

**FACTORS AFFECTING EMPLOYEE RETENTION IN  
TANZANIA'S GOVERNMENT INSTITUTIONS:  
A CASE OF NATIONAL HEALTH INSURANCE FUND**

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TANZANIA'S GOVERNMENT INSTITUTIONS:  
A CASE OF NATIONAL HEALTH INSURANCE FUND**

**By**

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**A Dissertation Submitted to the School of Business in Partial Fulfillment of the  
Requirement for the Award of the Master of Business Administration in  
Corporate Management (MBA-CM) of Mzumbe University**

**2020**

## **CERTIFICATION**

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation titled *Factors Affecting Employee Retention in Tanzania's Government Institutions: A Case of National Health Insurance Fund* in partial fulfillment of the requirements for the award of the Master of Business Administration in Cooperate Management (MBA-CM) of Mzumbe University.

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## **DEDICATION**

I dedicate this work to my friends who always think about being retained in their work place. Therefore, this study brings about the views that they would love mostly to know.

## **LIST OF ABBREVIATIONS**

ANOVA	Analysis of Variance
ICT	Information, Communication and Technology
FGD	Focus Group Discussion
HRH	Human Resource for Health
HROs	Human Resource Officers
N/n	Total or number of respondents
NHIF	National Health Insurance
SPSS	Statistical Package for Social Sciences
URT	United Republic of Tanzania
USA	United States of America
WHO	World Health Organization
ZAMFORH	Zambia Forum for Health Research

## **ABSTRACT**

This study aimed to assess factors affecting employee retention in Tanzania's Government institutions with the specific case of National Health Insurance Fund. To achieve that purpose, the study specifically assessed economic factors influencing employee retention, explored the institutional supports and examined the physical environment that influence employee retention. A cross-sectional design involved both qualitative and quantitative approaches, was employed. A total of 178 NHIF employees were involved in this study. Data were collected by using semi-structured interview, semi-closed questionnaire and focus group discussion. Content analysis was used to analyze qualitative data, whereas quantitative data were analyzed by using Statistical Package for Social Science (SPSS) version 24.0 to get both descriptive and inferential data. Moreover, both quantitative and qualitative data were presented by tables and narrations respectively. The finding established that, among others, economic factors are among the factors influencing employee retention. That is, the majority of the employees confirmed that they continue working at NHIF because they are benefitting economically. They get paid the salary, get loans and the job is much secured. All of which ensure their survival economically. Secondly, institutional supports have been positively appreciated since the employees had shown that through acknowledging the relationship that exists between employees themselves and their employer. On top of that, employees are helped by their employer because they have been receiving seminars on retirement plans every year. This ensures that employees are in good position to make decision wisely, especially for those who are about to retire from work. Moreover, the employees added that they are happily working in the place where its physical environment attracts them from working positively. Therefore, a longitudinal study was recommended to be conducted focusing on social, psychological, political and economic factors for employee retention.

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## CHAPTER ONE

### PROBLEM SETTING

#### 1.1 Background of the Problem

Employees are the most valuable assets of an organization or institution (Kossivi, Xu & Kalgora, 2016). The goal of any organization is to attract, engage and retain the best employees (Mwanjala, 2013). Employee retention has been considered to be a vital tool for long term success of any organization (Matindo *et al.*, 2015). However, it should be noted that employee retention is still a critical issue for managers and supervisors in private and public sectors in different countries (Liang *et al.*, 2015). According to World Health Organization (WHO) (2009), there was a shortage of about 4 million workers in the health sector across the globe. This means that workers are either seeking other places with green pasture or they drop completely from doing the same jobs.

On the other hand, Zambia Forum for Health Research (ZAMFOHR) (2011) reported that Zambia was experiencing a deficit of employees in the health sector in spite of having a Zambia Health Worker Retention Scheme. Generally, the situation is very worse in sub-Saharan Africa, whereby an increase of 140% of employees in the health sector is needed to rectify the situation (Waiganjo & Ngure, 2018). Moreover, it has been reported that competence, relationship, scholastic, reward and development were important factors to determine the decision of an employee to stay in a particular organization or institution (Sinha, 2012).

In Kenya, Nyanjom (2013) cited myriads of key factors influencing employee retention. Some of which were training of employees, developing their careers, appraising their performance, empowering them, and compensating them. On top of that, Issaya (2017) pointed out that the working environment and recognition had positively significant for the retention of employees in the Tanzania's health care system.

However, it has been argued that inability to retain key employees has negative consequences to an organization, such as spending more money for recruiting new employees as well as losing knowledgeable - cum - experienced employees (Appiah *et al.*, 2013). Nevertheless, Humphreys and Wakeman (2009) opine that it takes time for new employees to be fully inducted into the workplace. Additionally, Calist (2015) suggested that low staff retention affects the organization in many aspects, such as morale of the employees, their relations with the surrounding community, quality of the production the employees offer, and the financial capacity as well. Therefore, a current study was conducted to assess the factors affecting employee retention in Tanzania with specific case of National Health Insurance Fund.

## **1.2 Statement of the Problem**

According to Donoghue (2010), an employee is expected to stay longer working in an organization. This ensures not only the well-functioning of employees, but also it provides the ability of delivering a well improved work outputs (Issaya, 2017). However, Tanzania's Government has taken some initiatives to retain the existing staff in the health sector, and even attracts the new ones (Ministry of Health and Social Welfare [MoHSW], 2008). On top of that, in July 2005, workers in the health sector experienced an increased scheme of salary, among other factors; to retain them in the health service (Schwerzel, 2006).

However, it has been noted that not all workers are remaining in the government institutions until they retire. Workers are said to have reasons that influence their turnover. Based on the stated grounds, this study aimed to assess factors affecting employee retention in Tanzania's Government institutions with the specific case of National Health Insurance Fund as a way of addressing the problem of retention by giving the practical recommendations.

### **1.3 Research Objectives**

#### **1.3.1 General objective**

The main objective of this study is to assess factors affecting employee retention in Tanzania's Government institutions with specific case of National Health Insurance Fund.

#### **1.3.2 Specific objectives**

- i. To assess economic factors influencing employee retention.
- ii. To explore the role of institutional support on the employee retention.
- iii. To examine the physical environments that influences employee retention.

### **1.4 Research Questions**

- i. What are the economic factors influencing employee retention?
- ii. How does an institution support its employee retention?
- iii. What are the physical environments influencing employee retention?

### **1.5 Significance of the Study**

The study findings will be beneficial to the health sector planners and other stakeholders to be familiar with the factors affecting employee retention in Tanzania's National Health Insurance Fund to redress retention in the health sector. Also, the study findings will be a reference and useful to other researchers conducting related studies as this. On top of that, the knowledge contributed from this study will be helpful to HROs to get to know how employees are supposed to be retained for the purpose of developing employees in the workplace.

## **1.6 Scope and Delimitation of the Research**

This study attempted to assess how economic factors influence employee retention in Tanzania's Government institutions and to explore how opportunities for employees' career development is affected by the employee retention. Furthermore, the study examined the physical environment that influences employee retention. Therefore, the study excluded other factors apart from the aforementioned objectives set.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter describes the relevant literature related to the study. Firstly, the chapter provides definitions of the study's key concepts used, theoretical framework, empirical studies, conceptual framework of the research as well as establishing a research gap.

#### **2.2 Definitions of the Key Concepts**

The key concepts of this study were employee retention and government institutions. Nevertheless, the two concepts were defined scholarly.

##### **2.2.1 Employee retention**

Employee retention has no universal definition. It can be defined as the ability to retain the experienced and knowledgeable employees in the organization (Liang *et al.*, 2015). Similarly, Kossivi, Xu and Kalgora (2016) opine that the act of encouraging employees has proven to be beneficial for employees' retention. In so doing, employees stay longer in an organization (Donoghue, 2010). This ensures the good functioning of employees to provide them with the ability of delivering a well improved work outputs (Issaya, 2017).

##### **2.2.2 Government Institutions**

Government institutions are all institutions managed, funded and owned by the government. In Tanzania, particularly all sectors located under different ministries are managed, funded and owned by the Tanzania's Government. Examples of such institutions are Higher Education Student's Loans Board (HESLB), National Health Insurance Fund (NHIF), Muhimbili Orthopedic Institute (MOI), National Council for Technical Education (NACTE), Tanzania Medicines and Medical Devices Authority (TMDA) and Taasisi ya Taaluma za Kiswahili (TATAKI), just to name a few.

## **2.3 Factors Affecting Employee Retention in the Workplace**

### **2.3.1 Economic factors**

Economic factors are among the important factors for retaining employees in any institution. Offering attractive salary and other fringe benefits may lead employees to stay for a long time in a particular institution (Torrington, 2008). Similarly, Mahagura (2016) argues that individuals want to work with the organization offering an attractive salary package, because they want to improve their economic living standard. This argument is also supported by Kearney (2009) who asserts that the payment of low wages demotivates employees and, for that matter, in order to retain worker's better salaries should be paid. Paying better salary to workers motivates them and increase employee morale and job satisfaction; therefore, they become more committed in the organization. Other organizations or institutions provide their employees with loans so that employees keep working in those organizations or institutions. This tendency has led the economic progress among employees as most of them started investing in projects that enable to accumulate wealth, apart from other advantages.

### **2.3.2 Institutional supports**

Survival of any institutions depends on many factors, one of which is support for employee development. When employees feel that the institution offers them support, they are more likely to have long stay in the institution. Maurer and Lippstreu (2006) reported that there is a close proximity between employee commitment and support for development. That means, when an institution guarantees support for its workers, the workers are more likely to commit themselves in that institution, and they remain in the institution for a long time as opposed to those who are less likely to commit themselves in the workplace. The decision to stay longer in the organization implies that the employees are more committed to that organization (Mahagura, 2016). Furthermore, attitude of employees towards an institution or organization is very much related to the congruence between employees' characteristics and institution's values and culture that predict institutional commitment and its related outcomes. Some institutions allow their

workers to pursue education and engage in training and/or workshops in order to sharpen their skills for both individual and institutional benefits. However, this may not be the case for many institutions that become one of the reasons for some employees to leave their institutions.

### **2.3.3 Physical environment**

Physical environment is among the factors that affecting employee retention in the institution or organization. Ramlall (2003) asserts that people stay longer in an institution having a conducive physical environment, such as working equipments, air conditioning, offices pace, comfortable chairs and so forth. George and Jones (2002) add that comfortable physical environment with enough facilities helps to increase employee satisfaction as opposed to a poor physical environment, which has shortage of work facilities, work overload and inadequate fund, which results in dissatisfaction. Thus, an institution should provide a favourable and a conducive physical environment to its employees so as to improve productivity and efficiency of an institution since employee feels that they are valued and making a difference.

