

**EXAMINING THE CONTRIBUTION OF MOTIVATIONAL FACTORS
IN EMPLOYEE RETENTION AND HOW THESE MOTIVATIONAL
FACTORS CAN INCREASE EMPLOYEE PRODUCTIVITY IN
MICROFINANCE BANKS.
A CASE OF AKIBA COMMERCIAL BANK LTD**

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**A Dissertation Submitted in Fulfillment of the Requirements for the Award of
Masters of Public Administration (MPA) of Mzumbe University**

2014

CERTIFICATION

We, the undersigned, certify that we have read and thereby recommend for acceptance by the Mzumbe University, a dissertation titled **Examining the Contribution of Motivational Factors in Microfinance Banks (A Case of ACB)**. This is in fulfillment of the requirements for award of the Masters Degree of Public Administration of Mzumbe University, Business School (Dar Es Salaam Campus)

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DEDICATION

To My friend and lovely wife Linda Daniel Mainge, My biological Mother Martha Haule Kapinga, and to my Guardians Mr. and Mrs. Asmani for their Moral and spiritual support which made it possible for me to pursue and finish the course

ABSTRACT

The aim of this study was to examine and identify the contribution of motivational factors in employee retention and productivity in microfinance banks. Specifically the research was to establish which motivational measures are currently in place and how effective they are; to establish whether a positive relationship exists between these motivational measures and employee retention; and to establish ways to improve employee retention and productivity.

This study was guided by the use of gratification theories; theoretical review of related literature in text books, journals, and internet sources. Data was gathered from 52 respondents, in which 37 respondents were chosen from lower level employees, 15 respondents were senior management and 3 respondents were from top management. Simple random sampling and purposive sampling techniques were applied to a population of ACB Commercial Bank, Tanzania. The data collected (both primary and secondary) was coded and analyzed by using a software program known as Statistical Package for Social Science (SPSS) and Microsoft Excel 2007.

Motivation and employee performance in most organizations has been a difficult issue to handle resulting in the same common problems existing in most organizations. These problems identify the fact that it is not easy to fulfill all peoples` needs as each individual is motivated by different aspects. Motivational packages are an organization`s lifblood to retaining employees and this is only if employees find them attractive and administratively sound.

Some strategies to achieve these motivational packages include the use of extrinsic rewards such as bonuses; the use of peer pressure by setting both individual and group goals; and lastly the use of intrinsic motivational factors such as providing workers with feedback about goal attainment. I believe Akiba Commercial Bank should introduce participative management techniques, in which employees are given opportunities in the decision making process, especially in the establishment of their motivational package. The bank needs to prepare a clear training programme to its employees both locally and overseas.

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LIST OF ABBREVIATIONS

ACB	Akiba Commercial Bank
CRDB	Corporative Rural Development Bank
HR	Human Resources
ICT	Information and Communication Technology
MD	Managing Director
NGO	Non Government Organization
NMB	National Microfinance Bank
SACAs	Savings and Credit Associations
SACCOS	Saving and Credit Corporative Society

CHAPTER ONE

INTRODUCTION AND BACKGROUND INFORMATION

1.1 Introduction

This chapter gives the background to the problem; statement of the problem; objective and significance of the study; research questions; study limitations and delimitations; and lastly the conceptual frame work.

1.1.1 Microfinance Bank

A microfinance bank is one devoted to extending small loans, referred to as micro loans, to individuals, businesses, and organizations in low-income regions, including under-developed countries where small amounts of money can go a long way. Some financial institutions are devoted entirely to microfinance, while others are part of larger companies, such as global investment banks. Ultimately, this type of bank provides credit to those who would otherwise be unable to access this form of capital. These loans foster the development of small businesses and provide tools to entrepreneurs to follow their dreams, all in an attempt to alleviate global poverty in vulnerable regions.

In most cases, a microfinance bank is involved in social investing — that is, fostering the growth and economic development in a vulnerable region by extending loans to families, businesses, and entrepreneurs. These financial institutions still intend on generating profits from a microfinance investment, but also take an interest in the social development of a poverty-stricken place. In the process, the bank lends its financial expertise, business resources, and relationship skills to under privileged areas in addition to financial support.

1.1.2. History of Microfinance

The history of microfinance begins with one man and one village. Grameen Bank was the first microfinance bank, and it was established by Muhammad Yunus, a native of Bangladesh. He was motivated by the fact that Bangladeshi business owners were forced to repay much of their profits to loan-issuers. In 1976, Yunus

extended his first microfinance loan from his personal account to a group of women in a Bangladeshi village, and the concept grew from there. His intentions were not to gouge the borrowers, but instead to provide them with reasonable funding on terms that would not cripple the borrowers financially but instead foster growth.

1.1.3. Microfinance Banking in Tanzania

Microfinance in Tanzania began with NGOs and SACCOs (Savings and Credit Cooperative Organizations) in 1995 and has continued to grow with the increased success of microfinance internationally.

Microfinance is still a relatively new concept in Tanzania. Beginning in 1995, it was mainly linked to women and poverty alleviation. The government tried to convince commercial banks to support small and medium businesses. Once the National Microfinance Policy was implemented in 2001, microfinance was officially recognized as a tool for poverty eradication and with its increased use and exposure to the country; banks have taken an interest in offering microfinance. The National Microfinance Bank is an institutional provider of microfinance services, including AKIBA COMMERCIAL BANK and CRDB who are also two big supporters of microfinance. There are additional organizations involved in microfinance in Tanzania, including FINCA, PRIDE and SEDA as well as the Tanzania Postal Bank. Other community banks and small banks have also taken an interest in this form of banking, including some NGOs.

In 2005 Bank of Tanzania (the overseer of microfinance under the Ministry of Finance) updated its directory of microfinance practitioners and the basic information on microfinance institutions including commercial banks, financial institutions, financial Non-Governmental Organizations (NGOs), Savings and Credit Cooperatives Societies (SACCOs) and Savings and Credit Associations (SACAs). The directory lists a total of 8 banks, 45 CBOs, 2 companies, 95 Government programs, 1,620 SACCOs, 48 SACAs and 62 NGOs.

1.2. Background Information on Akiba Commercial Bank

Akiba Commercial Bank Ltd is an initiative of five business men and women, which was incorporated in 1993 and with its operations beginning in 1997. At that time most existing banks were either interested in big enterprises or trade services and they were not oriented in providing microfinance services towards medium and small enterprises. Akiba Commercial Bank took advantage of this opportunity realizing its growth in this area. Since beginning its operations the demand for micro loans in Dar es Salaam is still quite high and not fully exploited by current supply. Akiba Commercial Bank main competition comes from NGOs like Pride, banks like NMB and CRDB. Compared to NGOs, Akiba Commercial Bank has the competitive advantage that it is a fully licensed bank and can offer savings products as well.

ACB has 16 branches in Tanzania, 13 which are in Dar es Salaam and the rest being in Arusha, Moshi and Dodoma. ACB has taken a relatively risky approach to microfinance by embracing and expanding its practices in these areas. The microfinance products offered at ACB are savings deposits, group (called Solidarity Group) and individual micro enterprise loans (called Biashara Loans). ACB is regulated by 2 governing bodies, mainly the Companies' Act and Bank of Tanzania. ACB main source of funding comes from deposits and investment capital. Some of its main achievements to date include being the first commercial bank to pioneer microfinance in Tanzania. This has resulted in vast amount of success with current outstanding loans at TZS 18 billion (USD 13.7 million). Of this TZS 4 billion are of individual micro loans and the remainder being loans to groups or businesses. The minimum loan which ACB can provide is TZS. 200,000 (150 USD) and the maximum loan amount is at TZS 10 million. Women amount to over 50% of ACB 12,200 borrowers; with this group of individuals borrowing between TZS 20,000 to TZS 500,000. Being a bank not as wide spread as NMB, ACB has an advantage on focusing on its microfinance operations and thus it is able to measure its success more effectively and efficiently compared to NMB. In addition, ACB reforms and bank practices allow it to have an efficient turnover time (as opposed to larger banks) in training of its employees and applying its standardized practices.

