, economically designed work environment with appropriate base salary compensation. The second is security or safety where by people feel safe, secure, and free from fear. They need stability, structure, and order. In the workplace, job security and fringe benefits, along with an environment free of violence, fills these needs. The third level is social needs. This is a need for friends, family, and intimacy for social acceptance and affection from one's peers. In the workplace, this need is satisfied by participation in work groups with good relationships among co-workers and between workers and managers. The fourth level is self esteem whereby people desire esteem of others and they want to be regarded as useful, competent, and important. People also desire self-esteem and need a good self image. In the workplace, increased responsibility, high status, and recognition for contributions satisfy these needs. The last level is self-actualization. This is the highest motivation level, and it involves people striving to actualize their full potential, to become more of what they are capable of being. They seek to attain self-fulfilments. In the workplace, people satisfy this need by being creative, receiving training, or accepting challenging assignments. Focusing on the needs of retraining for growth and challenge as well as rewards and recognition is important to the quality of work life.
There are a number of factors that contribute to employee turnover. We explore some of these factors in more detail below.

(vii) The Economy
In exit interviews one of the most common reasons given for leaving is the availability of higher paying jobs. Some minimum wage workers report leaving one job for another that pays only 50 cents an hour more. Obviously, in a better economy the availability of alternative jobs plays a role in turnover, but this tends to be overstated in exit interviews.

(ix) The Performance of the Organization
An organization perceived to be in economic difficulty will also raise the spectre of impending layoffs. Workers believe that it is rational to seek other employment.

(x) The Organizational Culture
Much has been written about organizational culture. It is sufficient to note here that the reward system, the strength of leadership, the ability of the organizations to elicit a sense of commitment on the part of workers, and its development of a sense of shared goals, among other factors, will influence such indices of job satisfaction as turnover intentions and turnover rate.

(xi) The Characteristics of the Job
Some jobs are intrinsically more attractive than others. A job's attractiveness will be affected by many characteristics, including its repetitiveness, challenge, danger, perceived importance, and capacity to elicit a sense of accomplishment. A job's status is also important, as are many other factors.

(xii) Unrealistic expectations - Another factor is the unrealistic expectations and general lacks of knowledge that many job applicants have about the job at the time
that they receive an offer. When these unrealistic expectations are not realized, the worker becomes disillusioned and decides to quit.

(xiii) Demographics
Empirical studies have demonstrated that turnover is associated in particular situations with demographic and biographical characteristics of workers. But to use lifestyle factors (e.g. smoking) or past employment history (e.g. many job changes) as an explicit basis for screening applicants, it is important for legality and fairness to job applicants to verify such bio data empirically.

(xiv) The Person
In addition to the factors listed above, there are also factors specific to the individual that can influence turnover rates. These include both personal and trait-based factors. Personal factors include things such as changes in family situation, a desire to learn a new skill or trade, or an unsolicited job offer. In addition to these personal factors, there are also trait-based or personality features that are associated with turnover. These traits are some of the same characteristics that predict job performance and counterproductive behaviours such as loafing, absenteeism, theft, substance abuse on the job, and sabotage of employer's equipment or production. These traits can be measured and used in employee screening to identify individuals showing lower probability of turnover.

Similarly, Mobley (1977) observed that for individuals who are more negatively disposed toward life, job dissatisfaction and quitting may seem to have little to do with each Other. Whereas job dissatisfaction is much more salient and generates more tension for generally happy individuals and changing jobs may appear to be a viable means of correcting one of the few dissatisfying elements in their lives. In a similar tune, Judge (1993) also revealed that the more positive the position of the individual,

The significantly, job satisfaction related to the turnover of employee supported by Hellman (1997) reported a correlation between job satisfaction and turnover
intentions. Turnover model has been suggestion by Mobley, Horner and Hollingsworth (1978) clarify as dissatisfaction produces a series of withdrawal cognitions in which employees examine the costs and benefits associated with leaving their jobs. Ultimately, this cognitive appraisal results in employees’ withdrawal from the organization. Hence, job satisfaction is essential because when employees have their job satisfaction would not lead to employees’ turnover.

Therefore, job satisfaction was more likely to be related to quitting for them than for the high performers. A review of above mentioned studies indicated that generally a negative Relationship existed between job satisfaction and turnover intentions and actual, Turnover but some researchers have studied the relationship from different Perspectives.

Labour turnover is the problem which exists in many organizations to date. The term describes the movement of workers into and out of an organization.

The impact of employee turnover has been experienced in many organizations though few of them have taken measures to combat a situation. The rest of organizations have not been able to take remedial measures probably because they find it hard to stop staff from leaving their organizations. High turnover can be harmful to an organization’s productivity if competent staffs are often leaving and the worker population contains a high percentage of novice staff. Companies take a deep interest in their employee turnover rate because it is a costly part of doing business. These expenses include the cost of advertising, headhunting fees, human resource costs, loss of productivity, new hire training, and customer retention to all of which can add up to anywhere from 30 to 200 percent of a single employee's annual wages or salary, depending on the industry and the job role being filled. There is no set level of employee turnover that determines at what point turnover starts to have a negative impact on an employing organization’s performance. Everything depends on the type of labour markets in which you compete. Where it is relatively easy to find and train new employees quickly and at relatively little cost (that is
where the labour market is loose), it is possible to sustain high quality levels of service provision despite having a high turnover rate.

By contrast, where skills are relatively scarce, where recruitment is costly or where it takes several months to fill a vacancy, turnover is likely to be problematic for the organization. This is especially true of situations in which you are losing staff to direct competitors or where customers have developed relationships with individual employees.

Some employee turnover positively benefits organizations. This happens when a poor performer is replaced by a more productive employee, and can happen when a senior retirement allows the promotion or acquisition of welcome 'fresh blood'.

Graham et al (1998), defines labour turnover as the movement of people into and out of the firm. It is a movement into and out the organization because normally human resources have the tendency of entering an organization and later on leave the organization by whatever cases. Therefore it is usually convenient to measure it by recording movement out the firm on the assumption that a leaver is replaced by a new employee. Then again in this aspect the term separation is used to denote an employee who leaves for any reason.

The Analysis of number of leavers and the reasons of why they leave provides information that will indicate whether any action is required to improve retention rates. Analysis can form further investigation to establish the underlying causes of turnover and then identify what should be taken after. This is to mean that turnover is much related to Outflow of employee only. Many Human Resources Management texts reflect labour turnover as the wastage or outflow of Workers from employment. In Tanzania, Labour turnover started when Government embarked on reforms to open up the economy as a response to economic crisis experienced in the 1970s. The reforms encourage private initiatives to assume a positive leading role in accelerating economic growth and improvement. This was the beginning of the experience of labour turnover movement public sectors to private and vice versa.
In January 1992 there was a parastatal sector reform which then pronounced as a National policy whose fundamental objective was to step up economic growth and reduce large number of those parastatal and enterprises which were not effectively performing. Many Organizations had higher employment than the volume of business to be sustained, therefore Managements were forced to make necessary adjustment which lead to labour turnover. This caused a great competition between private and public organizations in the labour market.

Recently, the rate of labour turnover has increased in this era of Globalization due to development of science and technology with advent of Computers, privatization of public enterprises which necessitated many Organizations striving to improve and increase their profits. In doing so Human need aspects did not given consideration. However the impacts of globalization and trade liberalization bring hardness to many organizations to maintain the level of workers who were beneficial to organization. Excessive labour turnover has emerged all over the world due to movement of labour From one organization to another searching for greener pastures, and this has been a problem to many countries even developing countries like Tanzania (Nkondo, 1999).

2.6 Employee Retention
The high cost that comes with turnover has highlighted the need for organisations to prioritise employee retention. According to Herman (1980), employee retention entails being sensitive to people’s needs and instituting strategies that take into account the environmental relationship, support, growth and compensation. On the whole, doing so requires an organisation and its management to pay close attention to the labour market and to understand what people want from the work environment so as to retain these workers.