## **2.4 Theoretical Framework**

Herzberg Two Factor Theory guided this study. The afore-said was advocated by Herzberg in 1968. The theory holds two factors of job, which influence either job satisfaction or dissatisfaction. It assumes that motivation factors and hygiene factors affect employees' satisfaction and dissatisfaction in the organization. The hygiene factors include either the presence or absence of job dissatisfaction, such as working environment, pay, organizational policies and interpersonal relationships. At the moment when the hygiene factors are very bad, work is dissatisfying and thus an employee is most likely to quite a particular organization and joins another organization. Conversely, good hygiene factors make an employee stay as they make him or her satisfied with the organization.

Motivation factors are another set of variables that determine employee job satisfaction. It consists of achievement, opportunity growth, responsibility, and

recognition. Herzberg argued that when motivation factors are missing, employees' morale towards work tends to be affected negatively. On the other hand, when motivation factors are present, employees are more likely to get satisfied with their jobs. Thus, the study can be implied practically in the Tanzania's Government institutions. In so doing, it enables the study to assess factors affecting retention of employee in government institutions in Tanzania and National Health Insurance Fund in particular.

## **2.5 Empirical Studies**

Matindo *et al.* (2015) investigated factors affecting the retention of employees at Kitwe Central Hospital (KCH) in Zambia. Maslow theory of Need was used. In their study, the following factors were identified affecting employee retention; lack of career growth, poor working conditions, poor management styles, poor salary incentives, environment, global and national economy, job insecurity, lack of equipment and drugs, lack of motivation and work overload. Despite the fact that a study by Matindo *et al* was guided by Maslow theory of Need; however, the present study was guided by Herzberg two factors theory so as to fill the different theoretical gap. On top of that, following the different contexts, Zambian study focused on Kitwe Central Hospital, whereas the present study focused on National Health Insurance Fund; therefore, results may be different since the study contexts differ.

Unlike the afore-said study, Fernando (2015) studied factors of job satisfaction in public sector school teachers. Data analysis was done by using Analysis of Variance (ANOVA) in which it was discovered that teachers were not satisfied due to poor compensation. However, Fernando's study contributed to the education sector. Therefore, there was need to conduct a study basing on health sector to generate knowledge regarding National Health Insurance Fund employee retention.

Masood *et al.* (2014) studied factors that affect employee satisfaction. 200 respondents were involved in the study which used a questionnaire method. Regression analysis was used to analyze the collected data from the respondents. The results of the study showed that employees' workplaces' satisfaction is associated

with good payment and promotion, working conditions, training and development, job safety and security, and employee empowerment as well. Nevertheless, the results generated from the previous study done by Masood *et al* cannot be generalized in the same due to a variety of contexts. Thus, there was an environmental gap and a study on factors affecting employee retention at NHIF deserved special attention.

In the United States of America, Okae (2018) studied the effect of employee turnover in the hospitality industry. The study examined association between turnover intention and job satisfaction, employee engagement, employee compensation, employee motivation and work environment. Data was collected from 156 respondents who were obtained through convenience sampling. The multiple regression model revealed that an employee turnover was not predicted by motivation significantly. Moreover, it should be noted that the United States of Africa is a developed country and thus factors affecting employee turnover are not necessary to be the same as it comes in developing nations, Tanzania in particular. Thus, a study on factors affecting employee retention in NHIF has to be conducted to clear the emerged gap.

Shehadah *et al.* (2014) examined factors influencing employee turnover in Israel. Data was collected through questionnaire from 307 respondents. Data collected were analyzed descriptively. The findings revealed that pay, job performance, job satisfaction, role clarity, and organizational commitment influence employee turnover. Moreover, the disparity of studies objective marks the gap of which the present study is intended to clear. Shehadah *et al* focused on studying factors influencing employee turnover in Israel, whereas this study assesses factors affecting employee retention in NHIF in Tanzania.

Liang *et al.* (2015) studied factors affecting employee retention in the nursing industry in Klang valley. The study explored factors of organizational commitment, job burnout and human resource practice contribution to employee retention in the nursing industry. A questionnaire method was used to gather data from 400

respondents. Data were analyzed by using Pearson correlation coefficient and regression analysis. Moreover, regression analysis revealed that personal accomplishment had significant relationship with employee retention. Liang *et al* explored factors such as organizational commitment, job burnout and human resource practice contributing to employee retention in the nursing industry. On the other hand, the present study intends to assess factors affecting employee retention in NHIF so as to fill the existed gap.

Kimuyu (2012) studied factors affecting employee retention in Nairobi. 265 respondents were involved in the study by using questionnaire method. Descriptive statistics was used to analyze the collected data. However, it was discovered that staff training, staff benefits, leadership style and work environment were the factors affecting employee retention. Kimuyu (2012) utilized descriptive statistics to analyze the collected data. Conversely, in this study a combination of t-test and descriptive statistics were used so as to yield the findings on factors affecting employee retention in NHIF in Tanzania.

Ngure and Waiganjo (2017) studied factors influencing the retention of health workers in the public sector in Kenya. 400 respondents were involved in the study. Descriptive statistics was used to analyze the collected data and presented in the form of graphs. The findings revealed that promotion, remuneration, leadership style, training and work environment influence the public sector's health workers' retention. As opposed to Ngure and Waiganjo's descriptive statistics in analyzing data, the present study used both descriptive and inferential statistics so as to yield the findings on factors affecting employee retention in NHIF in Tanzania.

Nyanjom (2013) established factors influencing employee retention in the state corporations in Kenya. A cross-sectional design was employed in which data was collected from 54 state corporations in Kenya. Self-administered questionnaire method was used to gather data from the respondents. The study used descriptive statistics to analyze the collected data. Among several factors, training, career development, performance appraisal, employee empowerment, employee's

commitment and compensation were associated with factors influencing employee retention in state corporations. Nyanjom adopted cross-sectional design, whereas the present study used semi-closed questionnaire, focus group discussion as well as the semi-structured interview method for in-depth analysis of the employee retention.

Muhoho (2014) assessed the factors influencing employee retention in Tanzania's public and private sector workplaces. Both closed and open ended questionnaires were employed to 60 respondents involved in the study. Among the findings depicted, Tanzania's work organizations has high rate of turnover. Additionally, public organizations and workers in higher learning particularly are said to stay longer. Also, employee retention was influenced by low salaries, benefits, organizational justice and prestige. However, following the time passage, the present study is intended to clear that existing gap.

Calist (2015) assessed factors influencing employee retention in Tanzania's non-governmental sectors. Data were analyzed both quantitatively and qualitatively. Low salaries and benefits were identified as the main reasons for employee turnover in the organizations. The previous study assessed retention of employee retention in Tanzania's non-governmental sectors, whereas this study assessed factors affecting employee retention in government institutions in Tanzania with the specific case of National Health Insurance Fund so as to fill the differential gap.

Shao (2013) examined factors influencing employee retention in public organizations in Tanzania. A total of 40 respondents was involved the study. The results showed that training opportunities, job security, salary, work retirement benefits plan were the factors that positively influence employee retention. Despite the fact that the previous study conducted in the same context as this, the present study was done to clear the difference of time among the two studies.

Sengerema (2016) studied the factors influencing employee retention in the private sector. A case study design was employed to a sample of 50 respondents involved. A study employed multiple data collection methods such as questionnaire, interview

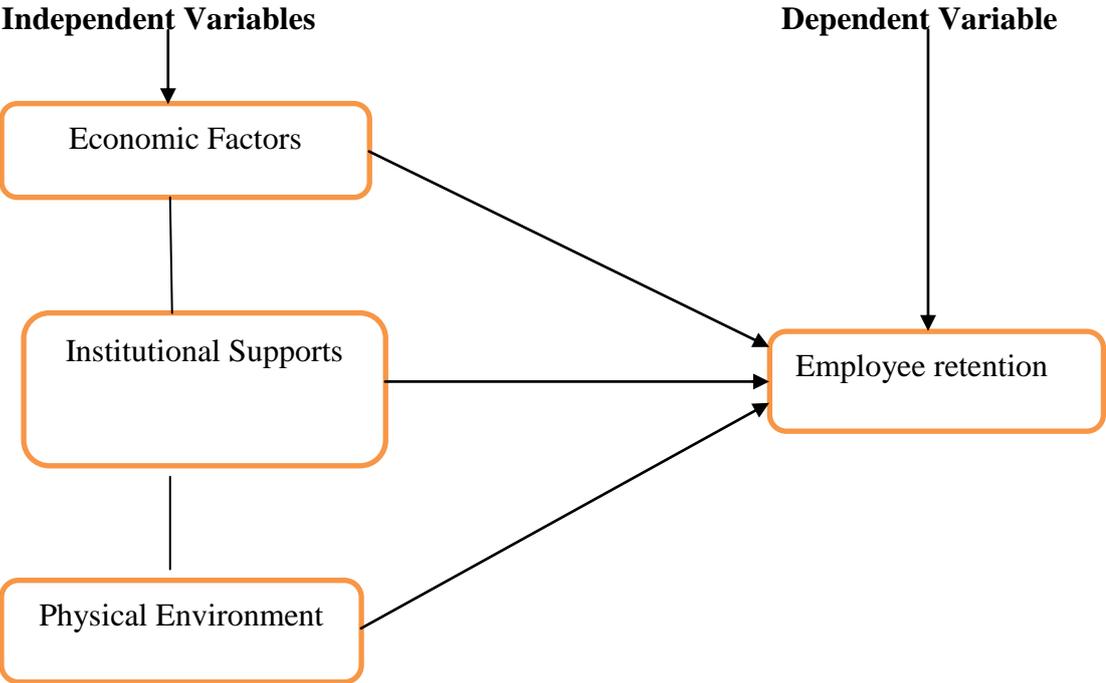
and documentary review. Statistical Package for Social Science (SPSS) was employed to analyze data collected. However, a number of strategies were opined by respondents to be used to retain employees in the private sector. For instance, the provision of overtime allowances, good working environment, training and development, promotion and salary increment. Moreover, the previous study focused on the private sector, while the present study focuses on the public institution. That is, the challenges associated with private sector might be different from the ones associate public sector. Therefore, there is need to conduct a study on factors that affect employee retention in National Health Insurance Fund.