ACB also attributes its success in providing other services to its clients such as teaching valuable business practices. ACB has experienced growth in deposits which can be attributed to the increase in micro loans and other banking services. ACB does acknowledge that they do have challenges, however most of these challenges relate to planning of logistics for increased success such as increasing research and development, mobilizing more deposits to meet loan demands, a suitable MIS system (used to manage and monitor large portfolios in banks) for increased competition, human resource training and recruiting, balancing between micro and corporate finance (ACB only accepts corporate loans from in-house growth, meaning only those microfinance groups that have grown within their bank can obtain larger corporate loans), and anticipated tougher re-regulation by the Bank of Tanzania due to ACB higher interest rates. In preparation for these challenges, ACB has every intention in remaining in microfinance and anticipates great success.

One interesting aspect of ACB is that 80% of their customers have never held a bank account of any form or a savings account at any institution before. This is because most banks have turned these people down due to their lack of prior credit. ACB attributes their success to being able to gain these clients and then teaching them “the culture of savings.

1.2.1. Mission of ACB

To provide financial appropriate services to micro, small and medium enterprises in the most efficient and sustainable manner, always embracing environmental and social interest of all our stakeholders

1.2.2. Employees retention and productivity in ACB

Like most microfinance banks, ACB Commercial Bank faces a huge challenge in staff turnover and low productivity by employees. In order to minimize immense cost of hiring and training new staffs, the bank has to initiate some measures which can lead to the employee retention and increased productivity. The bank needs an extensive workforce to meet the organization goals. It is essential for the bank staff

to settle in their positions for long periods of time so as the bank be able to exploit their knowledge, skills, and liveliness thus improving the productivity of the bank.

I would like to conduct a research to see how the ACB could initiate some measures including motivation in order to overcome the problem of staff turnover and maintain employee retention in the bank.

1.3. Statement of the problem

The main problem facing ACB is current high rate of staff turnover and low employee productivity. What is staff turnover? What are its indicators? What is low employee productivity and what are its indicators?

The current dilemma facing many microfinance banks in Tanzania is that of low employee productivity and high rate of staff turnover. This trend has been going on for years now. Employee retention in the bank is low due to several reasons (which we shall discuss) thus hindering the performance of the banks resulting in the banks goals not being achieved. Due to the problem of low employee productivity and high rate of staff turnover, a need to conduct a research to why this problem exists in several banks in Tanzania, has arisen. There is an enormous need to find out on how to retain staff and make them more productive than before.

1.3.1 Calculating Turnover Rates

Turnover rates can be calculated for any time period, but they are usually referred to in terms of monthly or annual rates. If a company has 100 employees and must replace an average of 10 of them per year, its annual turnover rate is 10 percent. A company that has 150 employees and must replace 36 of them per year could be said to have an annual turnover rate of 24 percent or a monthly turnover rate of 2 percent. These rates also can be calculated based on specific departments within the company, specific types of jobs or other categories. They also can be calculated for entire industries.

1.4. Objectives of the study

1.4.1. General objective

To examine and identify the contributing motivational factors in employee retention and how these motivational factors can increase employee productivity in microfinance banks.

1.4.2 Specific objectives

- i. To establish which motivational measures are currently in place and how effective are these.
- ii. To establish whether a positive relationship exist between motivational measures and employee retention
- iii. To establish ways to improve the employee retention and productivity.

1.5. Research Questions

1.5.1 General research Question

What contribution do motivational factors have in employee retention and how can these increase employee productivity in ACB?

1.5.2 Specific Research Questions

- i. What motivational measures are currently in place at ACB?
- ii. What motivational factors currently influence employee retention?
- iii. What alternative motivational measures can be identified in order to ensure employee retention and productivity

1.6 Significance and Justification of the Study

Although there is a study on employee's retention and productivity in Microfinance Banks in Tanzania, not much has been done on the subject matter. This study expects to address this significant shortcoming. The research is based on the importance of knowing how powerful the process of employee retention can be on microfinance banks in Tanzania. This study is expected to add to the existing literature on

Microfinance Banks in Tanzania, particularly the extent to which these Microfinance Banks can influence better employee's retention in the country.

1.7. Study limitation

In this study data was collected from only ACB. The reason for selecting ACB for my study is because I have been a loyal customer to this bank and have exceptional knowledge of their services. In my perception employees do not provide quality and standardized service. By experiencing poor customer service and being the loyal customer, the researcher, decided to conduct a research to find out the causes of bad customer services, why there is a high rate of staff turnover and what motivational factors can be implemented to improve employee productivity.

CHAPTER TWO

2.0. LITERATURE REVIEW

In this chapter, three things are discussed. The conceptual framework, secondly the empirical studies (detailing what other people have discussed about this topic) and lastly the theories used to explain the issue of motivation and how they relate to this study.

2.1. Conceptual Framework

The research topic is “Examining the contribution of motivational factors in employee retention and how to increase employee productivity in microfinance banks”. There were two variables in this topic being the independent variable and dependent Variable. “Contribution of motivational factors” stands as an independent variable, while “employee retention and increase in productivity” is dependent variable.

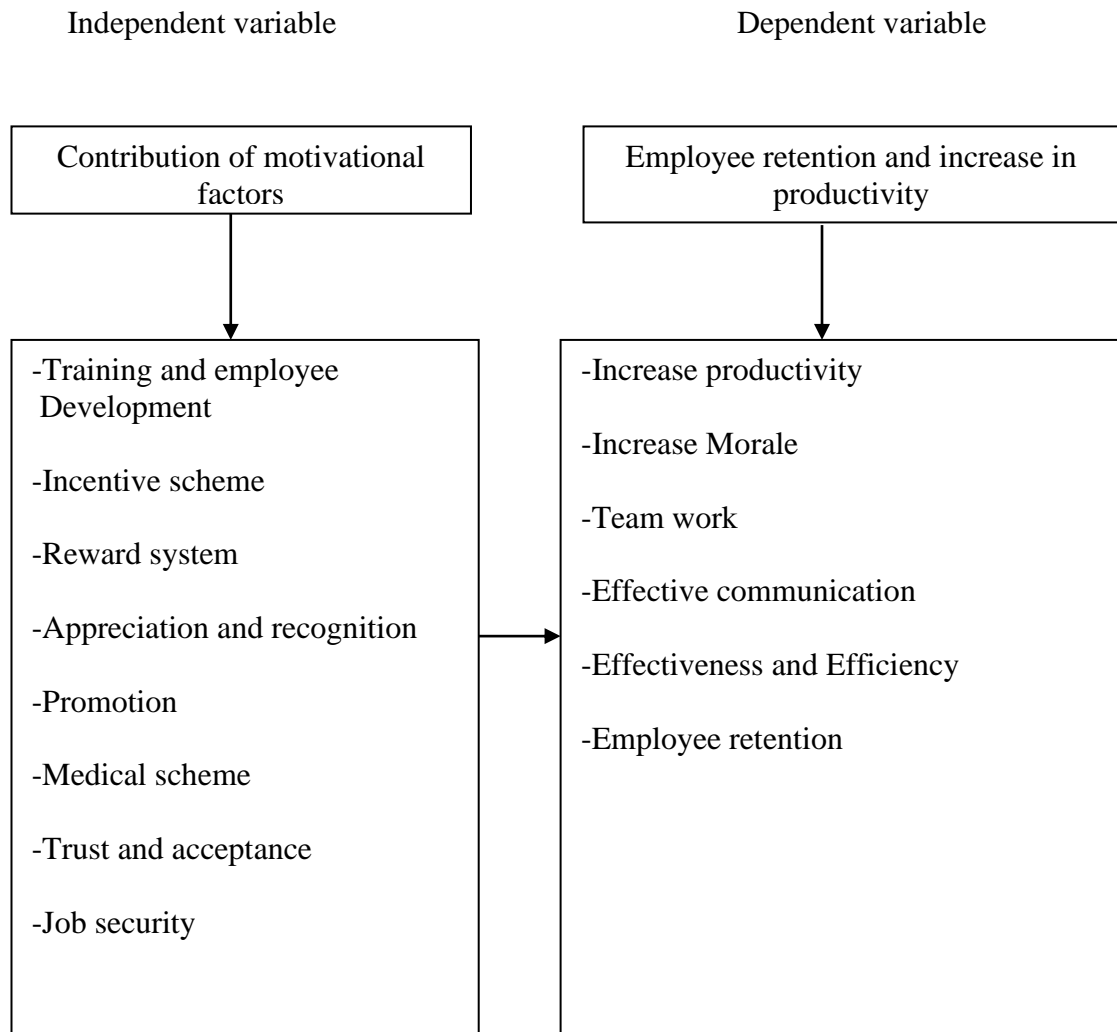
On the side of the independent variable there are issues which have a direct correlation to the positive impact of the dependent variables.