Rhule (2002: 16) asserts that there is no easy solution to retaining personnel, especially the talented ones, due to the numerous factors that induce them to either stay with an organisation or leave. Thus, an organisation should develop employee retention strategies that would reduce the number of people leaving the organization
for avoidable reasons. In fact, an organization will need to identify these reasons and address them to enhance employee retention.

2.7 Factors Determining Employee Retention

2.7.1 Salaries and Wages

According to Maslow’s Hierarchy of Needs (1970) and Hertzberg’s Hygiene Motivation Theory (1974), high wages/salaries serve as primary factors in attracting employees to the organisation and making them stay. Although they do not necessarily breed loyalty or commitment, let alone enhance employee performance, they are crucial because they help the workers to concentrate on their work without worrying about how to make ends meet every month. Under Herzberg’s Hygiene Factors, wages/salaries tend to reduce dissatisfaction with work. The implication is that adequate wages/salaries help to enhance employee retention because it contributes to the improvement of access to basic requirements of life, or Maslow’s lower needs.

However for salaries/monetary rewards to motivate employees to remain in the organisation, they must be adequate and fair. In fact, Fayol (1969) argues that satisfaction of both the employee and the company is induced by adequate and fair rewarding. In this regard, a good rewarding system involves a fair provision of both financial compensation, which is based on scientific management, and non-financial rewards, which are psychological to create harmony and a sense of value for all employees. The employees must also feel that they are being treated equally in the reward process of the organisation for doing the same work. And when an employer meets such an expectation, the workers’ morale would be enhanced and this is likely to translate into efficient employee performance. In fact, Allen, et. al (2003:100) state that when employees recognise that their organisation was fair in distributing rewards, promoting growth, providing opportunities, and recognising contributions of workers, the employees respond by committing themselves to their organisation. The rule-of-thumb is that, the employer must pay employees equitably for services rendered. Vroom’s Expectance Theory of Motivation asserts that employees
are motivated if they believe that their efforts will lead to the attainment of fair rewards in an organisation.

2.7.2 Training and Development

Cheng (2003) divides the employee retention tool into two categories of monetary and non-monetary rewards in a workplace. Although cash is regarded as the most basic form of compensation used by organisations to retain people, it is not always effective, especially for key talented employees, who are always in greater demand in the job market, and hence they can negotiate desirable salaries anywhere. This group requires the fulfilment of the higher level needs. After all, they have the drive to become what they are capable of becoming. Their focus is more on growth, development and self realization than on financial rewards. Thus, the employer must give them freedom, opportunities, and resources to realise their full potential to retain this category of employees. Doing so would in turn offer them growth and enhance the possibility of their retaining them in the organisation.

The provision of training and development is one of the important attributes of employee motivation and retention. Training is a process of equipping members of an organisation with appropriate competencies, which enable them to carry out their daily job tasks to an acceptable quality and standards. After all, it is vital to uphold the organisation’s standard.

According to Armstrong (2003), the purpose of training is to improve individual, team and corporate performance in terms of outputs and quality employees by offering them learning and development opportunities, increasing their competence level and enhancing their skills, thus enabling them to obtain more job satisfaction to gain higher rewards and progress within the organisation.

Generally, the provision of training and development are important motivational factors in employee retention because organisational plans for employees’ training and development tend to increase the morale of workers. It also prepares employees for transfers and promotions within the force.
Royalty (1996) states that, training promotes a high degree of job satisfaction, which in turn may lead to employee retention. Therefore, managers who train their staff enjoy lower turnover (Ngirwa, 2005). In fact, increasing the employee retention of employees can also reduce the recruitment cost and reduce wastage because people work more efficiently under such circumstances. Such an approach can enhance productivity and the quality of services since experienced qualified employees are more likely to remain with the organisation.

However, failure to identify the training needs could lead to employees possessing knowledge which does no match with the organisational goals (Armstrong, 2008). In fact, when training and development lack control, employees may indiscriminately try to get training opportunities, and choose courses and programmes of their choice, and not necessarily reflecting the needs of the organisation. In this particular case, failure to control training programmes could lead to employees pursuing courses which are not related to the core functions. As a result, such employees are positioned in jobs which do not match their skills after training and, inevitably, they end up being under-utilised, not promoted, not recognised, as well as not properly remunerated. And yet when employees complete their studies, they expect to receive remunerations commensurate with their new qualifications. Seeing that their expectations had not been realised these employees may opt to quit the organisation. Therefore, the training must be relevant to the employees, the job and the organisation as a whole for successful retention of employees to occur and the organisation’s management to gain the benefits of training because in many organisations training is often as a discrete event not necessarily an integral part of the organisation’s overall programme.

Armstrong (2008) proposed that jobs should be designed so as to maximise skill variety, task significance, autonomy, control over employees’ work and feedback, and ensure that the workers get learning and growth opportunities. In fact, some roles can be customised to meet the needs of particular individuals.
2.7.4 Working Conditions

A good work environment is another prerequisite for employees to remain in an organization. The work environment refers to both physical and psychological environments, as well as strategies and techniques needed by workers to define opportunities in the work (Gupta, 1990). A conducive environment can induce job satisfaction. A psychological environment, on the other hand, involves relationships between supervisors and peers.

Generally, labour turnover tends to be higher in the environment where employees feel they are being taken advantage of, when they feel undervalued or ignored, or helpless and unimportant. Employees also experience a negative vibe when managers are impersonal, arbitrary and too demanding. It has been established that employee work much more effectively when their work environment—both physical and psychological—provides the necessary conditions that facilitate performance.

2.7.5 Management Role in Employee Retention

In most cases, managers are at the helm of leadership; they are the people tasked with dealing with the working conditions of the employees. In terms of organisational leadership, managers determine whether employees leave or stay with an organisation. They can also be behind the successes or failures to retain employees, as well as the resultant rapid labour turnover and continuous employee changes or vacant posts. Furthermore, they can be held responsible for poor employee morale, poor quality services and organisational development. It is, therefore, imperative that the manager helps to create a climate where employees will want to stay in the organisation.

Armstrong (2008) argues that employees often leave their managers rather than their organisation. Indeed, employees can leave the organisation if they believe the managers are not people-focused. In fact, the organisation’s management style is determined by a myriad of things: leadership problems, failure to identify development opportunities for employees, lack of rewards/recognition, lack of both
informal and formal communication, and lack of employee participation in decision-making.

Although managers do not control all the factors that enable employee retention, they can play an important role that can facilitate employee retention. Research on factors that affect retention of nurse by Fabre (2005: 77) and Rhule (2004:71) revealed that managers can aid employee retention by displaying certain characteristics in a workplace. These include being honest, effective communicators, creating interesting work opportunities, listening to subordinates, responding to their needs, giving them feedback and providing them with guidance by doing what would enhance employee retention (Rhule, 2002: 23).

2.8 Definition of Key Terms
The following terms have been used in this research paper and according to Webster Online Multilingual Dictionary and they are defined hereunder:
(i) **Efficiency:** Refers to the accomplishment of the specified goals and objectives at minimum costs but to the required quantity and standard quality. It is Output work per time unit
(ii) **Effectiveness:** This means the achievement of the end sought goals and objectives at the required quantity standard quality at specified time/period. means the capability of producing an effect
(iii) **Labour Turnover:** This means the movement of people into and out of the organizations
(iv) **Management:** This is an art of getting things done through others.
(v) **Organization:** Is a group of people who interact willingly in order to meet the desired objectives. Common factors in organizations are people, objectives, structure, management and environment.

2.9 Empirical Literature Review
Innocent Hitayezu in 2010 conducted a research November 2010 on labour turnover and its financial cost in public institutions of higher learning in Rwanda. The researcher contended that Labour turnover is among the major issues of concern in
public institutions of higher learning in Rwanda. The National University of Rwanda, the School of Finance and Banking and the Higher Institute of Agriculture and Animal Husbandry being the areas of study. The objectives of the study were: to build up a more accurate picture of the extent of labour turnover, to determine the extent of financial cost in replacing academic and administrative staff who might have resigned. Both quantitative and qualitative approaches were used to analyze data. SPSS was used to analyze quantitative data.