Kweka *et al.* (2014) explored the factors for increased rate of turnover in telecom and banking business in Tanzania. Both questionnaire and interview methods were used to collect data from the respondents. Moreover, the collected data were analyzed descriptively. It was discovered that poor compensation and benefits, working environment, ability to access new job, work life policies and career development were the factors affecting labor turnover in the telecom and banking business. However, the previous study focused on the telecom and banking business while this present study focuses on the health sector. Despite the fact that the former study and the later take place in the same context, the findings might differ based on the varied respondents, nature of work and associated challenges. Therefore, there is need to conduct a study in the National Health Insurance Fund.

Issaya (2017) conducted a study on the determinants of human resource retention for health care in Tanzania's public health facilities. Explanatory research design revolving around quantitative sequential and mixed research approach was adopted. 408 respondents were selected through simple random sampling, snow ball and purposive sampling techniques. Descriptive statistics and inferential statistics were utilized to analyze the collected data. It was found out that human resource for health (HRH) is determined by multiple factors, including demographic and socioeconomic variables. Issaya (2017) utilized descriptive statistics and inferential statistics to analyze the collected data. In the same vein, this study involved both descriptive and inferential statistics. However, the discrepancy of the two studies appear due to

several factors including but not limited to, nature of the two studies, respondents involved and research design used. Therefore, to make the present study unique and differentiate itself from the previous study, a cross-sectional research design was adopted by the researcher as part of the methodological procedure used in the present study.

**2.6 Conceptual Framework**



**Figure 2.1: A Conceptual Framework Explaining Factors Affecting Employee Retention in the Government Institutions as the Case of National Health Insurance Fund.**

**Source:** Researcher (2019).

The conceptual framework above portrays that employee retention in government hospitals in Tanzania can be determined by three independent variables which are economic factors, support development and the physical environment. The stated ground is in the line with Muhoho (2014) who revealed factors such as low salaries, benefits, organizational justice and prestige being important in the retention of employee. On top of that, Ngure and Waiganjo (2017) discovered that in Kenya’s

public sector, what required by the employees were focused on leadership style, remuneration and promotion influenced retention of health workers in the public sector in Kenya.

## **2.7 Research Gap**

This study surveyed a variety of literature done within and outside Tanzania. However, outside-based studies on employees and retention were exhaustively examined in the literature (Matindo *et al.*, 2015; Masood *et al.*, 2014; Okae, 2018; Shehadah *et al.*, 2014; Shehadah *et al.*, 2014; Liang *et al.*, 2015; Kimuyu, 2012; Kimuyu, 2012; Ngure & Waiganjo, 2017; and Ruthnyanjom, 2013). Hence, their methodologies, time, contexts and objectives differed from that of Tanzania's. Even if the findings can be replicated, but following all the outlined elements, another study deserves to be conducted in Tanzania. Thus, there is need to conduct study, basing on the factors affecting employee retention in the Tanzania's Government institutions of which the National Health Insurance Fund is used a case study so as to be bridge the research gap.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents methodological procedures that were used to carry out the study. It further describes research design, area of the study, study population, sample size and data collection methods. Furthermore, the chapter presents data analysis procedure, reliability and validity as well as the ethical issues of the research.

#### **3.2 Research Design**

Devos (2001) defines a research design as a plan that guides a researcher throughout the entire process of conducting research. However, this study employed a cross-sectional survey design. It is a kind of design opted for the purpose of collecting data at one point in a time (Creswell, 2012). Therefore, the aforesaid design was opted with the intent of deducing an insight on economic factors affecting employee retention, support for employee development as well as the physical environment that affects employee retention in National Health Insurance Fund.

#### **3.3 Research Approach**

This study employed both qualitative and quantitative approaches. The study sought to gather respondents' opinions and/or views regarding employee retention. In that case, qualitative data enabled the study to gather in-depth information on how an institution support for employee development as well as the physical environment affects employee retention. On the other hand, quantitatively, the study sought to quantify economic factors affecting employee retention.

#### **3.4 Area of the Study**

This study was conducted at the National Health Insurance Fund in Dar es Salaam Region. The reason behind for the choice of the National Health Insurance Fund (NHIF), Dar es Salaam is based on the fact that, NHIF is one of the Tanzania's

largest Government institutions. Like other institutions, NHIF has employees or workers of different backgrounds. For instance, it has Medical Doctors, Accountants, drivers, nurses, Legal Officers, Civil Engineers, just to name a few. However, not all workers stay at NHIF until period of retirement. Some of the workers stay longer in the institution while other workers quit the institution due to varied reasons. More importantly, the researcher is working at NHIF as its employee. The intention of doing a research on the working premise was to minimize fiscal resources and save the time as well. Therefore, the researcher assessed the factors that affect retention of employee in Tanzania's Government institutions with the specific case of NHIF.

### **3.5 Target Population**

Since it is not possible to study the whole population, the researcher has to focus on the certain target population. Study target population is defined as the entire group of individuals with which the researcher is interested in the study (Fraenkel & Wallen, 2000). However, the target population of this study was NHIF employees from the Directorate of Human Resource Management.

#### **3.5.1 Sample size**

According to Fraenkel and Wallen (2000), it is difficult to study the large population in order to gather data; therefore, a sample (small/portion of the population) is more preferred by the researcher. Normally, the sample is chosen to represent the population and then the information is drawn from them (Creswell, 2012). Usually, a study combining both qualitative and quantitative approaches respectively should have a sample size, which is not less than 100 (Fraenkel, Wallen & Hyun, 2012). Basing on the fact that the population of NHIF workers is 320 in Dar es Salaam Region, the researcher used a formula, which enabled him to calculate the sample size. The formula was used to calculate the sample size for finite population like that of NHIF (Human Resource Officer, 2019). A 95% confidence level and p value of 0.05 is assumed for equation.

**Formula** 
$$n = \frac{N}{1 + N(e)^2}$$

Whereby;

n = is the sample size, N = Population size, and e = level of precision or confidence level

For that case, N = 320, e = 0.05 or 95% confidence level.

Thus,

$$n = \frac{320}{1 + 320(0.05)^2}$$

$$n = \frac{320}{1 + 320(0.0025)}$$

$$n = \frac{320}{1 + 0.8}$$

$$n = \frac{320}{1.8}$$

Therefore, the sample size for this study is 178 respondents.

**Table 3.1: Study Sample Size (N=178)**

Sex	Frequency	Percentage (%)
Male	89	50
Female	89	50
<b>Total</b>	178	100

### 3.6 Sampling Procedures

This study involved both probability and non-probability sampling techniques to obtain the study respondents. Probability sampling was concerned with the simple random sampling method, while a purposive sampling method was used for non-probability sampling techniques.

### **3.6.1 Purposive sampling technique**

In purposive sampling, some respondents were chosen from the target population purposely to provide relevant information about the study. Under this study, Human Resource Officers at NHIF from the Directorate of Human Resource Management were purposively employed to provide detailed information regarding number of employees who have left their jobs as well as employees are still working. On top of that, Human Resource Officers provided the researcher with information regarding the way NHIF support its employees to retain them.

### **3.6.2 Simple random sampling technique**

In this kind of sampling technique, each individual has an equal chance of being selected from the population (Kothari, 2004). This procedure was employed to make sure that any of the NHIF employees has an equal chance to be part of the study during the selection process. Therefore, this kind of technique also minimized the biasness of the study since employees were chosen randomly and the participating employees were the NHIF representatives. Additionally, it enabled the researcher to randomly select varied sexes of NHIF employees so as to ensure gender participation.

## **3.7 Methods of Data Collection**

A variety of methods were involved in this study. Methods such as questionnaire, focus group discussion and interview were appropriately used. Essentially, the afore-said methods were used for triangulation purpose in order to validate data collected.

### **3.7.1 Questionnaire**

This is a method of which some questions are set in a paper and provided to the respondents (de Vaus, 2002). Additionally, respondents are expected to fill in the questionnaires provided to them and bring back to the researcher (Creswell, 2012). However, this study used semi-closed questionnaire with closed ended questions. Semi-closed questionnaire was employed, in this study, due to its usefulness in data collection from large population. Also, semi-closed questionnaire saves time as they

bring quick response. On top of that, semi-closed questionnaires were distributed to 126 NHIF employees by the researcher.

### **3.7.2 Interview**

When there is a topic of mutual interest, which needs a thorough discussion, normally an interview is conducted so that the discussants air out their views concern the topic raised (Cohen *et al.*, 2007). Discussants will have more time presenting the ideas basing on their understanding. There are three types of interviews, namely; structured interview, semi-structured interview and unstructured interview. Following the flexibility of semi-structured interview (Dawson, 2007), the researcher opted it. Questions in the semi-structured interview used were prepared in English. However, during the process of interviewing the respondents (4 Human Resource Officers) regarding economic factors and their influence on employee retention, Kiswahili was used as it is familiar language to the majority of the respondents. However, Kiswahili responses were changed to English language which is a preferred report language.

### **3.7.3 Focus group discussion (FGD)**

The study also employed focus group discussion. Focus group discussion is defined as a group of people coming together for discussing specific issue(s) (Dawson, 2007). In this study, there were 48 NHIF employees participated in the FGDs. That is, a total of 6 FGDs were conducted with 8 members in each focus group session. The essence of using FGDs in the study was to generate varied responses regarding the discussed matters by the NHIF employees. During the focus group sessions, the discussed questions were moderated by the researcher himself. However, the centre of discussion was based on two aspects; how employee retention affect support development as well as how physical environment is affected by the employee retention among NHIF employees. All responses cherished by the NHIF employees were recorded in the researcher's notebook and where possible voice recorder was also used after getting the NHIF employees' consent. The questions discussed in the focus group sessions were presented in Kiswahili and answered in the same

language. This tendency was expected to make respondents air out their views freely. However, during the report writing, English language was used.

### **3.8 Plan of Analyzing Data**

After gathering data, the next step is to analyze them (Creswell, 2012). Since this study involved qualitative and quantitative data, each of type of data was analyzed separately. Content analysis was used to analyze qualitative data that were gathered by FGDs and interview methods respectively. The collected qualitative data were coded (labeled and organized) and interpreted to give meaning, which were later on categorized to get major themes. On the other hand, quantitative data involving questionnaire was computed by the Statistical Package for Social Science (SPSS) version 24.0 to get both descriptive and inferential data, which were then presented in both tables and graphs.