In independent variables there are some motivational measures which can have positive impact to the dependent variables. There are some issues have positive contribution to the employee retention and productivity as a dependent variables.

Employee retention and productivity need something very special if the management wants to succeed on the matter. It is not easy to retain staff while other microfinance banks and financial institutions have something to offer to their employees as motivational measures. In my conceptual framework I have tried to show how things in independent variables can affect the dependent variables

FIGURE 2.1 RESEARCH OF THE CONCEPTUAL FRAMEWORK

(Huitt and Hummel, 1997a and 1997b)



2.2. Conceptualization of research variables

2.2.1 Incentive scheme

This is when staffs are given money apart from salary as a motivational factor and as a result causes increased morale and hence productivity becoming high which helps the bank to achieve its intended goals. This is mainly because the performance of employees became high and staff retention was more easily controlled. Therefore “Incentive schemes” as a contribution of motivational factor can be seen as directly contributing to the dependent variables of “high productivity” and “staff retention”.

2.2.2. Reward system,

“Reward Management is concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization” (Armstrong and Murlis 2004)

Basic Types of Reward:

- i) Extrinsic rewards*, satisfy basic needs example survival, security, pay, etc. All these are independent variables and contribute a lot in retaining staff and increase productivity. Employees have a positive notion about the bank as they realize the bank has worked so hard in caring for them.

- ii) Intrinsic rewards*, satisfy higher needs example esteem, development, which means Base pay (fixed or minimum wage/salary) + sage (capability, qualification)

- iii) Premia/Overtime*, Performance related pay, Indirect pay (benefits, non-cash, shares), Non-monetary (recognition, advancement)

- iv) Total Reward pay and non-pay*, flexible hours, cafeteria benefits, rewards by individual, team and organization

2.2.2.1 Individual:

Base pay, incentives, benefits, rewards attendance, performance, competence

2.2.2.2 Team

Team bonus, rewards group cooperation

2.2.2.3 Organization

Profit-sharing, shares, gain-sharing

All reward systems have a direct positive correlation to the dependent variables of “employee retention” and “increase in productivity”. Therefore it can be concluded that reward systems are very helpful when dealing with staff retention and increasing the employee productivity.

2.2.3. Promotion,

The issue of promotion and advancement is part and parcel of contributing motivational factors. This works because when an employee has performed well he/she is given higher responsibilities through a promotion and this makes them perform even harder and thus have positive attitude towards the organization.

2.2.4 Job security,

This is when a person is assured on his/her job thus resulting in them automatically working harder for the benefit of organization. My research indicated that sometimes an employee did not perform well due to the fact that he/she was not comfortable with the existence of job security in an organization. By increasing job security an organization is more able to control the problem of staff turnover.

2.2.5 Recognition and appreciation,

Appreciation and recognition helps play a very important role as a dependent variable. When an employee is recognized as being important to an organization and giving very high contribution in production of the bank, this made the employees feel very worthwhile to the bank hence resulting them having a positive attitude towards the bank and in turn the employees increase their morale and productivity.

This helps the bank to meet its targets through the high performance of its employees. So recognition and appreciation as the contributing motivational factors which are independent variables contributed to the employee retention and productivity.

2.2.6 Medical scheme

The introduction of Medical schemes for employees is very helpful in retaining them and making them perform better. The cost of treatment now days are so high, some employees tend to seek employment at other organizations for the assurance of medical benefits. As a result when employees are assured of medical treatment they become secure that the organization is looking after them thus helping retain them.

2.3. Operationalization of research variables

S/n	Variable	Formal definition	Operational definition	Attributes or indicators	Measurement
1	Employee training and development	Refers to the practice of providing training, workshops, coaching, mentoring, or other learning opportunities to employees to inspire, challenge, and motivate them to perform the functions of their position to the best of their ability and within standards.	The official and ongoing educational activities within an organization designed to enhance the fulfillment and performance of employees. Training and development programs offered by a business might include a variety of educational techniques and programs that can be attended on a compulsory or voluntary basis by staff.	Employee became competent on the job given and stay longer in the bank	Staff turnover decreased and productivity increased This was seen during Job evaluation.
2	Incentive scheme	A program set up to give benefits to employees to	A program implemented by an organization	Employees worked hard to meet the	No complain from employees. And the

		reward them for improved commitment and performance and as a means of motivation. An incentive scheme is designed to supplement base pay and fringe benefits	intended to induce or encourage a specific action by using incentives	target. Also the absence of staff turnover	employees did not want to leave the bank. This was seen when interviewed the employee
3	Appreciation and recognition	Refers to the situation whereby the job done by an employee is positive accepted and sometimes the person is congratulated by the management	This is when the employee is given something by the management for well done job. It might be cash, letter of appreciation or announced in the public to be congratulated	Existence of mutual relationship between Management and employees	Effective communication and strong team work
4	Reward system	“Reward Management is concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization” (Armstrong and Murlis 2004)	Is a process an act of giving something to somebody especially an employee for the purpose of congratulating him or her and to motivate him or her to work more hard and achieve more	Increased of morale of work	This was seen when observed how employee talked about the bank
5	Promotion	Refer the situation of which an employee is getting the higher position in the office	This is when an employee is performing higher responsibilities due to an advancement of	This was seen when a number of staff got promotion especially who stayed	This was seen by looked the criteria for promotion sat by the management.

			his/her position.	longer and performed well.	

2.4. Motivation

Is a psychological feature that induces an organism to act towards a desired goal and elicits, controls, and sustains certain goal-directed behaviors. It can be considered a driving force; a psychological one that compels or reinforces an action toward a desired goal. For example, hunger is a motivation that elicits a desire to eat. Motivation is the purpose or psychological cause of an action. Motivation has been shown to have roots in physiological, behavioral, cognitive, and social areas. Motivation may be rooted in a basic impulse to optimize well-being, minimize physical pain and maximize pleasure. It can also originate from specific physical needs such as eating, sleeping or resting, and sex.

Motivation is an inner drive to behave or act in a certain manner. "It's the difference between waking up before dawn to pound the pavement and lazing around the house all day." These inner conditions such as wishes, desires and goals, activate to move in a particular direction in behavior

Motivation is defined as the process that initiates, guides and maintains goal-oriented behaviors. Motivation is what causes us to act, whether it is getting a glass of water to reduce thirst or reading a book to gain knowledge.

It involves the biological, emotional, social and cognitive forces that activate behavior. In everyday usage, the term motivation is frequently used to describe why

a person does something. For example, you might say that a student is so motivated to get into a clinical psychology program that she spends every night studying.

Motivation plays a critical role in achieving goals and business objectives and is equally as important for companies that work in a team-based environment or in a workplace comprised of workers who work independently. Making sure each employee's workplace goals and values are aligned with the organization's mission and vision is important for creating and maintaining a high level of motivation. That can lead to higher productivity, improved work quality and financial gain across all departments

Components of Motivation

There are three major components to motivation: activation, persistence and intensity. *Activation* involves the decision to initiate behaviour, such as enrolling in a psychology class. *Persistence* is the continued effort toward a goal even though obstacles may exist, such as taking more psychology courses in order to earn a degree although it requires a significant investment of time, energy and resources. Finally, *intensity* can be seen in the concentration and vigour that goes into pursuing a goal. For example, one student might coast by without much effort, while another student will study regularly, participate in discussions and take advantage of research opportunities outside of class.