Hypotheses of the study were tested using the Kolmogorov Smirnov method. The study revealed that labour turnover is in local (nationals) employees. The average rate of labor turnover of 10.3% and 12% in 2008 and 2009 respectively were reported. The study also reveals that, financial cost in replacing academic staff who might have resigned is high because it is very difficult to get Rwandese employees of the required skills and knowledge. Moreover, the study also reveals that, the quick solution of recruiting foreign staff increases financial cost. Financial cost of replacing administrative staff was reported to be high because of frequent recruitments to replace the various recommendations were suggested. Salaries particularly for academic staff were to be revised, clear human resources planning; clear employees’ retention strategies and clear employees’ succession plan should be put in place. Finally the study suggested that all concerned institutions should work together to solve the problem.

A research conducted by Ntira November 2009 (Case of Lindi District Council) on factors influencing employee turnover in Tanzania. The motivation for undertaking the study emanates from the existing turnover problem within the Lindi District Council (henceforth, LDC), where it has been observed that despite the retention efforts made by the government and the council, the turnover has been increasing over time. The researcher contended that, the general objective of the study was to investigate factors influencing employee turnover in LDC. The study employed both primary and secondary data. Primary data were collected by using questionnaires which were distributed to a hundred employees, Observation was
another tool employed in collecting primary data. Secondary data were collected from various sources such as yearly reports, office files, circulars, and strategic plan.

The collected data were analyzed using thematic analyses. The findings suggest that managerial controllable factors such as inadequate compensation package, unequal treatment of workers, and lack of employee involvement in decision making, lack of promotion, job stress and poor working environment primarily contribute to employee turnover in LDC. In addition, demographic factors such as sex, age, education level, and working experience were identified as contributors of turnover among LDC employees. The general implication drawn from the findings suggested that, the current retention strategies were inefficient. Therefore the researcher called for new initiative by the council to redesign HRM policies that will achieve positive behavioural performance and financial outcomes.

**Bupe Iusan Ndelwa did the** assessment of the reasons for persistent employee turnover in the telecommunications industry, the Tanzania Telecommunications Company Limited (TTCL) being a case study in 2009. Bupe (2009) contended that “At one end of the labor market extreme in the current globalized world, employee turnover is one of the major Human Resource challenges, while at the other, a strategy for employee retention calls for thorough going creativity. The thrust of the study were to assess the reasons for persistent employee turnover in the telecommunications industry, the Tanzania Telecommunications Company Limited (TTCL) being a case study.

The study found that Human Resource Managers were endlessly investigating and monitoring the rationale for employees’ turnover and constantly initiate, develop, execute and monitor new strategies for their retention. The researchers mission were primarily been driven by curiosity over why, in spite of retention strategies adopted by TTCL, some employees still leave the company. The Human resources Department at TTCL headquarters was the focus of the study, under which a total sample of 80 questionnaires were received from ex-TTCL employees. What emerged from the study, in a nutshell, is that factors influencing departure from TTCL included lack of career development and promotion, higher salaries offered by
other organizations, poor management worker communication, family matters, poor working environment rigid and bureaucratic organization structure, the study recommended that Managers should strike a judicious balance between control, enforcement of policies and procedures; and employee commitment.

2.7 Research Gap
Labour turnover and mobility of employees in organizations make most of organization to incur more cost on retention of most performer employees, the findings point out several factors contributing to labour turn over, the little has been done on identifying to impact of labour turn over and its impact on organization performance in mobile Telecommunication industry. The past findings also does not point out to what extent organization has been able or successfully in managing labour turn over issues. Therefore the essence of this study is to find out the impact of labour turn over on the organization performance at, SASATEL (T) limited
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction
This chapter explains the way in which the research carried out. A research methodology is the framework within which research is undertaken (Adam and Kamuzora, 2008). It is organized under the following sub sections; area of the study, the research design, the population, sampling techniques, research instruments, and data collection procedures and data analysis.

3.2 Area of the Study
The research conducted at the SASATEL Company Ltd in Dar-es-Salaam. SASATEL Company Ltd was chosen by the researcher because of its proximity. This helps the researcher to minimize the travelling cost. This and other related factors influenced the researcher to conduct this study to find out the impact of labour turn over and its impact on the organization performance at SASATEL Company Ltd.

3.3 Research Design
Research design is the overall plan of how the research will be conducted, what and how evidence will be gathered, analyzed and interpreted based on the research questions (Easterby, 2008). Research design according to Kothari (2004) is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. Research design is the plan, structure and strategy of investigation conceived so as to obtain answers to research question and to control variances. It is the blue print for the collection, measurement and analysis of data (Bhattacharyya, 2005). Research design is divided into three types, which are survey study, experimental design and case study (Adam and Kamuzora, 2008). This study uses case study design as a mode of investigation out of which collection of data was possible. According to Yin (2009) case study is a research method based on an in-depth investigation of a single individual, group, or event. It may be descriptive or explanatory. Yin (2003) adds
that case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident. Also a case study is an intensive description and analysis of a single situation. It frequently makes use of qualitative data (Adam and Kamuzora, 2008). Yin (2003) notes, however, that case study methods used for the “evaluation” of businesses and government programs with the goal of identifying potential explanations for their successes or failures. Case study design allowed an in depth study to be carried out in the selected study entity. In addition, enabled the study to capture the emotional perspectives of the respondents as far as employee satisfaction is concerned. This Case study design was proposed for its flexibility in the use of data collection methods.

3.4 Population of the Study

Population refers to entire group of individuals, events or objects having a common observable characteristic. It is the totality of the objects and investigation (Adam and Kamuzora, 2008). The population of the study composed of employees from two Departments of Finance and Administration. The Department of Finance has got two Units, namely, Corporate Customers Unit and Government Employees Unit. The Department of Administration encompasses three Units which are Training Unit, Public Relations Unit and Customer Care Unit. These Departments were selected because they are the key sources of information.

3.5 Sample and Sampling Procedures

3.5.1 Sample Size

A sample size is a complete set of group of members that the researcher intends to study (Kombo and Tromp, 2006). The exact number of items selected from the population to constitute a sample is what we call sample size (Adam and Kamuzora, 2008). 60 respondents were purposively selected for the study out of the total 205 SASATEL Company Ltd employees using purposive sampling. Then after that the exact number of respondents identified from different Departments and Units using stratified sampling as indicated in table 3.1.
3.5.2 Sampling Procedures/Techniques
According to Kothari (2004), there are basically two types of sampling methods, probability sampling and non-probability sampling method. The research uses both probability and non probability sampling technique. Simple sampling is a probability sampling where by all members in population has equal chance of being selected to form a sample (Adam and Kamuzora, 2008). This study used a combination of purposively and stratified sampling techniques as underscored here under.

3.5.2.1 Stratified sampling
Stratified sampling is a sampling technique whereby the total population is divided into different groups or layers before the selection of representatives (Adam and Kamuzora, 2008). It enables a researcher to obtain information about different parts of the universe which allow him/her to draw separate conclusion for each stratum (Bhattacharyya, 2005). The stratified sampling used to select the proportional sample of respondents from each department. By using stratified sampling the size of the sample in each department/stratum were proportional to the size of Department/Stratum. For 60 people for eight departments with different population. The following Formula used.