### **3.9 Validity**

In order to make findings of the study valid or correct, the researcher had to think about it. According to Creswell (2012), the researcher has to examine whether the scores from the instrument used are valid. It means that the researcher has to follow some steps including; identifying an instrument used, examining evidences of prior studies done, and evaluating the evidences give by authors. Nevertheless, any good study must have valid findings (Ary *et al.*, 2010; Kothari, 2004). The researcher, therefore, conducted a pilot study to ensure validity of the instruments used in the study before going to the actual process of collecting data to enable the researcher modify the instruments. On top of that, the quantitative data that were gathered from this research was precisely presented in tables and graphs. In addition to that, qualitative information that was obtained from the study was triangulated to get valid findings.

### **3.10 Reliability**

According to Gibbs (2007), reliability refers to the consistency of the researcher's methods across various researchers and different projects. Reliability, as an essential

aspect of research, is expected to be shown as the study provides similar results if same study were to be conducted in other areas. In this study, data were confirmed as reliable after being examined by the supervisor as well as reviewed by peers who are experts in the same field the researcher is doing.

### **3.11 Ethical Issues**

This study will consider several ethics applied in research. First of all, the researcher sought for research permit from Mzumbe University introducing him to other respective authorities before conducting a research. Secondly, the researcher explained the study objectives to the NHIF employees the intent of which is to make study respondents declare themselves their right to participation. Thirdly, the researcher assured confidentiality to the study respondents as no data given was disclosed to the third parties without prior information from the study respondents. Fourthly, no names of the study respondents were written anywhere during the whole process of collecting data. This was done to ensure anonymity of the study respondents. Lastly, the researcher acknowledged all scholarly works to avoid plagiarism, which is considered to be academic dishonest in learning.

## **CHAPTER FOUR**

### **DATA PRESENTATION AND ANALYSIS**

#### **4.1 Introduction**

This chapter presents the data collected and analyzes them. The chapter starts to describe the socio-demographic information of the respondents. It also presents the study findings basing on the objectives set. The main objective of the study was to assess factors affecting employee retention in Tanzania's Government institutions with the specific case of National Health Insurance Fund. On top of that, the study was also guided specifically by three objectives, which are; to assess economic factors influencing employee retention, to explore the role of opportunity in supporting its employee development, and to examine the physical environments that influence employee retention.

#### **4.2 Socio-demographic Information of the Respondents**

The study involved respondents of varied ages ranged from 16 years to 60 years. Generally, 97(54.5%) of NHIF employees were aged between 30 and 39 years. Same respondents outnumbered other age group respondents. This implies that the NHIF has employed many adults who were energetic to work for a long time. Nevertheless, the study noted that both female and male respondents involved were 50% in each part. This ensured equal participation of sex among the respondents. It may also connote that the researcher's intent of involving respondents was ultimately attained as planned.

Moreover, the study revealed that respondents attained different levels of education. The education ranged from four to master's degree. Among the respondents involved in the study, majority of them (67.9%) were educated in less than diploma level. Very few (24.2%) respondents were degree holders and 7.9% of them were master's holders. This, however, suggests that NHIF demands employees of different education levels basing on the activities that the institution performs. It further

suggests that those with either bachelor degree or master's degree were experts and/or specialized in the essential areas belonging to NHIF.

On top of that, all respondents belonged to the Directorate of Human Resource Management. Under that directorate, several departments are within, for instance, Department of Planning, Accountancy, Pharmacy, and Procurement, just to name a few. Therefore, the study involved: Nurses (n=10.1%), Drivers (n=10.1%), Medical Doctors (n=9.4%), Planners (n=8.8%), Accountants (n=6.2%), Pharmacists (n=7.3%), Procurement Officers (n=7.3%), Civil Engineers (n=6.2%) and so forth. The presence of different professionals in the NHIF indicates that the institution makes use of the available experts by utilizing both their knowledge and skills to attain NHIF goals in the health sector. See Table 4.1, which presents and/or summarized the findings in a clear way.

**Table 4.1: Socio-demographic Information of the NHIF Employees (N=178)**

Characteristics		Frequency	Percentage (%)
<b>Age</b>	18 – 29 years	35	19.7
	30 – 39 years	97	54.5
	40 – 49 years	37	20.8
	50 – 60 years	9	5
<b>Sex</b>	Male	89	50
	Female	89	50
<b>Level of education</b>	Form Four	19	10.7
	Form Six	15	8.4
	Certificate	39	21.9
	Diploma	48	26.9
	Degree	43	24.2
	Master	14	7.9
<b>Professional qualification</b>	Human Resource Officers	4	2.2
	Accountants	11	6.2
	ICT Officers	8	4.4
	Recording Officers	5	2.8
	Medical Doctors	17	9.4
	Pharmacists	13	7.3
	Drivers	18	10.1
	Public Relations Officers	5	2.8
	Receptionists	14	7.8
	Marketing and Advertising Officers	6	3.5
	Civil Engineers	11	6.2
	Planners	16	8.8
	Procurement Officers	13	7.3
	Investment Officers	9	5.1
	Economists	7	3.9
Nurses	18	10.1	
Legal Officers	3	2.1	

### 4.3 Employment status in NHIF

Through the questionnaire method, the researcher asked the respondents to state their employment status. The finding indicates that 120(95.2%) respondents were permanently employed at the NHIF whereas 6(4.8%) respondents were temporarily employed. This implies that, among other things, NHIF being one of the government institutions, it ensures its employees' security by offering them permanent employment that guarantees working comfortably. On top of that, those employees who opined to have employed temporarily perhaps they were in probation period. This may also indicate that as time goes on some employees will be employed

permanently after the satisfaction that they will have shown to the NHIF employer. See Table 4.2 for respondents' responses.

**Table 4.2: Employment Status (N=126)**

Status	Frequency	Percentage (%)
Permanent	120	95.2
Temporary	6	4.8

In the same vein, all the 4 Human Resource Officers were interviewed in various times. However, their responses were the same. All of them (100%) said that majority of NHIF employees were employed permanently. During the interview, one of the HROs opined that:

*“Like many government institutions, NHIF is employing different officers basing on the needs that it requires to fulfill. The institution has drivers, ICT officers, Civil Engineers, Lawyers, and so forth. All of the named experts are employed permanently. Permanent employment assures the employees’ comfortability in working. It may also suggest the employees’ job security (Interview with HRO 1).”*

The foregoing quotation indicates that NHIF, like other government institutions, focuses on retaining its employees. Therefore, NHIF ensures its employees by offering them permanent contract during the employment process.

Through the six focus group discussions held, NHIF employees had similar opinions regarding their employment status. They all (100%) said that they were employed permanently. During the discussion with members of focus group one regarding NHIF employee, they opined that:

*“Majority of us were employed here at NHIF some years back. Before that time, we were employed in other private institutions. Now, we feel better belonging to NHIF because we are no longer working under temporary contract as we used to have previously in the private institutions (Members of FGD One).”*

Additionally, members of focus group three narrated similar opinion as follows:

*“Anyone becomes happy when working in the institution where permanent contract is offered, and it is considered to be one among the priorities many employees would want. Similarly, we are very happy working here [NHIF] as employees (Members of FGD Three).”*

Generally, the institution that offers permanent contract or employment assures many things, including but not limited to, employees’ motivation to work, security and sense of belongings to that institution.

#### **4.4 Length of Working/serving NHIF**

Through the questionnaire method, the researcher asked the respondents to state the length of working/serving NHIF. Five categories were given to the respondents via questions. It was, however, observed that 55(43.7%) respondents had served NHIF between 4 and 9 years preceded by 42(33%) respondents who opined to have served NHIF between 1 and 3 years. However, other respondents served NHIF in different years. There were those employees who served NHIF for less than a year, other served it between 10 and 15 and very few employees served NHIF for more than 15 years. Such variability is an indication of time that employees had at NHIF. It would also mean that majority of NHIF employees were energetic adults who can work for a long time if other employees’ benefits are clearly cherished within the institution. See Table 4.3 for presentation of the views of respondents.

**Table 4.3: Length of Working among NHIF Employees (N=126)**

<b>Length</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Less than a year	8	6.3
Between 1 and 3 years	42	33
Between 4 and 9 years	55	43.7
Between 10 and 15 years	11	8.7
More than 15 years	10	7.9

To attest the information provided by the NHIF employees who filled in questionnaires, the researcher interviewed HROs about the length of working among NHIF employees. During the interview with HROs, one HRO had this to say:

*“It is very true that our employees had varied length of working. This is due to a myriad of factors including the experience cherished by the employee. For instance, we have employees who have about one year and six months. These [same employees] were employed last year. Also, we have some employees who were employed in some years back and some of them were in the same health sector but were functioned in other areas. For instance, we have Medical Doctors who served in government hospitals before joining at NHIF. If you go deeper, you will find those who have more than ten years of working at NHIF too (Interview with HRO).”*

The foregoing excerpt implies that employees were employed at NHIF in different years. Its implication is that some of the NHIF employees were employed earlier than majority of the NHIF employees. Furthermore, the finding indicates that those employees who were employed earlier than their colleagues had served for many years NHIF than those joined later on and are still serving the institution.

#### **4.5 Employment Status of NHIF Employees’ Status before Joining NHIF**

The researcher asked the respondents through questionnaires on their employment status before they joined at NHIF. The intention of asking such a question was to get to know the employees’ view on the place where they used to be. 111(88.1%) respondents confirmed that they were employed before they joined at NHIF, whereas 15(11.9%) respondents were not employed before. That indicates, among other things, that majority of the study respondents who were employed before and left their former employers had reasons for leaving, and joined at NHIF. On the other hand, those who were not employed before signified that they were either unemployed before or NHIF was their first employment after completed their studies in colleges/universities. Table 4.4 puts a summary the findings obtained.

**Table 4.4: Response on the NHIF Employees' Status before Joining NHIF (N=126)**

Response	Frequency	Percentage (%)
Yes	111	88.1
No	15	11.9

#### 4.5.1 Reasons for leaving former institutions

The researcher used FGD method to get the views of respondents on the reasons they possessed basing on leaving their former institutions and later on joined NHIF. The reasons mentioned by the respondents were very crucial in developing the institution using the available employees. However, the respondents identified several reasons including ensuring job security, career development, get more benefits and utilize more capacity and exposure. The aforesaid reasons were summarized in Table 4.5.