Extrinsic Vs. Intrinsic Motivation

Different types of motivation are frequently described as being either extrinsic or intrinsic. *Extrinsic motivations* are those that arise from outside of the individual and often involve rewards such as trophies, money, social recognition or praise. *Intrinsic motivations* are those that arise from within the individual, such as doing a complicated cross-word puzzle purely for the personal gratification of solving a problem. (Sansone & Harackiewicz, 2000)

2.5 Employee Retention

Is an effort by a business like microfinance bank to maintain a working environment which supports current staff in remaining with the bank. Many employee retention

policies are aimed at addressing the various needs of employees to enhance their job satisfaction and reduce the substantial costs involved in hiring and training new staff.

Tips Offer a competitive benefits package, including health and life insurance and a retirement plan. Provide employees financial incentives such as raises, bonuses and stock options. Consider hiring a human-resources manager if your bank is nearing 100 employees. Make sure employees know what's expected of them and how they can grow within your bank.

Hiring employees is just a start to creating a strong work force. Next, you have to keep them. High employee turnover costs business owners in time and productivity. Try these tactics to retain your employees.

2.5.1 Offer a competitive benefits package that fits your employees' needs.

Providing health insurance, life insurance and a retirement-savings plan is essential in retaining employees. But other perks, such as flextime and the option of telecommuting, go a long way to show employees you are willing to accommodate their outside lives.

2.5.2 Provide some small perks. Free bagels on Fridays and dry-cleaning pickup and delivery may seem insignificant to you, but if they help employees better manage their lives, they'll appreciate it and may be more likely to stick around.

2.5.3 Use contests and incentives to help keep workers motivated and feeling rewarded. Done right, these kinds of programs can keep employees focused and excited about their jobs.

2.5.4 Conduct "stay" interviews. In addition to performing exit interviews to learn why employees are leaving, consider asking longer-tenured employees why they stay. Ask questions such as: Why did you come to work here? Why have you stayed? What would make you leave? And what are your nonnegotiable issues? What about

your managers? What would you change or improve? Then use that information to strengthen your employee-retention strategies.

2.6. Definition of Productivity

Productivity can be defined as the inert achievement of rapid, sustainable as well as measurable improvements in operations. A system is termed as productive if on average, the system is able to meet the set targets without failure. From an industrial perspective, productivity can be termed as the total profitable output that a machine or other equipments are able to make within a given timeframe.

Looking at productivity from the perspective of human resources, it can be said to be the cumulative, evidential output that is both measurable and profitable as well. The productivity of an individual must be within the period set by the organization or the individual to achieve a certain goal. This period must be strict, as the project must be undertaken within the shortest possible time

2.7. Importance of Productivity

To begin with, in the event that the employee is paid through commission (Emery, 2009, p. 95), then, in the event that there is an increased productivity, then the employee can rest assured that the returns will be reflected in the pay slip. If there were no set targets in achievement of an event, then there would be no sense in talking of production, as this would be a failing system. Given a short timeframe, the sales personnel (Emery, 2009, p. 95) are able to meet their targets and this goes a long way in improving the sales and returns of the organization.

Secondly, when there is productivity in the organization, the organization's annual returns are increased hence more generation of revenue for the country economically through taxations. Due to the fact that the organizations have to be taxed, the organization's management makes an effort to remain productive for the better part of the years so that they can have an increased net profitability at the end of every financial year (Daniel et al., 2006, p. 56). This means that the organization has to be aligned in its operation to take on the market with better products, which are more

appealing to the customers hence, the drive for innovation (Emery, 2009, p. 98) within the organizations

2.8. Staff Turnover and Low Productivity

Employees leave a bank for a number of reasons, including lack of trust in leadership, limited opportunity for advancement and career development, and because the job wasn't what the employee thought it would be, according to Leigh Branham, author of "The Seven Hidden Reasons Employees Leave." Employees usually don't leave for more money, he concluded -- they leave because they're no longer motivated to work for the organization. The relationship between turnover and motivation is relatively unexplored. Turnover isn't always a result of lack of motivation and dissatisfaction among employees; turnover itself also has an impact on employee motivation, causing dips and spikes in employee motivation.

2.8.1 Contributing Factors

Many factors play roles in the employee turnover rate of a company. These can stem from either the employer or the employees. Wages, benefits, attendance and job performance are all factors that play significant roles in employee turnover. The workplace **environment and employee morale also are important aspects.**

2.8.2. Calculating turnover rates

Turnover rates can be calculated for any time period, but they usually are referred to in terms of monthly or annual rates. If a company has 100 employees and must replace an average of 10 of them per year, its annual turnover rate is 10 percent. A company that has 150 employees and must replace 36 of them per year could be said to have an annual turnover rate of 24 percent.

2.8.3. Overview

The reasons why employees leave their jobs aren't always factored into turnover analyses. Turnover may appear to be high or to occur frequently even though the reasons employees give for leaving are out of your control. For example, if you have several employees who are military spouses, you might experience turnover when

the trailing spouse has to quit once the service member is transferred to another post. This is why it's essential to document the reasons for resignations and involuntary terminations to factor into your turnover analysis. Both voluntary resignations and involuntary terminations can affect remaining employees' morale and motivation.

2.8.3. Involuntary turnover

If your bank has had to terminate employees for performance issues, attendance problems or policy violations, chances are the reasons are kept confidential. However, for employees on the outside looking in, they might assume that you're cleaning house by and arbitrarily firing employees, instead of terminating employees for justifiable reasons. If you're simply enforcing the bank's attendance policies or ensuring that you retain only high-performing employees, other employees may not even know why their coworkers have been fired. This can cause employee motivation to plummet based on their concerns about job security. To mitigate employees' fears about job security after a series of terminations, schedule regular staff meetings to share news about the bank's successes and future direction in which you reassure employees that the bank is stable.

2.8.4 Voluntary turnover

Based on the reasons employees give for resigning from their jobs, voluntary turnover also can affect workforce motivation. When employees leave because they're dissatisfied or if turnover occurs frequently in the early stages of the employment relationship, other employees may sense there's something wrong or that leadership is so ineffective that employees are seeking employment elsewhere. This also causes motivation to drop because employees begin to look for reasons why the bank has failed its workers. Address the reasons why employees are leaving by examining the exit interviews and lending ongoing guidance to department leadership. You could also conduct roundtable discussions and focus groups for employees to share their concerns about the company and their jobs. Also, implement a process for employees to report concerns and issues and encourage employees to use the process. Many employers -- large and small businesses alike --

subscribe to an employee relations hotline system that handles anonymous calls from employees. The matters are then forwarded to the employer to resolve.

2.8.5. Advancement opportunities

On the other hand, turnover can add a positive dimension to employee motivation, particularly for employees who have a future with the bank. When long-term employees in higher-level positions leave the bank, it creates opportunities for employees who want to be promoted to the positions being vacated. For example, in cases where an employee whose tenure with the organization spans decades finally retires, employees who are already on a career track or tagged for your succession plan see an opportunity to advance and are, therefore, motivated to work harder to prove they're worthy of recognition and advancement. If you have a promote-from-within policy, it's likely that you'll witness certain employees demonstrating their capabilities to take on additional responsibilities when they witness turnover in the upper ranks

1. **Use contests and incentives to help keep workers motivated and feeling rewarded.** Done right, these kinds of programs can keep employees focused and excited about their jobs.
2. **Conducts “stay” interviews.** In addition to performing **exit interviews** to learn why employees are leaving, consider asking longer-tenured employees why they stay. Ask questions such as: Why did you come to work here? Why have you stayed? What would make you leave? And what are your nonnegotiable issues? What about your managers? What would you change or improve? Then use that information to strengthen your employee-retention strategies

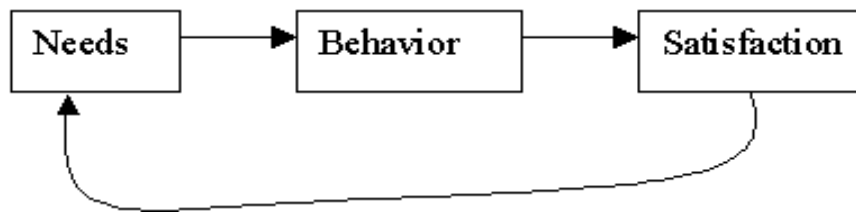
2.9 Theory of Motivation

2.9.1. Overview

At a simple level, it seems obvious that people do things, such as go to work, in order to get stuff they want and to avoid stuff they don't want.