<table>
<thead>
<tr>
<th>S/N</th>
<th>Departments</th>
<th>Population</th>
<th>Selected sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Human resource and administration</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>Production &amp; grading</td>
<td>25</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Corporate sales</td>
<td>25</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>Advertising &amp; Marketing</td>
<td>35</td>
<td>10</td>
</tr>
<tr>
<td>5</td>
<td>Finance &amp; Procurement</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>6</td>
<td>Retail sales, representatives</td>
<td>25</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>Free lancers representatives</td>
<td>50</td>
<td>15</td>
</tr>
<tr>
<td>8</td>
<td>Technical</td>
<td>30</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Total Employee</td>
<td>205</td>
<td><strong>60</strong></td>
</tr>
</tbody>
</table>

Source: SASATEL COMPANY LTD Staff Profile Data Base, 2013
<table>
<thead>
<tr>
<th>Department</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>$P_1$</td>
<td>$P_2$</td>
<td>$P_3$</td>
<td>$P_4$</td>
<td>$P_5$</td>
<td>$N$</td>
</tr>
<tr>
<td>Sample (n)</td>
<td>$N_1$</td>
<td>$N_2$</td>
<td>$N_3$</td>
<td>$N_4$</td>
<td>$N_5$</td>
<td>205</td>
</tr>
</tbody>
</table>

The formula for each strata/department was as follows:

$N; N_1 = 60 \frac{P_1}{N}, \ N_2 = 60 \frac{P_2}{N}, \ N_3 = 60 \frac{P_3}{N}, \ N_4 = 60 \frac{P_4}{N}, \ N_5 = \frac{P_5}{N}$

Using the above formula the study selected a sample of 60 respondents out of 205 employees from each Department.

### 3.5.2.2 Purposively Sampling

Purposive sampling is a non-probability sampling technique where the researchers used prior knowledge to purposively choose information rich respondents for the sample of respondents for the sample (Monnette, et al. 2008). According to Adam and Kamuzora, (2008) purposive sampling sometimes is known as judgemental sampling, because the researcher chooses only those elements which he/she believes will be able to deliver the required data. These are the people who were best serve the purpose of the study. Only information rich case/people were selected.

These are the people who provide information which was not being forthcoming from ordinary employees. In this regard Directors, Head of Departments and Units and most of the SASATEL Company Ltd staff who are conversant with managerial issues was involved. To select equal or proportional number of the respondents from each Department stratified sampling used.

### 3.6 Data Collection Methods

There are two types of data that is primary and secondary data. Primary data are those which are collected afresh and for the first time, and thus happen to be original in character. The secondary data, on the other hand, are those which have been collected by someone else and which have already been passed through the statistical process (Kothari, 2004). This study uses both primary and secondary data. This study
used a combination of methods to collect data including a standardized questionnaire with both open and close ended questions supplemented by in depth interviews with key informants and observations. The use of multiple instruments ensures validity and reliability of data collected. Two sets of data collected as follows.

3.6.1 Primary Data
Primary data were collected using a questionnaire with both open and close ended questions which was administered in face to face interviews as well as through in depth interviews with key decision makers and through observations on employees training is ensured in SASATEL Company Ltd. No research assistants trained to assist in data collection. Both primary and secondary data source collected in the course of the study hence research instruments were questionnaires, interviews, documentation review and observations.

3.7 Data Collection Instruments
A combination of instruments used to facilitate data collection and analysis as follows:

(i) Questionnaire
The questionnaire has a list of questions to be asked and spaces in which respondents records the answers (Bhattacharyya, 2005). According to Adam and Kamuzora (2008) questionnaire refer to an instrument of data collection that consists of a set of predetermined and structured questions given to the subject to respond to in writing or to be filled by researcher through self administered questionnaire. A questionnaire refers to a set of written questions that people respond to directly on the form without the aid of an interviewer (Monette, et. al., 2008). A standardized and structured questionnaire with both open and close ended questions was administered directly to respondents for them to fill in data. The major advantages of a questionnaire is that it allows a researcher to collect data from a large audience located in different geographical areas cost effectively. In addition, face to face interviews tend to increase high response and return rates. Two types of questionnaires designed and distributed to the selected sample. The first set designed for ordinary employees
while the second set for the top management comprising of Directors and Heads of Departments and Units.

(ii) **Interviews**

Interview method of data collection is a direct contact between researcher (interviewer) and respondent (interviewee) engage in oral questioning or discussion through face to face, telephone and other modern means of information technology like video conferencing (Adam and Kamuzora, 2008). According to Monette, et. al., 2008) interview is a technique in which an interviewer reads questions to respondents and records their verbal responses. In depth face to face Interviews were conducted by the researcher during the working hours to collect additional information that was not covered in the questionnaire. The respondents who participated in the study were purposively selected based on the judgement of the researcher. That was a good method because it is less time consuming and cost effective. It is designed to collect the respondents’ views and opinions. The purpose was to solicit in depth information which was not forthcoming from ordinary workers who are not key decision makers.

### 3.7.1 Secondary Data

Manson (2002) provides that, there are many different ways of generating data through documents, including the Internet and there are many different types of documents. This helps the research to examine information collected already to supplement those information obtained through primary source. The study uses secondary data to save time and money, permanent and availability, and provides more accurate data (Adam and Kamuzora, 2008). Secondary data were collected through library research and documentary review. Both published and unpublished materials like books, theses, journals, articles, research reports, budgets, project documents and e-resources etc. reviewed and major points was summarized. By using documentation the researcher obtain some important secondary data from different sources such as reports from secondary data, official and personal files and management meetings. This source of data used because provide contemporary
information and help in understanding how training needs are identified, how training planning is done and its implementation at SASATEL Company Ltd.

3.7.2 Pre-Test
Prior to the main survey, the instruments were pre-tested on a smaller sample (Six (6) respondents), three (3) from each Department as outlined above. Findings from the pre-test used for reviewing the instruments. Questions that do not yield useful information were either revised or discarded.

3.8 Data Analysis
The term data analysis refers to the computation of a certain measures along with searching for patterns of relationship that exist among data groups (Kothari, 2004). According to Ndunguru (2007) the statistical data processing and analysis in research are mainly divided into two; namely descriptive and inferential method. Both qualitative and quantitative methods of data analysis employed. Quantitative field data were organised into categories, labelled, edited and coded. A Statistical Package for Social Scientists (SPSS) for Windows Version 19 used to derive, frequencies, percentages, tables and charts etc. Qualitative data from interviews and open ended questions were organised into meaningful themes and analysed using content analysis. This enabled the study to interpret data collected and ultimately make necessary, recommendation and reach a conclusion.

3.9 Data Presentation
This is the way of presenting data so as to make them readable. Data presented in the forms of tables and descriptive form statements which shows the different views and answers from the respondents who answers questions through questionnaires, discussion and interviews. Table and graph help to communicate information to audience more quickly Bhattacharyya (2005).
3.10 Chapter Summary

This chapter has discussed the process of data collection and the key issues examined. It has described the study area, population, research design, the sample and sampling procedures, data collection, data analysis and data presentation methods have been discussed. The next chapter presents the research findings and their interpretation.
CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSION OF RESEARCH FINDINGS

4.1 Introduction
In this chapter, collected data is analyzed, presented and discussed results based on the research objectives. Prior to this, the profile of respondents is presented and explained based on their age, gender and tenure. It is organized into four sections namely; the profile of respondents, level of labour turn over, causes of labour turn over at SASATEL, effect of labour turn over at SASATEL and Management strategies on issues contributing to labour turn over. The reasons were categorized into two groups which were job-related and non-job related factors of turnover. Furthermore, the chapter presents the impacts of turnover and the last part tries to focus the methods for reducing turnover.

The study intended to meet the following objectives
(i.) To establish the factors that leads to labour turnover at SASATEL Company Limited
(ii.) To find out patterns of labour turnover at SASATEL Company Limited
(iii.) To find out the effects of labour turnover at SASATEL Company Limited

In order to achieve the mentioned objectives the study sought to answer the following questions:-
(i.) What are the factors that lead to labour turnover at SASATEL Company Limited
(ii.) What are the patterns of labour turnover at SASATEL Company Limited
(iii.) What are effects of labour turnover on SASATEL Company Limited
4.1.1 Respondents Profile
In this study, it was considered important to know the gender, age of respondents and tenure of the employee serving at SASATEL. There was an assumption that these variables influence the labour turn over within the organization as well as satisfaction of the employee towards employee working conditions and other factors.