**Table 4.5: Reasons for Leaving Former Institutions (N=48)**

Reason	Frequency	Percentage (%)
Ensuring job security	26	54.2
Career development	14	29.2
Utilize more capacity and exposure	8	16.6

Through the focus group discussions, member of focus group four denoted the issue of job security. They were quoted saying that:

*“We usually left the former institutions due to several reasons; one of them being employed in places where there were no job guarantees. Where there no job guarantees, even satisfaction and commitment become very low. Therefore, we sought to find other institutions where the job can be secured. As we talk now, we are in a place where security is assured (Members of FGD Four).”*

Similarly, in the interview with HROs regarding leaving the former employers, they also insisted on job security as one of them said:

*“Employees need to be secured during the job. During the recruitment and/or interview, we always ask them: ‘why leaving the current job?’ answers vary according the interviewees. However, job security seems to be mentioned by the majority of them in different ways. Other interviewees said that once they are recruited they can get an opportunity of processing long loan that they are able to repay it for a long time. On the other hand, others focus on working in the institution where they cannot lose their job easily. All of which insist on job security (Interview with HRO).”*

The aforementioned excerpts indicate that once the institution makes them unhappy, they think to change the circumstance by searching other places where they can work comfortably.

Additionally, members of focus group five, during the discussion, insisted on career development. They were having this opinion:

*“Ever since we joined at NHIF, we have benefited a lot. One of the benefits is career development. Some of our coworkers came at NHIF with Diploma in Clinical Medicine; however, NHIF granted them study permission to pursue further studies, such as Bachelor of Medicine. This is a chance that not accessible in an institution, which offers temporary contract (Member of FGD Five).”*

Furthermore, very few respondents in FGD six mentioned that they left their former employers for the need of utilizing more capacity, and exposure. During the discussion with members of focus group six, they had this to say:

*“In the former institutions that we used to work, we were not able to utilize the capacity that we have, and get exposed with the working environment. It is the NHIF which of which we get new life experience and more exposure. We have usually travelled to other places as part of our working (member of FGD six).”*

The foregoing quotation indicates that employees seek exposure and utilize more capacity in the institution.

In general, when employees are ensured with job security, career development, exposed and utilizing more capacity, the institution is more likely to minimize employees' turnovers as the employees think to belong, and they also excel in the institution.

#### **4.6 Descriptive analysis of the specific objectives**

While focusing on the study objectives, the researcher used a variety of methods to analyze data descriptively. One of the methods used was a questionnaire. The questionnaire had closed questions, which were rated by using Strongly Disagree (SD), Disagree (D), Undecided (U), Agree (A) and Strongly Agree (SA). The selected options differed in terms of weight as SA represents 5, A for 4, Undecided for 3, D for 2 and SD for 1. All of which represents the opinions of the study respondents.

##### **4.6.1 Economic factors influencing employee retention**

The first study objective was to assess the economic factors that influence employee retention. Three methods of data collection were employed by the researcher, namely; questionnaire, interview, and FGD. Each of the three methods used generated findings.

Starting with the questionnaire, the researcher made use of a Likert scale to measure respondents' opinions. Through the questionnaires filled in by 178 NHIF employees, 122(96.8%) NHIF employees agreed the statement that *"My salary is reasonable for the amount of work in the institution."* This indicates that employees are seeking salary, which is reasonable to save their lives. Also, 117(96.8%) NHIF employees concurred with the statement that *"In the institution, I can benefit from loans, promotions and awards."* It implies that employees can be retained by the institution where loans, promotions and awards are offered. This further ensures their families' economic progress.

On top of that, 122(96.8) NHIF employees agreed with the statement, *"The institution that I am working ensures job security."* Similarly, 122(96.8%) NHIF

employees agreed that “*Allowances are given where required.*” The respondents of the study liked to get allowances. Because the institution provides its employees with allowances where required, then this makes employees to be comfortable under working environment as they are able to solve economic problems emerged in their families.

**Table 4.6: Economic Factors Influencing Employee Retention (N=126)**

ITEM	SD	D	U	A	SA
My salary is reasonable for the amount of work in the institution.	1(0.8%)	0(0%)	3(2.4%)	117(92.9%)	5(4%)
In the institution, I can benefit from loans, promotions and awards.	2(1.6%)	1(0.8%)	6(4.8%)	106(84.1%)	11(8.7%)
The institution that I am working ensures job security.	2(1.6%)	1(0.8%)	1(0.8%)	94(74.6%)	28(22.2%)
Allowances are given where required.	1(0.8%)	1(0.8%)	2(1.6%)	107(84.9%)	15(11.9%)

**Key: SD=Strongly Disagree, D=Disagree, U=Undecided, A=Agree and SA=Strongly Agree and %=Percentage.**

In corroborating the responses from the questionnaires, through the interview with the HROs, the finding showed that economic factors influence retention of employees. During the interview, one HRO narrated that:

*“It is very true that economic factors are a way used mostly in many organizations and/or institutions for retaining employees. Each employee has his or her own needs. On top of that, no one can work and finally receive no salary in particular. Furthermore, nowadays youth need to excel faster than usual. Many of them apply for loans, for instance, to build houses and establish family projects. All of these are catered for economic gain that they get from their working institution. And it is done even here [referring to NHIF institution] (Interview with HRO).”*

Similarly, in all six FGDs conducted, members of the FGDs insisted that through the loans offered by the NHIF, they are able to solve some of their economic needs. This statement is attested by the members of focus group two who opined that:

*“When the loans are offered, we can be able to assist our families economically. For instance, we may buy farms, which in turn increase production in our families. As a result, we work comfortably, because we earn monthly from the institution at the same time our established project prosper.”*

The previous remarks indicate that employees need to process loans for economic prosperity of their families. This can, however, be possible if at all loans are offered with a few conditions that do not affect economically the employee’s income.

In summary, employees usually find secured jobs that help them to prosper economically. That is, they need to have salary on time, get loans and other fringe benefits when required.

#### **4.6.2 Institutional support towards employees’ development**

The second study objective was to explore the institutional supports towards employees’ development. The researcher employed a Likert scale to get to know the extent of knowledge the respondents of the study had, regarding opportunity for employees’ career development. 122(96.8%) NHIF employees agreed with the statement that *“There is high working relationship between employees and employer.”* Such a relationship helps employees develop their concerns for instance the need for further studies.

Additionally, for those employees who are close to retirements, according the NHIF employees were given seminars. This is supported by the statement *“There are seminars conducted about retirement plans every year”* which was agreed by 116(92.1%) NHIF employees, through the questionnaire filled in. Supporting employees during the time they are closing to retire enables employees to plan their retirement process and procedures on when, how and what to consider by the time

they are retired. Furthermore, those employees who still have some years to retire get to know how to develop their career as well as plan well their lives.

**Table 4.7: How Institutional Supports Affects Employee Retention (N=126)**

ITEM	SD	D	U	A	SA
There is high working relationship between employees and employer.	0(0%)	2(1.6%)	2(1.6%)	104(82.5%)	18(14.3%)
There are seminars conducted about retirement plans every year.	0(0%)	1(0.8%)	9(7.1%)	98(77.8%)	18(14.3%)
I am motivated to work efficiently where I work now.	1(0.8%)	4(3.2%)	1(0.8%)	101(80.2%)	19(15.1%)
I am involved in decision making processes.	1(0.8%)	4(3.2%)	6(4.8%)	107(84.9%)	8(6.3%)
Institution allows its workers to join trade unions and workers' union.	0(0%)	3(2.4%)	5(4%)	113(89.7%)	5(4%)
My supervisor praises people who do good work.	0(0%)	1(0.8%)	4(3.2%)	108(85.7%)	13(10.3%)
My supervisor gives advance notice of changes.	0(0%)	2(1.6%)	4(3.2%)	116(92.1%)	4(3.2%)
Management is involved in employees' personal affairs (e.g. illness).	1(0.8%)	2(1.6%)	2(1.6%)	105(83.3%)	16(12.7%)
In the institution where I work, training needs are identified periodically.	0(0%)	1(0.8%)	2(1.6%)	102(81%)	21(16.7%)
I feel emotionally drained from my work.	16(12.7%)	97(77%)	10(7.9%)	3(2.4%)	0(0%)

**Key: SD=Strongly Disagree, D=Disagree, U=Undecided, A=Agree and SA=Strongly Agree and %=Percentage.**

During the interview with HROs, it was confirmed that pursuing of further studies is one of the conditions that NHIF offer to its employees as one HRO insisted:

*“NHIF needs employees who are experts in health related sector. Education is one of the priorities at the NHIF. An employee is allowed to adhere to the procedures given by the institution, more importantly; she or he is supported to make sure that she or he accomplishes her or his studies. The institution believes that the education that its employee gets is for both an employee herself or himself and the institution also (Interview with HRO).”*

The foregoing remark is supported by the views given by members of five groups in the FGDs who also agreed that employees are supported by NHIF in case members wish to join universities or colleges for further studies. The researcher quoted members of focus group four saying:

*“We [employees] are allowed to go for further studies. We have been encouraged by our bosses to pursue further studies. Basically, they need us to have updated knowledge and skills. This also means that NHIF needs people who are diligent and committed. That’s why going to study is an issue, which is mostly acceptable.”*

The foregoing comment indicates that like other institution, NHIF allows its workers to pursue further education and engage in training so as to sharpen their skills for both individual and institutional benefits.

In general, employees need to be supported by the institution. Employees need to be permitted to pursue further studies when time allows them to do so. This is for the benefits of both the employees and the institution. Also, employees who are close to retire would want to be given retirement seminars that prepare them to accept different life after retirement.

#### **4.6.3 Physical environment influencing employee retention**

The third study objective was to examine the physical environment that influences employee retention. Through questionnaires, 115(91.3%) out of 126 NHIF employees agreed with the statement *“There are adequate physical facilities (chairs, tables, computers).”* Similarly, 113(86.5%) NHIF employees concurred with the statement *“The facilities and physical condition (lighting, ventilation, noise and temperature) of the institution I work for are ergonomic, comfortable, and appropriate.”*

In the same vein, when the related question asked, 109(79.8%) NHIF employees disagreed because the statement was that *“I feel fatigued when I get up in the*

*morning and have to face another day on the job.*” It indicates that NHIF employees know how the physical environment influences their retention as they have comfortable environment that support their activities to be performed nicely.

**Table 4.8: Physical Environment Affecting Employee Retention (N=126)**

ITEM	SD	D	U	A	SA
There are adequate physical facilities (chairs, tables, and computers).	6(4.8%)	3(2.4%)	2(1.6%)	96(76.2%)	19(15.1%)
I feel fatigued when I get up in the morning and have to face another day on the job.	85(67.5%)	24(19%)	14(11.1%)	2(1.6%)	1(0.8%)
The facilities and physical condition (lighting, ventilation, noise and temperature) of the institution I work for are ergonomic, comfortable, and appropriate.	0(0%)	3(2.4%)	10(7.9%)	91(72.2%)	22(17.5%)

**Key: SD=Strongly Disagree, D=Disagree, U=Undecided, A=Agree and SA=Strongly Agree and %=Percentage.**

#### 4.6.4 Descriptive analysis of independent variables

Economic factors, institutional support and physical environment, under this study, reflect employee retention. The findings presented in table 4.9 reveal the total meaning of each variable on the employee retention at NHIF.