Why exactly they want what they do and don't want what they don't is still something a mystery. It's a black box and it hasn't been fully penetrated.

Overall, the basic perspective on motivation looks something like this:



In other words, you have certain needs or wants (these terms will be used interchangeably), and this causes you to do certain things (behavior), which satisfy those needs (satisfaction), and this can then change which needs/wants are primary (either intensifying certain ones, or allowing you to move on to other ones).

A variation on this model, particularly appropriate from an experimenter's or manager's point of view, would be to add a box labeled "reward" between "behavior" and "satisfaction". So that subjects (or employees), who have certain needs do certain things (behavior), which then get them rewards set up by the experimenter or manager (such as raises or bonuses), which satisfy the needs, and so on.

2.9.2. Equity theory

Let's start first with The Equity Theory that was created by John Adams. The quick rundown of this theory is that according to Adams, people compare themselves with their peers to see if they are being treated equitably and adjust their own efforts accordingly. For example in Africa especially in Tanzania, the management of the bank has to be fair in treating staffs equally without segregation. Employee of different department can be equally treated

If you subscribe to the Equity Theory, the implication to leaders is that you need to make certain all employees are treated fairly. To create engagement, leaders must address issues of inequity immediately

John Stacey Adams - equity theory on job motivation

John Stacey Adams, a workplace and behavioral psychologist, put forward his Equity Theory on job motivation in 1963. There are similarities with Charles Hendy's extension and interpretation of previous simpler theories of Maslow, Herzberg and other pioneers of workplace psychology, in that the theory acknowledges that subtle

and variable factors affect each individual's assessment and perception of their relationship with their work, and thereby their employer. However, awareness and cognizance of the wider situation - and crucially **comparison** - feature more strongly in Equity Theory than in many other earlier motivational models.

The Adams' Equity Theory model therefore extends beyond the individual self, and incorporates influence and comparison of other people's situations - for example colleagues and friends - in forming a comparative view and awareness of Equity, which commonly manifests as a sense of what is fair.

When people feel fairly or advantageously treated they are more likely to be motivated; when they feel unfairly treated they are highly prone to feelings of disaffection and demonization. The way that people measure this sense of fairness is at the heart of Equity Theory.

Equity, and thereby the motivational situation we might seek to assess using the model, is not dependent on the extent to which a person believes reward exceeds effort, nor even necessarily on the belief that reward exceeds effort at all. Rather, Equity, and the sense of fairness which commonly underpins motivation, is dependent on the comparison a person makes between his or her reward/investment ratio with the ratio enjoyed (or suffered) by others considered to be in a similar situation.

2.9.3. Implications of Equity Theory for managers

Understanding Equity Theory - and especially its pivotal comparative aspect - helps managers and policy-makers to appreciate that while improving one person's terms and conditions can resolve that individual's demands (for a while), if the change is perceived by other people to upset the equity of their own situations then the solution can easily generate far more problems than it attempted to fix.

Equity Theory reminds us that people see themselves and crucially the way they are treated in terms of their surrounding environment, team, system, etc - not in isolation and so they must be managed and treated accordingly.

Equity Theory has several implications for business managers:

1. People measure the totals of their inputs and outcomes. This means a working mother may accept lower monetary compensation in return for more flexible working hours.
2. Different employees ascribe personal values to inputs and outcomes. Thus, two employees of equal experience and qualification performing the same work for the same pay may have quite different perceptions of the fairness of the deal.
3. Employees are able to adjust for purchasing power and local market conditions. Thus a teacher from Alberta may accept lower compensation than his colleague in Toronto if his cost of living is different, while a teacher in a remote African village may accept a totally different pay structure.
4. Although it may be acceptable for more senior staff to receive higher compensation, there are limits to the balance of the scales of equity and employees can find excessive executive pay demotivating.
5. Staff perceptions of inputs and outcomes of themselves and others may be incorrect, and perceptions need to be managed effectively.
6. An employee who believes he is over-compensated may increase his effort. However he may also adjust the values that he ascribes to his own personal inputs. It may be that he or she internalizes a sense of superiority and actually decrease his efforts

2.9.4. Relationship between Equity theory and variables of this study

Equity theory of motivation is all about fair treatment; employees are treated equally without any kind of favoritism and segregation. An employee gets what he/she deserve. This can be done in terms of payment like salary, bonus, incentive, reward.

Also can be in terms of recognition, promotion and trust These are the factors belong to independent variable “contribution of motivation” and can affect direct the dependent variable “employee retention and productivity” because employees may tend to like the organization and increase performance and stay longer

In this theory employee like to achieve according to what they worked hard, they expect to receive something which will relate with their effort. The input used must produce the expected output. So in order for an employee to use well the input he/she has to be motivated so that can produce good output.

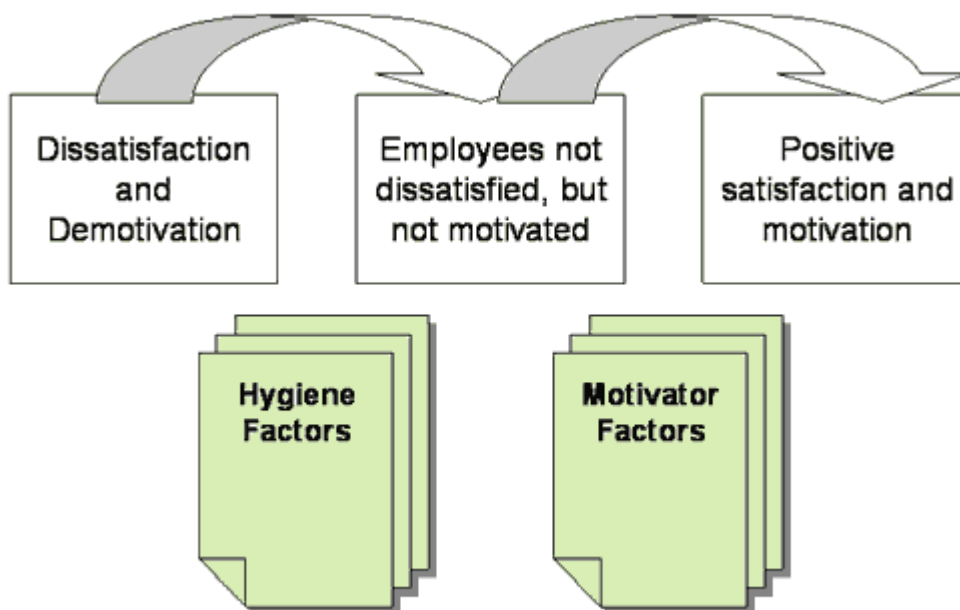
I have decided to use this equity theory in this study because it is very useful in measuring the contribution of motivation in employee retention and productivity. It explain about the important of fair treatment between employee in an organization, it also tell us that always employee want to see fair treatment between input and output. They want to see they get what they expected through their input. For the management to treat them fairly by balancing between input and output is motivation to employee. So this is very useful theory of motivation that is why it is applied in this study

2.9.5 Two factor Theory

The second major theory of motivation is the Two Factor Theory created by Frederick Herzberg. The quick rundown of this theory is that according to Herzberg, people are motivated by things like achievement, recognition, meaningful work, responsibility and opportunities for growth and development. Herzberg also stated that, “people are dissatisfied by things like policies, especially red tape.” In microfinance banks each person in each department has his/her own target, so it’s good if the management will recognize those best performers. In Tanzania this can be well applicable.

If you subscribe to the Two Factor Theory, the implication to leaders is that you need to make certain you focus and act on employee motivation and dissatisfaction as two separate issues. An important step is to redesign work and workflow to build in motivation.

Figure 2.2 (Lawler`s&Porter`s, 1967) Job satisfaction and dissatisfaction



Applying Herzberg's model to de-motivated workers

What might the evidence of de-motivated employees be in a business?