4.1.2 Respondents by Sex
The number of male respondents is seen to be slightly greater than female respondents. However, the female representation in this study is adequate considering that their number in the organization studied is also less compared to that of males. Out of the 40 respondents, 65% were male, and 35% were females (see Table 4.1 below)

<table>
<thead>
<tr>
<th>Gender</th>
<th>frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>26</td>
<td>65%</td>
</tr>
<tr>
<td>Female</td>
<td>15</td>
<td>35%</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Field data, 2013

4.1.3 Tenure Respondents
A question on tenure of respondents was asked to ascertain their occupation by the employee at SASATEL. Respondents were asked to provide the data when they were first employed by the SASATEL. The length of employment for each respondent was then categorized according to the following criteria, employed for year less than 2 years, employed for 3 to less than 5 years. The data would be useful on understanding the whole situation or basically the level of labour turn over by age, gender and length of employment. The data of their respondents shows that, 67.5% were employed 1 year to less than two years 2, 20% were employed 2 to less than 3 years, 12.5% were employed 3 to less than 5 years. Most of SASATEL employees 67.5% had only one to two years of service. That means that employees were likely
to last at SASATEL for only three years which in the end of one contract and did not wish to renew their contract as seen in figure 4.1. After 3 years of service, the number of staff decreased by almost a half of the period of 1 to 2 years.

4.2. The Reasons for labour Turn Over
The First objective of this study was to examine the situation mainly the level of employee turnover at SASATEL. The findings were obtained by asking the respondents to explain if at all there is labour turn over at SASATEL and the pattern of labour turn over, all this aimed at understanding the situation of labour turn over at SASATEL, The findings revealed that 90% of the respondents noted this company has experienced resignation However, 10% said there were no labour turn over (See fig. 4.1 below)

**Figure 4.1:** The Reasons for Labour Turn Over

![Bar Chart](image)

Source: Field data, 2013

From the findings it implies that SASATEL Company has been experiencing mainly resignation (voluntary) form of labour turnover.
4.2.1 Labour turn over at SASATEL in Relation to Those Who Join the Company

The question on the Statistics of Labour turn over at SASATEL was asked to know the different between those who joined the company per year in relation to those who left yearly. This was addressing to answer the first objective. The findings show that in 2008 the company employed 7 employees, but 45 employees left the organization with different reasons. 2009, 12 were employed and 30 employees left the organization. 2010, 9 were employed but 18 employees left. 2011, 18 employee were employed but 50 employees quitted the organization. In 2012 only 4 employees joined the company but 45 of them left the jobs and join other organizations. (See fig 4.3 below). In addition, the report from HR department reports employees’ departures only when they leave the company permanently. Finally, it has been noted that most turnover at SASATEL for permanent employee is voluntary. Though it would be better to distinguish between voluntary and involuntary turnover

Pattens of labour turn over at SASATEL

Figure 4.2: Labour Turn Over At SASATEL in Relation to Those Who Join the Company

Source: Field data, 2013
4.3 Factors Coursing Labour Turn Over

4.3.1 Job-related Causes of Labour Turn Over

Organization stability, Dissatisfaction with pay, Dissatisfaction with benefit, Poor relation with line manager, Unclear role (Role clarity), Better employment opportunities, Organization stability, Poor organizational justice, and Work life balance (Table 4 below) are considered to be the job factors of labour turn over at, Organization stability has a higher significant with 50%. Majority of employees agree that the Organization stability is the major causes of employee labour turn over at SASATEL. Dissatisfaction with benefit is ranked second with 47.5%, thus most of the employees are motivated by the good benefits offered with the organization. In contrast the SASATEL the benefit offered is very low. Compared to other employees with the same job in other organizations, Dissatisfaction with pay got the third rank with 30%. Performing any activity which the employee is satisfied with increases creativity of the employees. Unclear role (Role clarity) has got the fourth rank with 25%. Poor relations with line manager rank the firth with 20%. This implies that, there must be a good relationship between an employee and the supervisor. This has got a connection during the performance appraisal where by the supervisor and the subordinate should have to agree on the performance targets to be achieved per year. Better employment opportunities have got the sixth rank with 17.5%. Work life balance and Poor organizational justice is placed at seventh with 7.5%, also causes labour turn over.
Table 4.2: Job-related Causes

<table>
<thead>
<tr>
<th>Causes</th>
<th>Number of Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unclear role (Role clarity)</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>Poor relation with line manager</td>
<td>8</td>
<td>20</td>
</tr>
<tr>
<td>Poor organizational justice</td>
<td>3</td>
<td>7.5</td>
</tr>
<tr>
<td>Dissatisfaction with benefit</td>
<td>19</td>
<td>47.5</td>
</tr>
<tr>
<td>Better employment opportunities</td>
<td>7</td>
<td>17.5</td>
</tr>
<tr>
<td>Dissatisfaction with pay</td>
<td>12</td>
<td>30</td>
</tr>
<tr>
<td>Work life balance</td>
<td>3</td>
<td>7.5</td>
</tr>
<tr>
<td>Organization stability</td>
<td>20</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: Field data, 2013

4.2.1.1 Unclear Role

Every organization has job description to its employees which shows that who is doing what in the organization. This helps to make the organization with clear role to every employee. The results show that, one of the problems to the organization is not making clear and specification of the job to employees. 25% of the respondents said that, unclear role is one of the factor that causes labour turn over the organization. To effectively manage staff, it is important to provide them with a clear definition and understanding of their role, function, and responsibilities in the workplace. This will provide them with a good understanding of the job and tasks they are to perform as an individual and within any teams they are a part of. It also provides information on where they fit within the organisation and who they report to, helping to avoid disputes and misunderstandings which lead to an employee turn over the organization.

4.2.1.2 Poor Relation with Line Managers

Good relationship between employees and line managers create peacefully environment at working place but poor relationship can lead to employees turn over. 20% of the respondents said that poor relation of employees with line managers is another factor that causes the employees to quite the organization. This implies that,
line managers and supervisors has a great responsibility on team motivation, training and development to new and existing employees for the organization to perform well as well as to reduce labour turn over since the members of the organization will be working in a good environment with good relationship.

4.2.1.3 Poor Organization Justice
Every employee need to be well treated in the organization, as well as getting its right on time and fairly. Failure to these the members of the organization will feel that they are not part and parcel of the organization. Reviewing from the result, it was observed that, 7.5% of the respondents said that, poor organization justice this is another factor which leads to employees to quit the organization since employees are not well treated and there are no justice to many decisions.

4.2.1.4 Organization Stability
Stability of the organisation has a great impact on employee’s altitude; they tend to be dynamic depending on how stable the organisation is. 50% ranking the first among the factors that causes labour turnover is that organisation is not stable as they cannot be sure where to stand. The stability of the organization makes employees to believe that they are safe because of the existence of the organization. Employees are more likely to stay when there is a predictable work environment but responded complained on the organisation it is not stable to make them feel they are secure to work there for the long time.

4.2.1.5 Work Life Balance
Working in an organization for any employees there must be a balance between working time and individual time for doing individual activities including individual rest. Because employees have individual goal which goes together with organization objectives, the results revealed that, 7.5% of the respondents agreed that, work balance is another causes of labour turn over, they have no time to perform their personal activities due to lack of work life balance at the organisation hence decide to quit the job and look for other work with good working condition.
4.2.1.6 Dissatisfaction with Benefit

Most of the employees are motivated by the good benefits offered with the organization. Thus from the results, it was revealed that, one of the main reason for employees to quite the organization was due to lack benefit. Dissatisfaction with benefit was ranking 47.5%. Showing that is the major reason among all. Every person is looking for job with good working conditions and satisfied benefit provided by the organisation, thus good or satisfied benefit do not only benefit the employees but it also increase performance on work and hence increase productivity to the organisation.