As indicated on table 4.9, economic factors (i.e., in the institution, I can benefit from loans, promotions and awards had a mean score of 3.98 with a standard deviation of .558, Allowances are given where required had a mean score of 4.06 with a standard deviation of .486; institutional support (i.e., working relationship among employee is high had mean score of 4.07 with a standard deviation of .792, management is involved in employees’ personal affairs (e.g. illness) which had a mean score of 4.06 with a standard deviation of 5.26 and physical environment (i.e. There are adequate physical facilities (chairs, tables, and computers) had a mean score of 3.94 with a

standard deviation of .832. Table 4.9 illustrates more about various factors affecting employee retention.

**Table 4.9: Opinions of Employees on Retention (N=126)**

<b>Item statistics</b>	<b>Mean</b>	<b>SD</b>	<b>N</b>
1. Working relationship among employees is high.	4.07	.792	126
2. There is high working relationship between employees and employer.	4.10	.464	126
3. The institution that I am working ensures job security.	4.15	.621	126
4. I am involved in decision making processes.	3.93	.554	126
5. My salary is reasonable for the amount of work in the institution.	3.99	.369	126
6. In the institution, I can benefit from loans, promotions and awards.	3.98	.558	126
7. I am motivated to work efficiently where I work now.	4.06	.597	126
8. Allowances are given where required.	4.06	.486	126
9. There are seminars conducted about retirement plans every year.	4.06	.495	126
10. My supervisor praises people who do good work.	4.06	.406	126
11. In the institution where I work, training needs are identified periodically.	4.13	.445	126
12. My supervisor gives advance notice of changes.	3.97	.356	126
13. Management is involved in employees' personal affairs (e.g. illness).	4.06	.526	126
14. Institution allows its workers to join trade unions and workers' union.	3.95	.417	126
15. There are adequate physical facilities (chairs, tables, and computers).	3.94	.832	126
16. I feel emotionally drained from my work.	4.00	.551	126
17. I feel fatigued when I get up in the morning and have to face another day on the job.	4.02	.663	126
18. The facilities and physical condition (lighting, ventilation, noise and temperature) of the institution I work for are ergonomic, comfortable, and appropriate.	4.05	.591	126

**Key: SD=Standard Deviation, N=Total respondents.**

## **4.7 Testing Validity and Reliability**

### **4.7.1 Validity**

Validity, under this study, was measured by comparing respondents' consistency towards the questionnaires used. Following questions of semi-closed questionnaire set used in the study, the findings show that respondents understood the questions asked as they responded by comparing retention and factors influencing it. This is

very clear due to the fact that some of the questions were reversed, but yet the respondents knew how to respond to give clear meaning.

**4.7.2 Reliability**

The study measured the internal consistency of the factors influencing employee retention. Internal reliability was measured by Cronbach’s alpha because the researcher had several Likert questions. Under this study, Cronbach’s alpha was used to determine the scale of factors of employee retention if they are reliable. However, when the Cronbach’s alpha is  $\geq 0.7$  represents good internal consistency.

**4.7.2.1 Economic factors**

Statistics on the table 4.8 indicates that economic factors are reliable at Cronbach’s Alpha of 0.79 which is greater than 0.7 (a standard internal consistency). Therefore, it implies that employee retention is very much related to economic factors that employees would consider mostly when performing their duties at the working environment.

**Table 4.9: Economic Factors’ Reliability**

Cronbach’s Alpha	N of items
0.79	4

**Key: N = Number**

**4.7.2.2 Institutional supports**

Statistics on the table 4.8 indicates that institutional support factors are reliable at Cronbach’s Alpha of 0.82 which is greater than 0.7 (a standard internal consistency). Therefore, it implies that employee retention is very much related to institutional support factors that make employees to think about remaining where they are at the working environment.

**Table 4.10: Institutional Support’s Reliability**

Cronbach’s Alpha	N of items
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0.82	11
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**Key: N = Number**

#### **4.7.2.3 Physical environment**

Statistics on the table 4.8 indicates that physical environment factors are reliable at Cronbach’s Alpha of 0.8 which is greater than 0.7 (a standard internal consistency). Therefore, it implies that employee retention is very much related physical environment factors that attract employees to stay longer in the working environment.

**Table 4.11: Physical Environment’s Reliability**

<b>Cronbach’s Alpha</b>	<b>N of items</b>
0.8	3

**Key: N = Number**

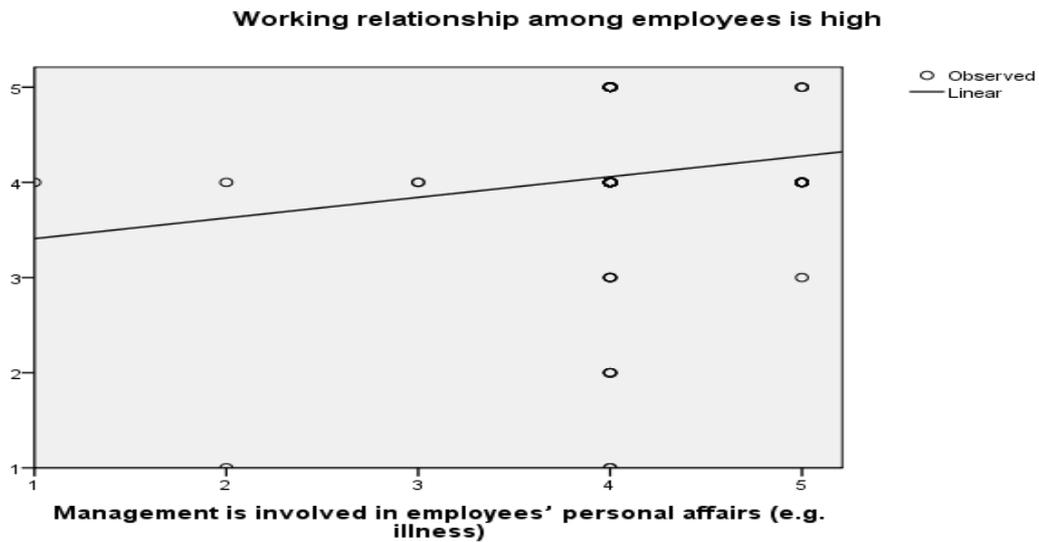
### **4.8 Inferential Statistics**

The inferential statistics was applied in the study after the researcher presented descriptive data. Basically, the inferential statistics is preferred in a study as it draws inference basing on the variables studied. The researcher employed multiple regression analysis to identify relationship of independent variables significantly (economic factors, institutional supports and physical environment) on the dependent variable (employee retention).

Multiple regression as the technique selected for analysis requires fulfillment of some assumption about the data intended to be applied. The assumption considered was linearity.

#### **4.8.1 Linearity of relationship between employees and employers vs retention**

Figure 4.1 shows the linearity plot diagram of the relationship between employees and employers against retention. All points appeared in the line on the figure indicate that the relationship between employees and employer is linear as it increases slows going upward.



#### 4.8.2 Correlation between economic, institutional supports and physical environment and employee retention

Pearson correlation coefficient model was used to establish the relationship between various factors (economic, institutional supports and physical environment) and employee retention. As shown in Table 4.12, results indicate that variables are positively correlated and have significant relationship since p-value is 0.01 to all variables. The correlation between NHIF employees' salary and their associated retention is .63. Furthermore, this indicates that there is relationship between what the employees get in every month and their stay in the institution. On top of that, the finding may also indicate that if it happens that the employees are not paid monthly salary, they are more likely to quit their jobs at NHIF. This is due to the fact that economically the employees depend on the salary they get on each month. See Table 4.12 for summary.

**Table 4.12: Correlation between Salary and Employee Retention**

		Salary	Employee retention
Salary	Pearson Correlation	1	.63
	Sig. (2-tailed)		.487
	N	126	126
Employee	Pearson Correlation	.63	1

retention	Sig. (2-tailed)	.487	
	N	126	126

On the other hand, the finding in the table 4.13 reveals that the variables are positively associated with each other. Since the p-value of 0.01 was used, the correlation between employees' decision making processes and retention is .75. This indicates that NHIF employees are more involved in the decision making processes. Therefore, employees felt the sense of belongingness in the institution which may stimulate them to stay longer. At the same time, this finding suggests the way institution supports its employee by engaging in them in the institution's matters.

**Table 4.13: Correlation between Employees Decision Making Processes and Retention**

		Decision making processes	Employee retention
Decision making processes	Pearson Correlation	1	.75
	Sig. (2-tailed)		.404
	N	126	126
Employee retention	Pearson Correlation	.75	1
	Sig. (2-tailed)	.404	
	N	126	126

Nevertheless, it was the interest of the researcher to understand the relationship between physical condition and employee retention. Through partial correlation calculated, it was observed that the physical condition of the institution was more associated with employee retention. Therefore, the finding shows that the relationship between physical condition and employee retention is .59 at the p-value of 0.01. This indicates that employees are more attracted to work in the area where its furniture and other infrastructure best support them. Table 4.14 summarizes the finding.

**Table 4.14: Correlation between Physical Condition of NHIF and Employees Retention**

		Physical condition	Employee retention
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Physical condition	Pearson Correlation	1	.59
	Sig. (2-tailed)		.404
	N	126	126
Employee retention	Pearson Correlation	.59	1
	Sig. (2-tailed)	.404	
	N	126	126

### 4.8.3 Regression analysis on economic factors versus employee retention

Table 4.15 presents a regression model of the economic factor and employee retention. Results show that determination coefficient R square and R is 0.052 and 0.31 respectively. The coefficient R square indicates that 0.048 of the variations on economic factor is influenced by employee retention. Hence, it implies a significant relationship between economic factors and employee retention.

**Table 4.15: Model summary**

Model	R	R square	Adjusted R square	Std. error of estimate
1	.310 <sup>a</sup>	.052	.036	2.56025

a. Predictors: (constant), economic factors

Results of analysis of variance (ANOVA) were indicated on table 4.16 and findings establish that the model is significant for data at p-value of 0.05, F=4.312 to 125 degree of freedom. In which it implies a significant linear relationship between control environment and financial performance.

**Table 4.16: Analysis of Variance (ANOVA)**

Model	Sum of squares	df	Mean square	F	Sig.
Regression	23.425	1	23.425	4.312	0.050 <sup>b</sup>
Residual	442.475	125	6.255		
Total	465.9	126			

a. Dependent variable: Employee retention.

b. Predictors: (constants), economic factors.