- Low productivity, poor production or service quality, strikes / industrial disputes / breakdowns in employee communication and relationships and complaints about pay and working conditions

According to Herzberg, management should focus on rearranging work so that motivator factors can take effect. He suggested three ways in which this could be done:

- Job enlargement, job rotation and job enrichment

2.9.6. Relationship between Two factor theory and Variables of this study

There is direct relationship between this theory with contribution of motivation as independent variable and employee retention and productivity.

Motivation here can be recognition, promotion and higher responsibilities, acceptance and trust, job security, training etc, all these can belong to Independent variable of which can effect on productivity of employee whereby the efficiencies will be increased and individual effort and performance will be high hence organization goal will be met and staff will be retained.

This theory is used in this study because it explain that in the bank there are employee who seem to be demotivated and dissatisfied and they are negative about the bank hence they are about to quit from the job. These employees need something which can motivate them so as to work hard and increase productivity and stay longer in the bank. The theory tells us that money is not the only motivation tool, but there are other things like growth, recognition and appreciation, assurance of job security etc. This theory is useful to the management because can make them aware of thinking about other motivation tools apart from money.

2.9.7. Hierarchy of Needs Theory

The third major theory of motivation is the Hierarchy of Needs Theory created by Abraham Maslow. This theory is probably most widely known outside of the organizational development community. The quick rundown of this theory is that according to Maslow, five levels of needs motivate people:

- Self-actualization
- Esteem
- Belongingness
- Safety
- Physiological
-

According to Maslow, as lower level needs are met, those at high levels become more important. If you subscribe to the Hierarchy of Needs Theory,

2.9.8. Applicability of Hierarchy of needs theory

The implication to leaders is that you need to ensure employee's lower level needs are satisfied. To create employee engagement you must provide opportunities to meet higher level needs.

2.9.9 Relationship between hierarchies of needs theory and variables of this study

Human being has a lot of needs when doing something, to fulfil the needs of lower level will is good because it stand as an independent variable of which its impact will be the increase of performance and staff retention as those employee will have no reasons of quieting to another organization

The researcher decided to include this theory in this study because always employee as a human being has his/her needs. When the management fulfil the needs of employee become a part of motivation to employee, it will encourage them to be positive about the bank and work so hard for the benefit of the bank hence the bank will achieve its goals.

2.10 Goal Setting Theory

The fourth major theory of motivation is the Goal Setting Theory and was created by George Odiorne. The quick rundown of this theory is that according to Odiorne, people are motivated when they participate in setting challenging goals for themselves, understand their role in achieving those goals, and progress is measurable. All good performance starts with clear goals.

2.11. Applicability of goal setting theory

If you subscribe to the Goal Setting theory, the implication to leaders is that you need to establish measurable objectives in partnership with employees and link these objectives to bigger company goals. It is also critical for employee engagement to provide regular, ongoing feedback. This theory is also good in Microfinance bank because employee are happy when are involved in setting targets, the participatory approach is very good to subordinates because they feel honoured.

2.11.1. Relationship between goal setting theory and variables of this study

When an employee is involved in setting goals which is attainable (SMART), and challenging the goals, this is a motivation to that employee because to be involved in deciding what will be done by staff for the specific period of time become very useful in making staff to perform well. So the issue of participating in goal setting is independent variable and the impact of involving employee in goal setting will be high performance which is dependent variable

The researcher decided to use this theory of goal setting because each bank has its goals to be achieve annually, so at the end of the year the management sit and prepare the report to see if the bank has managed to achieve the target of that particular year. So this theory is good because it shows us the important of giving a chance the employee to participate in setting those goals and targets to be worked for and to be measured at the end of the year. It is a good theory because for employee to be given a chance to participate in setting goals and targets is a motivation to them and can encourage them to work hard. Also they can contribute positively in setting goals which are attainable.

4.0. Empirical studies

4.1 Study by Opu Stella (August 2008)

Opu Stella in her research titled “a study focusing on motivation measures and improving workers performance in Kitgum District Local government” The research paper was presented in The Institute of Social studies Graduate School of Development Studies. She wrote a lot concerning the issue of motivation in the work place

Opu Stella agreed that in order for an employee to increase productivity, efficiency, increase performance, be positive for an Organization and stay longer with an Organization need to be motivated, there are so many things that can be introduced

by the management so that employee can feel honored, valued, respected and recognized.

Things like training and staff development programs, incentive scheme, reward system, medical scheme, appreciation and recognition, Job security, working condition, good physical environment, advancement like promotion, and job satisfaction, are the ones which will make employee to perform well hence enable an organization to achieve what it was intended which is called Organization goal.

The researcher has used quantitative method of data collection in Kitgum district; she prepared some questionnaires to be answered by middle cadres.

-Open ended questions are to be filled in the space provided while the closed ended questions require the respondent to circle one of the options of the letters as instructed.

Questions

She created some questions which focused to get answers in the following arrears

- Organization and performance, job satisfaction, monetary incentives and workers performance, working condition and workers performance, physical environment and workers performance, achievement and workers performance, recognition and workers performance, advancement and workers performance, supervision and workers performance, performance monitoring and workers performance, planned works and performance, training and performance, complaints and performance, time keeping and time management

4.1.1. Study by Melkizedeck T. Leshabari, Eustace P.Y. Muhondwa, M.A. Mangu Naboth A.A Mbembati (2003-2004)

In their research titled “Motivation of Health Care Workers in Tanzania” A case of Muhimbili National Hospital. These researchers went far by looking what is going on

at Muhimbili national Hospital between Management and workers, like other Public hospitals, workers at Muhimbili hospital lack some motivation measures.

In their study, key words are as follows

- Job satisfaction, health workers motivation, performance review, health personnel, Tanzania health system and referrals hospitals human resources management

Data were collected by research assistants after getting training for five days. Method used to collect those data was the use of questionnaires. They Circulated questionnaires papers to workers at Muhimbili hospital, and Muhimbili college of health science

Factors hindered workers performance at Muhimbili national hospital

- Those who misconduct are punished, but those who perform well are not rewarded, workers do not participate in decision making, there is a problem of information flow to and from hospital management and lack of concern by employers

What have been suggested by these researchers in order to make workers to feel motivated?

- Hospital management should set a clear performance goal and job descriptions for workers, a comprehensive performance evaluations should be conducted frequently and appropriate reinforcement, letter of recognition for task performed well, short and long training for workers who excel in their performance, salary increase for workers, promotion should be regularly considered, to reward good performance, mechanism to improve communication amongst workers, improve working facilities and no performance and staff turnover will be now and then

4.1.2. Study by Peter Ebong Ajang (2006)

He wrote the research paper titled “Assessing the role of work motivation on employee’s retention and performance” and submitted to the Umea School of Business and Economics

Qualitative survey was carried out among students at of Umea School of Business and Economic who are assumed to be future employees.

The survey was intended to get their responses on what they feel are(is) the best factors could motivate them as future employees among a list of ten motivational factors. In this light the study sets to identify the most ranked factors among ten motivational factors.

Ten analysis from empirical findings showed that job satisfaction was the most ranked factor for both sub groups that made up the sample survey. However, a study from previous researches used in this study showed that different results could be obtain from different groups of already working employees. This study therefore can be seen as an introduction to a more detailed to be carried by future researchers on the field of employee’s motivation.

He used both qualitative and quantitative methods

Quantitative method, based on already decided and well structured questions which all the respondents will be asked

Qualitative method, Is where the goal is to widen the knowledge and the whole pre-understanding through field observation or in laboratories

Lesson from the three studies

I have learned that employee’s job satisfaction is very important, when they satisfied from what is going on within the organization they will be in good track to go on well with their daily responsibilities hence performance will be increased even

drastically and the goal of an organization will be met. The organization must make sure that now and then there is job satisfaction among its employees. Ways of accomplishing this is through solving disputes, creating harmony in workplace, and motivating employee in various ways such as in cash or in kind.

2.5 Study synthesis of research

Apart from lesson got from those three studies, I have some contribution to the studies which can be suitable in addressing the problem of staff turnover and low productivity and how can be solved.