4.2.1.7 Better Employment Opportunities

Better employment opportunity is one of the concerns of each employee. Most of the respondents said that, the organization does not provide good opportunity to its employees. This was ranking with 17.5% showing is among the reason of employees to quite the organization is to look other job with better employment opportunities like succession plans, training and development to employees, promotions and other incentives. in any organisation when there is more opportunities to develop employees they tend to be good performer as increase organisations performance

4.2.2 Other Causes

In contrast, non-job-related causes of employee turnover are generally out of the employer’s control. Non job-related causes of employee turnover are those things in the employee's personal life that impact their performance in the workplace. Examples of these would be relocation, family problems and chemical abuse. Although these causes are not directly within the employer’s control, some organizations have sponsored responsive programs for the non-job-related category such as employee assistance programs and stress management training that better prepared employees to deal with personal issues that impact their work performance.

The non – job related cause for turnover was the family problem. Out of 40 respondents, 7.5% identified family problems as a cause of turnover. ‘Other colleagues left the organization due to the family problems where they spend a lot of
hours taking care of it. It became difficult for them to balance work and family issues hence decided to resign from the job’’.

In studies that focused on other HR practices. (Keller and Dansereau, 1995). found that employee turnover was lower when employees had shorter work hours and were given a choice of work schedules, even though their workload was higher. The results suggested that firms that provided employees with flexible work scheduled had the advantage of reducing employee turnover.

However, the Human Resources and Administration Manager said, ‘’In addressing turnover, we have recently introduced flexible working hours Through rotations, shift basing and branch transfers to give our employees the chance of scheduling the issues of their personal life’’

Effect of labour turnover at SASATEL

4.5 Impacts of Employee Turnover

Reduced morale, Retardation on organization performance, Increase in recruitment and training costs, Loss of skilled staff, bad organization image, Failure or late achievement of organization goals, Delay of program Implementation were considered as the impact of labour turnover. Most of the respondents said that, increase in recruitment and training costs has a higher impact with 82.1%. Retardation of organization performance was ranked second with 71.4 %, as one of the major impact of labour turnover within the organization. Reduction of work morale was ranked the third on the impact of labour turnover. Another impact is the loss of skilled staff which might affect even the management of the resources. However, Bad organization image, Failure or late achievement of organization goals, Delay of program Implementation was also ranked as impact of labour turnover. This was the third objective of this study. It examined the expenses that organization incurred due to employee turnover. Seven negative impacts were identified.
Table 4.3: Impacts of Employee Turnover

<table>
<thead>
<tr>
<th>Impact</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of work morale</td>
<td>13</td>
<td>46.4</td>
</tr>
<tr>
<td>Retardation of organization performance</td>
<td>20</td>
<td>71.4</td>
</tr>
<tr>
<td>Recruitment and training cost</td>
<td>23</td>
<td>82.1</td>
</tr>
<tr>
<td>Loss of skilled staff</td>
<td>8</td>
<td>28.6</td>
</tr>
<tr>
<td>Bad organization image</td>
<td>6</td>
<td>21.4</td>
</tr>
<tr>
<td>Failure or late achievement of organization goals</td>
<td>4</td>
<td>14.3</td>
</tr>
<tr>
<td>Delay of program Implementation</td>
<td>1</td>
<td>3.6</td>
</tr>
</tbody>
</table>

Source: Field data, 2013

4.5.1 Reduction of Work Morale.
Employee’s morale is the emotions, attitude, satisfaction and overall outlook of employees during their time in work place environment. Findings revealed that employees turnover at organisation has an impact on the remaining co-workers about 46.4% shows there is deduction of work morale, which it is an attitude of low self-esteem which reduce productivity. Effective productivity is directly related to employees that are happy and positive at work or high employee morale. Organisation that maintains employees who are dissatisfied and negative about their work environment reduce employee work morale.

4.5.2 Retardation of Organisation Performance.
Employee’s turnover to organisation has a great impact on organisation performance, the common problem of employees turnover cause a critical problem to the organisation performance, when the employee morale are down and more employees continue to quit the organisation, the production will fall down hence down fall of the organisation.71.4% of the respondent explained on the SASATEL company how performance is decreased and employees are affected by that situation.

4.5.3 Recruitment and Training Cost.
Employee turnover cost, is usually defined as the cost to hire a replacement employee and train that replacement. There are direct and indirect costs associated
with hiring a replacement for an employee who has left the organisation, hiring costs include recruiting Costs which are fees paid to outside recruiters if are used, advertising costs if you have to place and add for a specific position or even for the organisations itself when recruiting for several positions, Interview costs. Often the training costs are only those to get the new employee productive, but they should include all the costs of getting the new employee to the same level of productivity as the employee who left which include time for people to train them, training materials, accommodation costs and administrative processing costs. Findings revealed that 82.1% labour turnover leads increase recruitment and training cost and all cost reduce organisation profit which leads to poor performance.

**4.5.4 Loss of Skilled Staff**
Organisations labor turnover cause loss of skilled staffs that were trained and have experience with the job, due to poor condition of work employees who are skilled tend to leave the organisations because they can compete to outside the market due to their skills. Organisation face deficit of skilled employees who will not be replaced easily, although many organisation does not care about employees turnover but it cost them when needs to hire other employees and train them to manage work. Likewise to the research 28.6% of the findings from respondents revealed that organisation is losing skilled people who have knowledge of production and hire new employees who have no idea on work.

**4.5.5 Bad Organisation Image**
High labour turnover to organisation lead to bad organisation image to other people because will make as a reference of poor performer organisation. When other organisation need service or provide tender will not give it to organisations which is known has poor performance or shows bad image to the community they will normally provide or need service to good organisation which are recommended by people and employees. Findings revealed that 21.4 % of respondents show that SASATEL Company has bad image to people due to employees high turnover.
4.5.6 Failure or Late Achievement of Organisation Goals
Organisation experience late achievement or can fail to achieve due to employees turn over, when skilled employees leave the company they leave their objectives pending waiting for new employee who are not skilled to be hired and train him on how to do. Thus 14.3 % revealed that the company is not growing have late achievements of goals due to labor turnover, if the problem will continue it may fail to reach their planned achievements.

4.5.7 Delay of Programme Implementation
All programme planned cannot be performed if the organisation is not stable, employees turns over cause hiring of new people who have no idea on programme plan and its implementation, that need to be trained and understand well what company has focused. 3.6% of the data found shows that many programme are not implemented on time due to employees turn over.

4.6 Strategies for Managing Employee Turnover/Management of Issues Contributing to Labor Turn Over
This was the last objective. This section aimed at understanding if at all there are measures in place to manage issues contributing to labour turn over and proposing the methods or reducing employee turnover at SASATEL. There are methods which were suggested namely; improving incentive package and pay good salary, creating good working environment, good management style, recognition, staff meeting and action on agreed indicators and equal staff treatment, balancing between work and life, and Employee Participation and Communication.
4.6.1 Improving Incentive Package and pay Good Salaries
37.5% of all individual respondents suggested that SASATEL should revise salary scales and do salary survey to determine reasonable scales, transport costs without tax, good trips allowance and house allowance. Currently, SASATEL provides taxed incentive package to its employees. The issue of package was likely to be debatable since most of the employees wanted adjustment while management argued that SASATEL had a competitive package that made people stay. According to Griffeth et al. (2000) pay and pay-related variables had a great effect on employee turnover. Management ought to compensate employees adequately. They should pay employees based on their performance and in addition, they should pay employees based on their performance and in addition, they should give employees incentives like individual bonus, lump sum bonus, sharing of profits and other benefits.

4.6.2 Good Working Environment and Tools
20% of the respondents out of 40 employees insisted that SASATEL should provide enough office space and reliable working tools such as implementable policies and laptops for every officer because most of the employees were back home very late
due to lot of work that would have been done at home in the presence of reliable laptops.