Furthermore, the findings reveal that economic factors affect the retention of employees by  $\beta=0.432$ , p-value 0.05. Thus, it does imply that increase of economic factors will automatically influence or affect the employee retention by 0.432 units. Additionally, the economic factors which is at 20.157 revealing that salary, loans and other benefits are necessary conditions for affecting employee retention.

**Table 4.17: Coefficients table**

Model	Unstandardized coefficients		Standardized coefficients	T	Sig.
	Beta	std. error	beta		
Constant	20.157	3.214		4.621	.000
Economic factors	.078	.081	.432	2.473	.050

a. Dependent variable: Economic factors

#### 4.8.4 Regression analysis on institutional supports versus employee retention

Table 4.18 presents a regression model of institutional supports and employee retention. Results show that determination coefficient R square and R is 0.063, 0.34 respectively. The coefficient R square indicates that the variation on institutional supports is influenced by employee retention. Hence, it implies a significant relationship between institutional supports and employee retention.

**Table 4.18: Model summary**

Model	R	R square	Adjusted R square	Std. error of estimate
1	.340 <sup>a</sup>	.063	.073	2.87169

b. Predictors: (constant), institutional supports.

Findings of analysis of variance (ANOVA) were indicated on table 4.19 and showed that the model is significant for data at p-value of 0.05,  $F=4.064$  to 125 degree of

freedom. However, it implies a significant linear relationship between economic factors and employee retention.

**Table 4.19: Analysis of Variance (ANOVA)**

Model	Sum of squares	df	Mean square	F	Sig.
Regression	32.405	1	32.405	4.064	0.050 <sup>b</sup>
Residual	432.544	125	3.023		
Total	464.949	126			

c. Dependent variable: Employee retention.

d. Predictors: (constants), institutional supports.

On top of that, the finding shows that the institutional supports have a significant effect on the employee retention. Findings on table 4.20 indicate that the institutional supports affect employee retention by  $\beta=0.3$ , p-value 0.05. The implication is that when the institution supports its employee, there is a possibility of employees who are supported to have long stay in their working areas.

**Table 4.20: Coefficients table**

Model	Unstandardized coefficients		Standardized coefficients	T	Sig.
	Beta	std. error	beta		
Constant	13.162	3.21		5.324	.000
Institutional supports	.161	.082	.300	1.082	.050

Dependent variable: institutional supports.

#### **4.8.5 Regression analysis on physical environment versus employee retention**

Table 4.21 presents a regression model of the physical environment and employee retention. Results show that determination coefficient R square and R are 0.127 and 0.16 respectively. The coefficient R square indicates that 1.6% of the variation on physical environment is influenced by employee retention. Hence, it implies a significant relationship between physical environment and employee retention.

**Table 4.21: Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.127 <sup>a</sup>	.016	.008	.788

a. Predictors: (Constant), physical factors.

Results of analysis of variance (ANOVA) were indicated on table 4.22 that the model is significant for data at p-value of 0.05, F=2.048 to 125 degree of freedom. In which it implies a significant linear relationship between physical environment and employee retention.

**Table 4.22: Analysis of Variance (ANOVA)**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.273	1	1.273	2.048	.155 <sup>a</sup>
	Residual	77.084	125	.622		
	Total	78.357	126			

a. Predictors: (Constant), physical factors (chairs, tables, computers).

b. Dependent Variable: Employee retention.

Furthermore, the finding reveals that physical environment affects employee retention. Results on table 4.23 show that physical factors affect employee retention by  $\beta=0.127$ , p-value 0.05. This implies that presence of physical factors such as furniture and other infrastructures at the working areas in the institution has a direct link with employee retention.

**Table 4.23: Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.593	.341		10.523	.000
	There are adequate	.121	.085	.127	1.431	.05

	physical facilities (chairs, tables, computers)					
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a. Dependent Variable: Physical environment.

In general, employees are motivated to stay longer in an institution if they meet either all or majority of the satisfactions in the institutions. If employees weigh out and find that some of the factors are missing, they are more likely to quit the institution.

## CHAPTER FIVE

### DISCUSSION OF THE FINDINGS

#### 5.1 Introduction

This chapter discusses the findings presented and analyzed in chapter four. Basically, the discussion is based on study findings, which focused on the objectives of the study, which are; to assess economic factors influencing employee retention, to explore the role of opportunity in supporting its employee development, and to examine the physical environments that influence employee retention.

#### 5.2 Economic Factors Influencing Employee Retention

Majority of the respondents were of the opinion that salary, loans, promotion, allowances, and award make them satisfied with NHIF when working. The above finding is supported by Torrington (2008) who viewed that offering attractive salary and other fringe benefits may lead employees to stay for a long time in a particular institution. Similarly, Mahagura (2016) argues that individuals want to work with the organization that offers an attractive salary package, because they want to improve their economic living standard. Also, Kearney (2009) depicted that paying better salary to workers motivates them and increase employee morale and job satisfaction hence they become more committed in the organization.

Basically, employees consider the institution useful when it comes to solving their economic challenges. When employees are supported by their employer economically, they are more likely to stay in the institution for a long period of time, and they become happy as well. This statement is supported by Denton (2000) who asserted that employees who are satisfied with their job are usually happy and assume responsibility with devotion. Masood *et al.* (2014) found that employees' workplaces' satisfaction is associated with good payment and promotion, working conditions, training and development, job safety and security, and employee empowerment as well.

They are the same factors which make employees who are temporarily employed think to be employed permanently in the institution; it is because they need to be in an institution, which makes their employment securable. Probably, the NHIF does so because it avoids making newrecruits as Appiah *et al.* (2013) argued that it is very costful for new recruits and loss of knowledgeable and experienced employee.

Statistically, the finding revealed that employee retention is related very much to economic factors since the aforesaid factors are reliable at Cronbach's Alpha of 0.79 which is greater than 0.7 (a standard internal consistency). That is why, economic factors such as loans, promotions, and awards had a mean score of 3.98 with a standard deviation of .558, whereas allowances given had a mean score of 4.06 with a standard deviation of .486.

Nevertheless, the finding reveals the relationship between employee retention and economic factors, for instance, a correlation between NHIF employees' salary and their associated retention is .63, which indicates that there is a positive relationship between what the employees get in every month and their stay in the institution. On top of that, in a regression model of the economic factor and employee retention, results show that determination coefficient R square and R is 0.052 and 0.31 respectively. The coefficient R square indicates that 0.048 of the variations on economic factor is influenced by employee retention, which implies a significant relationship between economic factors and employee retention.

### **5.3 Institutional Support towards Employees' Development**

Employees disclosed that there is high working relationship between them and their employer, which is NHIF. In addition, from statistical point of view, institutional support such as employee-employer relationship had a mean score of 4.07 with a standard deviation of .792, whereas management-employees' personal affairs (e.g. illness) had a mean score of 4.06 with a standard deviation of 5.26.

Employees also admitted that their employer support them in terms of conducting seminars and retirement plans, granting permission for further studies, involving

employees in decision making processes, being involved in employees' personal affairs such as illness, and so forth. This is a reason for employees to commit themselves, and feel to be part of the NHIF. The aforesaid finding is in line with Maurer and Lippstreu (2006) who reported that the existence of association between support for development and employee commitment. Thus, employees who are committed will be able to stay longer in organization (Mahagura, 2016).

Moreover, in a regression model of institutional supports and employee retention, results show that determination coefficient R square and R is 0.063, 0.34 respectively. The coefficient R square indicates that the variation on institutional supports is influenced by employee retention, which implies a significant relationship between institutional supports and employee retention. Similarly, in a study done by Liang *et al.* (2015), regression analysis revealed that personal accomplishment had significant relationship with employee retention. Conversely, Okae' study (2018) in a regression model revealed that an employee turnover was not predicted by motivation significantly.

Generally speaking, statistics indicates that institutional support factors are reliable at Cronbach's Alpha of 0.82 which is greater than 0.7 (a standard internal consistency), which implies that employee retention is very much related to institutional support factors that make employees to think about remaining where they are at the working environment. This is the reason inferentially the finding revealed that the linearity plot diagram of the relationship between employees and employers against retention since relationship between employees and employer is linear as it increases slowly going upward.

#### **5.4 Physical Environments that influence Employee Retention**

Majority of the respondents admit that they are more able to stay longer and work comfortably at NHIF due to the availability of physical facilities such as tables, computers, and chairs, which support their working conditions. Additionally,

physical environment such as the presence of chairs, tables, and computers had a mean score of 3.94 with a standard deviation of .832.

Statistically, the finding indicates that physical environment factors are reliable at Cronbach's Alpha of 0.8 which is greater than 0.7 (a standard internal consistency), which implies that employee retention is very much related physical environment factors that attract employees to stay longer in the working environment. It was also observed that the physical condition of the institution was more associated with employee retention. Therefore, the finding shows that the relationship between physical condition and employee retention is .59 at the p-value of 0.01, which indicates that employees are more attracted to work in the area where its furniture and other infrastructure best support them.

In the same argument as it was presented in the finding, Ramlall (2003) asserts that people work hard and stay longer in an institution, which has a conducive physical environment such as working equipments, air conditioning, office space, comfortable chairs and so forth. George and Jones (2002) add that comfortable physical environment with enough facilities helps to increase employee satisfaction as opposed to a poor physical environment which has shortage of work facilities, work overload and inadequate fund all of which results in dissatisfaction.

Inferentially, in a regression model of the physical environment and employee retention, results show that determination coefficient R square and R are 0.127 and 0.16 respectively. The coefficient R square indicates that 1.6% of the variation on physical environment is influenced by employee retention, which implies a significant relationship between physical environment and employee retention.

Generally, in the reviewed work of Issaya (2017), the working environment and recognition were associated with positive significant to human resource retention for health care in Tanzania. On top of that, competence, good relationship, scholastic, reward and development were the important factors determining the employees' decision to stay longer in a particular institution. In their studies, Kimuyu (2012),

Sengerema (2016) and Shao (2013) found that staff training and development, staff benefits, leadership style, good working environment, provision of salary and overtime allowances, promotion, salary increment, job security, and work retirement benefits plan were the factors affecting employee retention.