Those three researcher in these studies have addressed the contribution of motivation in employee retention and productivity by explaining the motivation in kind like job security, medical scheme, recognition and appreciation, trust and acceptance, fair treatment, promotion and advancement etc, also they have explained about motivation through payment like incentive scheme, reward, bonus, salary increment, etc.

My observation tells me that, the simplest way of motivating employees, retain the employees and make them productive is through selling shares of the bank to the employees, through being share holders they will part of the bank and they will have to work hard because they are now the owners of that particular bank

Also Loan facility to employees is an easiest means of motivating employees and makes them productive. If the management accepts that those employees in the bank are potential to the bank, they should be given something which can make them stay longer in the bank. Loan facility is very good means of motivating. The bank has to provide loan facilities to the employee to be paid for the long term like ten years or above that. So the bank will utilize that man power for the long period of time.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter represents the methodology that was employed in the study. The direction of this research was based on the following basic areas: area of study, research design, study population, sample and sampling procedures, data collection methods and data processing and analysis.

3.2 Research Design

This study used descriptive method by using both qualitative and quantitative techniques. A descriptive study involves describing the characteristics of one or limited number of cases, situation or event. Qualitative approach is concerned with subjective assessment of attitudes, opinion and behaviour (Kothari 2006).

Qualitative research focuses on the study of issues in depth and detail, and tends to center on how people make meaning out of their experiences. Three characteristics of qualitative methodology are: (a) a naturalistic approach, or studying real-world situations; (b) an emergent design and flexibility, or pursuing paths of discovery as they arise; and (c) purposeful sampling, where the sampling is aimed at insight about the research question, not necessarily generalizable to a population, and participants are chosen according to specific, purposeful criteria. The typical data collection methods in qualitative research (the use of interviews, long-term observations, and the use of documents or artifacts that add meaning to, or are used or created in the research context) focus on how participants make meaning of their lives individually or in social contexts

3.3 Study Population

Population refers to an entire group of individuals, events or objects having common observable characteristics. Mugenda (1999) define population as the entire set of

objects and events or group of people which is the object of the research and about which researcher wants to determine some characteristics.

The target population or the main unit of inquiry comprised Bank officials from ACB. According to Head of Human resources department currently they have 450 employees who fall in nine departments which are, Managing Director's Office, Human resources department Office, Commerce department, Treasury, Legal, Information and communication (ICT), Finance, risk and compliance, and Operation. This means the study will comprise 450 employees.

The units of inquiry included the following:

- i) Heads of Department
- ii) Senior Management Team
- iii) Representatives from Supporting staff of various cadres from all departments

3.4 Study Area

The Research was conducted at ACB in Dar Es Salaam region. The choice of the area was determined by different reasons such as the researcher is a client of ACB so it was easier during data collection, time constraints, resource scarcity, easily accessible by the researcher in a less financial and time costs the study will be carried ACB COMMERCIAL BANK Dar es Salaam. This is among Microfinance banks in Tanzania, and it serve small and medium entrepreneurs through accounts and loans.

3.5 Sample Size

Kothari (2006) contends that the sample size of the study should neither be excessively large nor too small. An optimum sample is the one which fulfill the requirement of efficiency, representatives, reliability and flexibility. Also the sample size is the exact number of items selected from a population. The total number of respondents in the study was 55 respondents. 40 respondents were ordinary employees from different department and 12 respondents were senior management team from different department and 3 respondents were head of departments.

3.5.1 Sampling techniques

Kothari (2004) define sampling techniques as a selection of some part of an aggregate or totality of what the population is made. Sampling procedure are techniques which are used to determine the number of respondents that were involved in the study so as to provide the necessary knowledge. In this study purposive and convenience techniques were employed.

3.5.2 Purposive Sampling Technique

In purposive sampling the probability of any particular element of the population being chosen is unknown. The selection of units in purposive sampling is quite arbitrary, as researchers rely heavily on personal judgment. It should be noted that there are no appropriate statistical techniques for measuring purposive sampling error from purposive sample. Thus projecting the data beyond the sample is statistically inappropriate. Nevertheless, there are occasions when purposive samples are best suited for the researcher's purpose. This technique was used to 3 head of department. In purposive sampling the units were selected according to the researcher's own knowledge and opinion about which ones they think were appropriate to answer the research objectives, and thus the sample is selection was based entirely on their opinion of who are the most appropriate respondents to select.

3.5.3. Convenience Sampling

According to Kothari (2006), convenience sample is simple one where the units that are selected for inclusion in the sample are the easiest to access. ACB contain 450 employees, Researcher is only interested in achieving a sample size of 55 employees who would take part in research. Since the aim of convenience sampling is easy access, researcher may simply choose to distribute questioners at the places where they are conducting private studies. Another reason of employing this technique is that it based on the availability and willingness for the respondents to provide the required information. For this study, Convenience selection was applied to 40 respondents who were employee staff and 12 senior managers from different departments like human resource and auditing.

3.6 Data Collection Methods

Data constitute entire population interested to or a sample from some population. There are two sources of data namely primary and secondary data. Primary data are data that have been collected for the first time by the researcher. They include information collected using interviews, questionnaires or through observations. Secondary data are the information that was collected sometime earlier for specific objectives or project. These exist in various forms, some of which include organizational records, newspapers, books, and government publications.

More than one instrument was used to collect information. This included questionnaires, interview guide and documentary review guide. These instruments were discussed with the supervisor and during administering questionnaires, elaboration was provided to the respondents. In this study, both primary and secondary data were gathered. Methods to be involved were questionnaires, interviews and documentary reviews.

3.6.1 Primary data

In this study primary data were collected through the use of self-administered questionnaires, observations and interview.

3.6.1.1 Questionnaire

The questionnaire method is the method that permits the use of a set of questions to collect data and carry out the social research. Kothari, (2006) argues that a questionnaire consists of a number of questions printed or typed in a definite order on a form or set of forms. There are two broad categories of questions that are used in questionnaires such as closed ended and open ended questions. Closed-ended question refers to question which are accomplished by list of all possible alternatives from which respondents' select answers that describe their situation while open-ended question refers to question which give the respondent complete freedom of response. Researcher formulated questions according to the objective and asked the 40 ACB Commercial bank ordinary employees and 12 senior from different departments.

3.6.1.2 Interview

Interview is the face to face interaction between the researcher and respondents (Mugenda, 1999). The researcher obtained information on employee motivations from different sources. Researcher made interview with 3 head of department respondents from ACB Commercial Bank.

3.6.2 Secondary data

During the study the researcher used documentary review in internet, articles, magazines and websites. Secondary data were also obtained through reviewing documents that were found at ACB Commercial Bank.

3.6.2.1 Documentary Review

This implies data obtained in written form and includes both published and unpublished information. Documentary review for this study obtained information based on annual reports from department, strategic planning document, on mission, vision and objectives of organization.

3.7 Validity and Reliability of the Questionnaire

3.7.1 Assessing the validity of the questionnaire

Before collection of data through questionnaires, the researcher made a pilot/test the questionnaires in order to ensure that this instrument for data collection were collected/gathered the right kind of data for the study in accordance to the research objectives. Most importantly to refine the questionnaire so that respondents will have no problems in answering the questions.

Piloting the questionnaire provided some idea of the questionnaire's face validity .i.e. the extent to which the questionnaire will sense. This was achieved as the researcher examine the piloted questionnaires and notice that respondents had no problems at all in understanding or answering the questions and follow all the instructions correctly. The group of people who were involved in pilot stage of the questionnaires was National Microfinance Bank (NMB) NMB employee was chosen to test the questionnaire because all are Microfinance bank in Tanzania.

3.7.2 Assessing the reliability of the questionnaire:

Reliability of the questionnaire and interview was concern with the consistency of respondents to the questions. In assessing the degree to which consistency in the responses given by the respondents when the study is to be replicated, the researcher adopted the following approaches to reliability verification: Comparing data that were collected via questionnaires with data gathered using the semi-structured face to face interview

Under the test re-test approach to reliability testing; the researcher correlate two data sets which were collected from the same questionnaire and interview guide at two points in time from the same respondents; this involved giving the same group of respondents the same set of questions twice, the main aim is to determine if these respondents give the same answers. The researcher chose five out of ten respondents, who used as the pilot study to answer the questionnaires/ and interview for a second time, if the answer is the same as the first time hence proving the reliability of the study and the questionnaires/interviews.