4.6.3 Good Management Style

According to the questionnaire response 7.5%, SASATEL management undermines employees by not involving them in decision making that have impact to all SASATEL team. Relationship between subordinates and supervisors had also not been good; in turn they reduced work done and performance. Management should improve or change the style. Different authors elaborated that employee involvement would influence job satisfaction and increase organizational commitment of the employees.

Employees who were more involved in their jobs were more satisfied with their jobs and more committed to their organization (Blau and Boal, 1989) Brooke and Price, 1989; Brooke et al., 1988; 1982). However, the human Resource and Administration Manager explained that efforts were done by the management to ensure effective communication.

4.6.4 Recognition

Usually good performers were rewarded for what he/she had achieved. According to the findings of this research 7.5% of the respondents rated it and suggested that there should be better ways for recognition as far as performance is concerned.

“‘No any recognition of program in place that discouraged employees who toil for the best of SASATEL achievement’” said one of the respondents. The efforts of individual performance should be valued so as to encourage the best performance. This is supported by the study of (Labov, 1997). Magner et al. (1996) where lack of recognition and lack of competitive compensation systems were some reasons for employee turnover in the organization.
4.6.5 Staff Meeting and Action on Agreed Indicators/Clear Information or Communication

This is a sign of poor employee involvement and bad management style where management did only what it decided and not what was agreed by all staff. 12.5% of all respondents suggested employee involvement as a way to make people stay longer. Employees had a strong need to be informed. Organization with strong communication systems enjoyed lower turnover of staff (Labov, 1997). Magner et al. (1996) adds that employees felt to stay longer in positions where they were involved in some level of the decision-making process. That means employees should fully understand about issues that affected their working atmosphere.

4.6.6 Equal Staff Treatment/Fairness

SASATEL is an organization that has diverse workforce. There are national staff and international staff. Data collected from questionnaire showed that international staffs were more favoured compared to national staff. The office covered housing and accommodation, transportation, 80% of school fees for their children and other benefits for International staff. This was not the case with local staff. 30% of respondents suggested that at least some benefits like housing allowances should be given to local staff as well.

Another area of inequality was in education and professions where the system used to determine someone’s salary was not open and clear. There were some profession that were much valued that others with the same qualification and other staff with low level of qualification (diploma) were paid more that those with higher level of education (bachelors degree). The system should be open and fair to all staff.

4.6.7 Work life Balance

25% of the respondents suggested that employees have important family and extraprofessional obligations that compete with their workplace commitments. Practices such as dependent care leave, childcare subsidies, eldercare programs, counseling and referral, and flexible working hours allow people to strike a more
meaningful and potentially less stressful balance between obligations at the workplace and obligations at home.

Firms that operate on the basis of shift work may have employees who find it particularly difficult to balance family and work obligations. (Keller and Dansereau, 1995). Flexibility and responsiveness on the part of employers can go a long way in helping employees to resolve such conflicts and be more productive at work. Policies that prove to be effective in helping employees to manage work-life balance in a shift work setting include (i) limiting split shifts, (ii) providing advanced notice of shift changes, (iii) permitting employees to trade shifts amongst themselves and, most importantly, consulting with employees about their work-life balance needs while planning shifts (Keller and Dansereau, 1995).

4.6.8 Employee Participation and Communication

Employee Participation and Communication. 50% of respondent suggested that open, responsive, two-way communications are vital to good employee retention, and should be considered as the basic building blocks of any effective retention practice. Most, if not all, of the retention strategies and practices fundamentally depend on a sound approach to communicating with employees without communications, many of these practices would be impossible to implement in any effective way.

The past studies revealed considerable efforts to communicate with employees, through a variety of vehicles including employee surveys, regularly scheduled committee meetings, formal postings and newsletters, and personal discussions. Several companies keep their employees regularly up to date on the company’s financial performance, and maintain open-door communication policies (Tor et al., 1997).

4.6.9 Poor Motivation the Main Cause of High Employee Turnover in Organizations

This research question intended to explore the underlying assumption that in many organizations poor motivation is the major cause of high employee turnover. This research question, therefore, aimed at exploring the extent to which poor motivation
causes high employee turnover at SASATEL Tanzania Limited. Data were collected through three instruments (interview questions, documentary reviews and questionnaires). As labour turnover is the rate at which employer gains and losses employees, simple ways to describe it are "how long employees tend to stay?" or "the rate of traffic through the revolving door." Turnover is measured for individual companies and for their industry as a whole.

Over the years, employees at different age groups and cadre were leaving SASATEL because of lack of motivation. Employees exit questionnaires and periodic Human Resources reports available in the files indicated that SASATEL Tanzania Limited has been losing potential employees who have left the company as a result of poor motivation. The results from the field revealed that, employee who resigned comprises a large portion (93%) of the total Employee left the organization
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
Turnover is particularly a problem when high-performing employees leave, while a poor performer’s leaving may actually give the company a chance to improve productivity and morale. However, management of labor turnover has been receiving less attention in many organizations; thus, many focus on finding causes or factors for labor turnover rather than how such factors can be managed.

The background of this explains that the organization industry has been alert to the changing needs of employees and has modified and expanded position offerings to address these needs (Ulschak & Snowantle, 1992). The dynamics have changed the way positions are developed and will involve over and employee’s tenure with the organization. This developed the need for this study which intended to investigate management of issues contributing to employee turnover at SASATEL.

The investigation was channelled through assessment of the causes for employee turnover, finding out the impacts of employee turnover and examining the methods that should be used to retain employees in managing all such issues contributing to labor turnover. Through this dissertation, findings of the study are summarized, conclusion, recommendations, limitation for the study and the suggestion for further study are presented.

5.2 Summary of the Findings
This section summarizes the findings of the study. The section presents the summary of the likely causes for turnover, impacts of turnover as well as Management strategies that should be adopted to retain employees as SASATEL (managing issues contributing to labor turnover).
The research on management of issues contributing to labour turnover was conducted at SASATEL and 41 respondents participated. The general objective was to investigate the management of issues contributing to labour turnover at SASATEL Company limited. The major focus was to assess the level of labour turnover, to identify causes contributing to labour turnover, to examine the effects of labour turnover and examining strategies for managing labour turnover at SASATEL Company limited.

Both the empirical and theoretical literature review was oriented and the research gap was covered. The case study research design was used and questionnaires interview and documentations were used as data collection instruments.

5.2.1 The level/situation of Labour Turn over at SASATEL
The result of this study indicate that there is high level of labour turn over at SASATEL, as relating to the number of those who leaves in a year and those who joined, the data shows there is high number of resignations than the number of hiring thus shows that employees get on leaving now and then while efforts for replacing the new one is very slow, The findings also implicate that there is high level of quitting intentions and this has been noted from the interviews and questionnaires thus intention to quit is generated when others see or find their fellows quit.

5.2.2 Issues Contributing to Labour Turnover
The results of this study indicate that employee turnover within SASATEL is due to some very specific reasons that needs the attention of the employer. The greatest causes seen for Employees leaving SASATEL were job – related which are dissatisfaction with benefit, dissatisfaction with salary, non existence of better employment opportunity, organization stability, role clarity, relationship with superiors and lack of better employment opportunity. The results also indicate that most employees had been employed for two years or less and are most likely to leave at the 3rd year of the contract.
5.2.3 Effects of labour Turnover

Findings revealed seven impacts resulting from employee turnover at SASATEL. The impacts found are reduction of employees work morale, retardation of organization performance, recruitment and training cost, loss of skilled staff, bad organization image and delay of programs implementation.

5.2.4 Management of Issues Contributing to Labour Turnover

The most proposed methods for managing issues contributing to turnover or retaining staff are six namely improving incentive packages and pay good salary, creating good working environment and tools, good management style, recognition, staff meeting and actions on agreed indicators, balancing between work and life for staff, employee participation and communication and lastly put in place equal staff treatment. Policies that prove to be effective in helping employees to manage work-life balance in a shift work setting include (i) limiting split shifts, (ii) providing advanced notice of shift changes, (iii) permitting employees to trade shifts amongst themselves and, most importantly, consulting with employees about their work-life balance needs while planning shifts.