The above said same arguments can also be cemented by the theory of Herzberg Two Factor Theory, which postulates that either satisfaction or dissatisfaction of employees in the organization is a result of both motivation factors and hygiene factors. The hygiene factors include either the presence or absence of job dissatisfaction, such as working environment, pay, organization policies, and interpersonal relationships. An employee is likely to quit the organization or institution if hygiene factors dissatisfy him or her. Conversely, good hygiene factors make an employee stays as they make him or her satisfied with the organization. Herzberg argued that when motivation factors are missing, employees' morale towards work tends to be affected negatively.

## **CHAPTER SIX**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **6.1 Summary of the Study**

The present study assessed factors affecting employee retention in Tanzania's Government institutions with specific case of National Health Insurance Fund. To achieve that purpose, the study specifically assessed economic factors influencing employee retention, explored the role of opportunity for supporting employees' development and examined the physical environments that influence employee retention.

The study reviewed relevant literature. It focused on literature that supports the study basing on the objectives. Furthermore, Herzberg Two Factor Theory was used to guide the study. The theory used was advocated by Herzberg in 1968. The theory assumes that either satisfaction of employees or their dissatisfaction in the organization is a result of both motivation factors and hygiene factors.

The cross-sectional research design was employed in this study with which both qualitative and quantitative approaches were used. A total of 178 respondents were involved in this study. Data were collected by using semi-structured interview, semi-closed questionnaire and focus group discussion. Qualitative data were analyzed by using content analysis, whereas quantitative data were computed and analyzed by using SPSS version 24.0 to get both descriptive and inferential data. Qualitative and quantitative data were presented through nations and tables respectively.

#### **6.2 Summary of the Major Findings**

The finding established that, among others, economic factors are among the factors affecting employee retention. That is, majority of the employees confirmed that they continue working at NHIF because they are benefiting economically. They get paid the salary, get loans and the job is much secured. All of which ensure their survival economically. On top of that, the statistics from the inferential angle reveal that all

variables were positively correlated and have significant relationship when the p-value is 0.01 to all variables. For example, the correlation between salary and employee retention is .63. Furthermore, this indicates that there is a relationship between what the employees get every month and their stay in the institution.

Secondly, the role of opportunity for supporting employees had been positively appreciated since the employees had shown that acknowledged the relationship that exist between employees themselves and the employer. On top of that, employees are helped by the employer as they receive seminars on retirement plans every year. This ensures that employees are in good position to make decision wisely. Finding shows that all variables were positively associated with each other. Since the p-value of 0.01 was used, for instance, the correlation between employees' decision making processes and retention is .75. This indicates that NHIF employees were more involved in the decision making processes.

Moreover, the respondents added that they are very happy working in a place where its physical environment attract them from working positively. It was further observed that the physical conditions of the institution were more associated with the retention of employees. The finding, for example, reveals that there is an association between physical condition and employee retention. That association is said to be .59 at the p-value of 0.01. This means that employees are more attracted to work in an area where its furniture and other infrastructure best support them.

### **6.3 Conclusion**

Retaining employees in the institution need a clear and close follow-up between the employer and employees. Employees are satisfied with working in a conducive environment because they see nowhere to go. That means, having a place where incentives and other essential packages are offered to prevent employees from quitting. On top of that, the institution that supports its employees, for example in social support, granting study leave and support of that nature makes employees to stay longer. Lastly, the physical environment is very imperative to be considered for

employees. The furniture and other infrastructure attract mostly for workers to stay longer and accomplish the required tasks.

#### **6.4 Recommendations of the Study**

The researcher recommends the following:

The government through its institutions should involve employees on finding proper measures and/or strategies that determine employee retention. Some of the focused areas may be psychological factors, political factors, economic factors and social factors. All of which are clarified herein as follows:

Psychologically, some employees need to be recognized by their personality types, namely; Sanguine, Melancholy, Phlegmatic and Choleric. Each of the typology of personality fits in a particular section. Sanguine best fit in Public Relations, Marketing and Advertising. Choleric are workaholic, they need to work hardly. In some areas, they are working as Human Resource Officers. Phlegmatic are there to make peace among employees in the institutions. Some of them are employed as Psychologists and Career Counsellors. Some people who are Phlegmatic are also working as Diplomats helping to resolve conflicts among nations and bear the badge of peace in their conversations among disputants. On the other hand, people who are silent in nature, Melancholy, want space to work under minimum supervision to examine deeply issues. Some people can assign tasks related to research and other investigative roles. Once it is done in the institution, it becomes one of the influential factors for employees to consider and likely stay psychologically in the institution.

Politically, political leaders who are decision makers in the social lives of people should also be considerate and make decision wisely. This may evict the complaints that have been raised by employees in different ways as the political leaders consider their lives only. Therefore, political leaders are expected to engineer the society's socio-political environments that touch all society's members. Through that way, employees may work accordingly and probably many of the employee working challenges might be curbed.

The employees should also be open to make their employers understand their needs and wants regarding working environments. It becomes easier when employees raise their concern before employers rather than make complaints behind the institutional scenes. Some of the employees may get relationship problems. Problems of that nature, perhaps, need people who are conversant in relationships (relationship expert). Since many of the institutions have no that section, employees with that problems may fail to execute their daily functions properly. However, this has to be done together with aligning with the existing policies and labour laws (e.g. Employment and Labour Relations Act No.4 of 2004), which stipulate the working conditions for employees as well as examining detailed steps and procedures to be followed in employment in Tanzania.

Thirdly, there should be a good social relationship between employer and employees. Good relationship between the two makes each side to have a settled mind and execute roles and functions properly with the intention of meeting their goals. Sometimes, in some institutions, employees quit because they have been emphasized to meet the institutional goals without the other side (employer) fulfills its goals. This becomes one sided-goal instead of intersecting the two goals.

Fourthly, employers should think about improving their employees economically. As it is known, majority of the employees have families or other relatives behind their backs. They support these dependants. They also need to benefit from their jobs. One of the ways that can make them stay in their institutions for so long time is through giving them loans. It is very obvious that salary that one gets does not solve one's problems. Additional support might be the appropriate way of solving one's problems. Some of the employers are aware about this. Their employees do not think even to quit the employment thinking that other places where they will go may lack such lucky.

### **6.5 Limitation of the Study and Area for Further Study**

Specifically, the study focused on three factors influencing employee retention, which were; economic factors, opportunity for supporting employee development and physical factors. However, in working environment, many of the factors have been associated with retention of the employees in the institutions. For instance, some of the factors can be social factors, psychological factors, political factors and economic factors. Therefore, the results obtained from this study cannot be generalized in all institutions found in Tanzania from other institutions, which may be affected by other factors apart from those examined in this study. Under that circumstance, the researcher suggested a longitudinal study to be conducted focusing on social, psychological, political and economic factor for employee retention.

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**SECTION B: Questions**

1. What is your employment status?

- (a)Permanent ( )
- (b) Temporarily ( )

2. How long have you serviced in NHIF?

- (a)Less than a year ( )
- (b) Between 1 and 3 years ( )
- (c)Between 4 and 9 years ( )
- (d) Between 10 and 15 years ( )
- (e)More than 15 years ( )

3. Were you employed somewhere before joining this institution?

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

If yes, which reasons made you leave the former institution (mention two major factors)?

- i. ....
- ii. ....

Here under, you are provided with a number of different items. You are required to analyze the items that reflect your opinion by putting a tick mark on the box provided using a Likert scale: **SD=Strongly Disagree, D=Disagree, U=Undecided, A=Agree and SA=Strongly Agree.**

SN	ITEM	SD	D	U	A	SA
4.	Working relationship among employees is high					
5.	There is high working relationship between employees and employer					
6.	The institution that I am working is concerning with ensures job security					
7.	I am involved in decision making processes					
8.	My salary is reasonable for the amount of work in the institution					
9.	In the institution, I can benefit from loans, promotions and awards					
10.	I am motivated to work efficiently where I work now					
11.	Allowances are given where required					
12.	There are seminars conducted about retirement plans every year					
13.	My supervisor praises people who do good work.					

14.	In the institution where I work, training needs are identified periodically					
15.	My supervisor gives advance notice of changes					
16.	Management is involved in employees' personal affairs (e.g. illness)					
17.	Institution allows its workers to join trade unions and workers' union					
18.	There are adequate physical facilities (chairs, tables, computers)					
19.	I feel emotionally drained from my work.					
20.	I feel fatigued when I get up in the morning and have to face another day on the job.					
21.	The facilities and physical condition (lighting, ventilation, noise and temperature) of the institution I work for are ergonomic, comfortable, and appropriate					

**THANKS FOR YOUR PARTICIPATION**

**APPENDIX II:**

**INTERVIEW FOR HUMAN RESOURCE OFFICERS**

Dear Sir/Madam,

I am, Tuntufye Elly Ambukenge, pursuing a Master of Business Administration in Corporate Management at Mzumbe University. I request you to participate fully in the study titled, “*Factors Affecting Employee Retention in Tanzania’s Government Institutions: A Case of National Health Insurance Fund.*” Kindly, answer all of the following questions which are used for academic purpose only. Therefore, no response given by you will be disclosed to the third part.

**SECTION A: Socio-demographic Information**

Please, read the following questions carefully then put a tick mark on the correct answer in the bracket provided.

Sex (a) Male ( ) (b) Female ( )

Age (a) Between 18 and 29 years ( )  
(b) Between 30 and 39 years ( )  
(c) Between 40 and 49 years ( )  
(d) Between 50 and 60 years ( )

Level of Education ( )

- (a)Form six ( )
- (b) Diploma/Advanced Diploma ( )
- (c)Degree ( )
- (d) Master ( )
- (e)PhD ( )

Professional ..... qualification

**SECTION B: Questions**

1. For how long have you been working at National Health Insurance Fund?
2. What are your roles and responsibilities for NHIF to attain its goals?
3. Can economic factors be used to retain employees at NHIF? If yes/no, how?
4. How do your employees benefit from working at NHIF economically?
5. How does your institution support employees?
6. How does physical environment affect employees' retention at NHIF?



**SECTION B: Questions**

1. What is your employment status?

(c) Permanent ( )

(d) Temporarily ( )

2. How long have you serviced in NHIF?

(f) Less than a year ( )

(g) Between 1 and 3 years ( )

(h) Between 4 and 9 years ( )

(i) Between 10 and 15 years ( )

(j) More than 15 years ( )

3. Were you employed somewhere before joining this institution?

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

If yes, which reasons made you leave the former institution (mention two major factors)?

iii. ....

iv. ....

4. How do you benefit economically from working at NHIF?

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5. Can economic factors be used to retain employees at NHIF? If yes/no, how?

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6. How does your institution support employees?

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7. How does physical environment affect employees' retention at NHIF?

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**THANK YOU FOR YOUR PARTICIPATION**