5.3 Conclusion

Employee turnover as SASATEL was found to be caused by job-related factors, greater percent and non-job related causes especially for female employees. Impacts found were within the control of management since most of them result from poor human resource practices, supervision and nature of leadership.

The management strategies for managing issues contributing to labour turnover should base at improving staff welfare, pay and that of improving management style for collective responsibility. On the other hand, management provided the measures taken to manage the issues of turnover. The measures taken include those aimed at improving working tools, leadership styles, environment, pay and benefits as well as policies, systems and procedure.
5.4 Recommendations

This study provides recommendations on broadening body of knowledge, improving managerial practices and help for clear investment strategies by shareholders.

To retain employees and ensure steady productivity, the management of SASATEL should ensure that organizations success is from optimization of the performance of the employees. This can be enhanced by establishing essential processes for getting work done, providing good working conditions, establishing accountability and making good working conditions, establishing accountability and making good hiring choices. This will help solving out the problems of retardation of performance, recruitment and training cost as well as retardation of employee morale.

Improving incentive package and pay good salary, creating good working environment, good management style, recognition, staff meeting and action on agreed indicators and equal staff treatment, balancing between work and life, and employee participation and communication.

As major problem of turnover at SASATEL has been identified to be dissatisfaction with benefit, there is a need for management to review its incentive packages by comparing what they have in place with what is provided by other similar organizations so as to remain competitive in the current labour market. The study also recommends the following in line with the above findings.

(i) The Management should introduce better overtime pay and workers encouraged to take up the opportunity, and the Managers should involve workers in decision making.

(ii) The management of SASATEL Company should review its pay package, fringe benefits and opportunities for growth in order to retain its workforce.

(iii) The Management should implement the findings of labour turnover in order to reduce its effects.

(iv) The Management should streamline the promotion procedures and should be followed strictly
(v) Worker friendly leadership styles be used by all managers in the company for instance democratic and laissez faire

(vi) The formulation of organization policies, should involve employees since they are the one who implement it. Policy choice however must be appropriate to the precise diagnosis.

(vii) Management should provision of training and development, due to the fact that training and development are important motivational factors in employee retention because organisational plans for employees’ training and development tend to increase the morale of workers


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*York*: American Management Association
**APPENDICES**

**Appendix I – SASATEL Employees Questionnaire**

This questionnaire aims at gathering data for my study of Masters degree in Human resources Management as a partial fulfilment of my course.

I will appreciate your kind cooperation in filling this questionnaire that will enable early presentation of my research report. Your specific answers will be completely anonymous & confidential, but your views, in combination with those of others, are extremely important.

**Please tick the appropriate answer**

**A. Level/situation of labour turn over at SASATEL**

1. What is your sex?
   - Male
   - Female

2. How long have you worked for Sasatel?
   - One year to less that two years
   - Two years to less than three years
   - Three years to less than five years

3. What is your current job position?

   ______________________________________________________________
   ______________________________________________________________

   (i) When did you get this position
   ______________________________________________________________
   ______________________________________________________________

   (ii) What was your first position when you joined this organization?
   ______________________________________________________________
   ______________________________________________________________
4. What forms of labour turnover has SASATEL Company been experiencing? (tick on the appropriate answer)
   (i) Dismissals.................................................................
   (ii) Resignations..............................................................
   (iii) All of the above......................................................
   (iv) None of the above.....................................................

B Causes of labour turn over at SASATEL

1. What do you think be the reason for people leaving SASATEL? Tick as many as apply, does the organization provide the following?
   (i) Training opportunities ________________________________
   (ii) Promotion __________________________________________
   (iii) Recognition awards _________________________________
   (iv) Pleasant working condition____________________________
   (v) Flexible working hours ________________________________

   Mention others that organization should provide
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________

   Do you get them?
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________

2. Please tick on the availability of the following packages in your organization.
   (i) Good salary ________________________________
   (ii) Good commission ___________________________
   (iii) Overtime allowance __________________________
   (iv) Risk allowance ______________________________
   (v) Telephone allowance __________________________
(vi) Leave allowance ________________________________
(vii) Professional membership allowance ________________
(viii) Housing/Accommodation ____________________________
(ix) Medical expenses _________________________________
(x) Transport _______________________________________

4. What do you like and dislike about this organization?
______________________________________________________________________________
______________________________________________________________________________

5. If you get an opportunity to work in other organization, will you quit?
(i) Yes (    )
(ii) No (    )

If yes, please give the reasons
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

5. Are there workers who have left their jobs?
(i) Yes
(ii) No

If yes give reasons for their moving
(i) .................................................................
(ii) .................................................................
(iii) .................................................................
(iv) .................................................................
(v) .................................................................
(vi) .................................................................
C) Effects of labour turn over at SASATEL

1. How do you feel when your workmate leave the organization?

__________________________________________________________________________________________

__________________________________________________________________________________________

2. Does turnover affect your performance in any ways?
   (i) Yes (   )
   (ii) No (   )

If the answer above is yes, explain how?

__________________________________________________________________________________________

__________________________________________________________________________________________

3. Is turnover good or bad? Give the reason for your answer.

__________________________________________________________________________________________

__________________________________________________________________________________________

4. From the list below are the effect/impact of labour turn over do you count them as what happening in your organization? tick as many as possible and mention more others if any.
   (i) Reduction of work morale (   )
   (ii) Retardation of organization performance (   )
   (iii) Recruitment and training cost (   )
   (iv) Loss of skilled staff (   )
   (v) Bad organization image (   )
   (vi) Failure or late achievement of organization goals (   )
   (vii) Delay of program Implementation (   )
6. What do you think are the effects that SASATEL face due to employee turnover?

______________________________________________________________

______________________________________________________________

D) Management of issues contributing to labour turnover.

1. What do you think the organization should provide more to satisfy and retain employees?

______________________________________________________________

______________________________________________________________

2. What are changes SASATEL Management might introduce in order to lift the employee retention level if necessary?

______________________________________________________________

______________________________________________________________

3. Do you think the following may help as effective strategies for managing labour turnover at SASATEL Company limited, if NO mention more others as much as you can. (tick on each point if you agree)

   (i) Improving incentives package and pay good salaries (....)
   (ii) Good working environment and tools (....)
   (iii) Good management style (....)
   (iv) recognition
   (v) Staff Meeting and Action on Agreed Indicators (....)
   (vi) Equal Staff Treatment/Fairness (....)
   (vii) Work life balance (....)
   (viii) Employee Participation & Communication (....)

Thank you for kind co-operation
Appendix ii – Interview Guide

The interview guide is based on getting views from respondents on the employee turnover within Sasatel. The following guiding questions were used.

1. What is the situation of labour turnover at Sasatel? What is the level of labour turnover?

2. What are the reasons for people leaving Sasatel? Is the moving of the workers from the company voluntary or involuntary?
   (i) Voluntary
   (ii) Involuntary

3. What are the difficulties do you face in supervising organization activities when one of your subordinates lives?

4. What are the general impacts of employee turnover on Sasatel performance?

5. What are the challenges do you face when knowledgeable employee leaves?

6. Are you aware of most positive aspects of the organization that make employees want to stay? Please mention them.

7. In your view what should be done to reduce the labour turnover patterns that are being experienced?
   (i) Increase salaries of all workers
   (ii) Change the leadership styles in use to those which are worker friendly
   (iii) Reduce the work load by employing more workers
   (iv) Provide training and development opportunities

What is the Company doing to reduce the labor turnover being experienced?
   (i) Nothing
   (ii) Finding out why workers are leaving
   (iii) Involving workers in decision making
   (iv) Management working closely with the workers through effective communication.
8. How do you minimize the negative effects caused by employees leaving the organization?

9. How do you manage issues contributing to labor turn over at Sasatel?

10. What strategies have you put in place to manage issues contributing to labor turn over at Sasatel?