3.10 Ethical Issues

Respondents informed about the purpose of the study so that they could be sensitive about providing information. The information collected would be used for academic purpose only. The researcher made sure that confidentiality on the answers that were provided by respondents was highly observed.

3.11 Data processing and analysis

Data were analyzed by using a program known as Statistical Package for the Social Sciences (SPSS) version 16 and Microsoft excel. Both the Microsoft excels and the Statistical Package for Social Science (SPSS) is used in aiding the analysis and presentation of the findings of the research. The SPSS makes the aspect of cross tabulation of the different variables much easier than the Microsoft excels. The Microsoft excel was used in the presentation of the data in the graphical form. The Microsoft excel 2007 was provide much more clear charts and graphs than the SPSS hence facilitate easier understanding of the research findings. The interviews were

coded first by grouping the same ideas with the questionnaires presented to the respondents.

CHAPTER FOUR

4.0. DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Introduction

This chapter present analysis and discussed the data collected which reflected the research questions as stipulated in chapter one. The general objective of the study was to examine and identify the contribution of motivation in employee retention and productivity in microfinance banks. Specifically the research establish which motivational measures are currently in place and how effective are these, to establish whether a positive relationship exist between motivational measures and employee retention, to establish ways to improve the employee retention and productivity. Data presented under this chapter were collected through interview and questionnaires conducted to the ACB respondents.

The collected data were coded and analyzed by using Statistical Package for Social Science (SPSS) which made cross tabulation of variables very easy as well as the Microsoft Excel 2007 which was used to draw, tables, graphs and charts.

4.2 Respondent Rate.

The sample size of 55 were expected to be used in this study, where as. 40 respondents were ordinary employees from different department and 12 respondents were senior management team from different department and 3 respondents were head of departments, 52 responses were collected from the questionnaires and interview conducted to the field of the ACB respondents, this represent a response rate of 94.5% of total distributed/conducted interview and questionnaires. However because of some of respondents did not return the questionnaires provided regardless of the effort made by the researcher to convince them from time to time.

Table 4.1 Response Rate of the Respondents (N=52)

	Distributed Questionnaires	Collected questionnaires	Actual Percentage
Ordinary employee	40	37	92.5%
Senior management	12	12	100
Top management	3	3	100
Total	55	52	94.5%

Source: Field Data (2014)

As shown in the Table 1 above, 55 questionnaires were distributed to all respondents but only 52 responses were obtained from the questionnaires and interview conducted to the respondents, this represented a response rate of 94.5% of total distributed questionnaires. 2 responses were not collected because the respondents were not at the working place during collection of the questionnaires and 1 respondent was on annual leave.

4.3 Demographic information

4.3.1 Age of respondents

Age of respondents was sought by the researcher in order to depict the clear picture of the dominating age level at the study area because the age of an employee plays a great role in the influence of performance within the organization. 42.3% of ACB Commercial Bank employees ranged between 36 – 45 years, 34.6% of employees ranged between 26-35 years and 5.8% of employees were above 45 years. The table below summarizes the general age distribution of the total respondents:

Table 4.2 Ages of the Respondents.

	Age	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-25	3	5.8	5.8	5.8
	26-35	18	34.6	34.6	40.4
	36-45	22	42.3	42.3	82.7
	Above 45	9	17.3	17.3	100.0
	Total	52	100.0	100.0	

Source: Field Data (2014)

From a table above, large number of respondents 22(42.3%) were aged between 36-45 years old and this has been often the case as the fact that most of this age group seemed to have great thinking knowledge and experience concerning different organizational activities.

4.3.2 Gender of Respondents

Sex or gender of respondents was sought by the researcher in order to examine the relationship between gender and motivation performance but largely on gender balance in the organization, type of gender was highly responded in answering the questionnaires. The finding showed that 28(53.8%) of respondents were male and the remaining 24(40%) were female. as shown in table 4.3 below

Table 4.3 Gender of Respondents.

	Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	28	53.8	53.8	53.8
	Female	24	46.2	46.2	100.0
	Total	52	100.0	100.0	

Source: Field Data (2014)

Within the department it was noted that, there was no much gender differences. This demonstrates to what extent the issues of gender appear in different organizations. For the case of this research, it was imperative to understand that gender had a great effect on the organizations.

4.3.3. Educational level of Respondents.

The researcher was interested to know the educational level of the respondents. This helped the researcher on how to proceed with data collection whether through interview or questionnaire. Also, the researcher was interested to know the level of education in order to assess effectively the contribution of respondent's education level at ACB Commercial Bank. The finding showed that 24(46.2%) of respondents were degree holders, 14(26.9%) of respondents were post graduate degree/diploma holders and other professional, 9(17.3%) of respondents were advanced diploma holders, 4(7.7%) of respondents were diploma holders, and the rest 1(3.3%) of respondents was PhD. Table 4.4 summarize the finding from this study.

Table 4.4: Education Distributions of the Respondents

	Education level	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	4	7.7	7.7	7.7
	Advance Diploma	9	17.3	17.3	25.0
	Degree	24	46.2	46.2	71.2
	Post graduate degree/Diploma	14	26.9	26.9	98.1
	PhD	1	1.9	1.9	100.0
	Total	52	100.0	100.0	

Source: Field Data (2014)

The finding from the table above shows that most of respondents 46.2% who answered questionnaire had at least degree level. This implied that the respondents at this level had great knowledge and understanding different issues concerning

motivation within the bank sectors and all issues related to the employee motivational, what employee needs for the purpose of increase morally for the working performance

4.3.4 Working Experience of the Respondents

The respondents were asked about their working experience. The finding showed that 25(48.1%) of respondents had 11-15 years followed by 17(32.7%) of respondents who had 6-10 years, 5(9.6%) of respondents had above 15 years and 1-5 years. As illustrated in table below

Table 2.5 working experience of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5	5	9.6	9.6	9.6
	6-10	17	32.7	32.7	42.3
	11-15	25	48.1	48.1	90.4
	Above 15	5	9.6	9.6	100.0
	Total	52	100.0	100.0	

Source: Field Data (2014)

Table above implies that most of the employee had great working experience at local level 20 of all respondents had more than 7 years working experience, so they had more knowledge on dealing the system. Having working experience more than 6 years is more advanced compared to less than 6 years.

4.4 The motivational measures are currently in place and how effective are retention.

The first of specific objective of this study aimed at finding. The motivational measures are currently in place and how effective are retention. The following questions were asked regarding the above objective

4.4.1 Respondents fell motivated at ACB

The respondents were asked if the respondents feel motivational to their working place, the question intended to know if the employee are motivated to the working place. The finding shows that 28(53.8%) of respondents said they are motivated with the working place and only 24(46.2%) of respondents said they are not motivated

Table 4.6 Respondents Fell motivated at ACB

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	28	53.8	53.8	53.8
	No	24	46.2	46.2	100.0
	Total	52	100.0	100.0	

Source: Field Data (2014)

The finding from table above show that 28(53.8%) of respondents agree that they feel motivated from their organization although it is not in a large extent as 46.2% of respondents are not motivated. This implied that at the microfinance bank some of the employee and not all are motivated with as motivation facilities. If employees are adequately motivated to perform will be more productive, more engaged, and feel more invested in their work. When employees feel these things, it helps them, and thereby their managers, be more successful which lead to the employee retention.

4.4.2 Motivator they get

The question was asked to the respondents what motivate the respondents. The findings show that 24(85.7%) of respondents said benefit package, 22(78.6%) of respondents said both acceptance and certificate of appreciation, 17(60.7%) of respondents said benefit packages, 16(57.1%) of respondents said employee of the month award and the last group 8(28.6%) of respondents said good working environment.

Table 4.7 Motivator they Get N=28

Response	Frequency	Percentage	Total
Employee of the month award	16	57.1	28
Benefit package	17	60.7	28
Bonuses	24	85.7	28
Acceptance	22	78.6	28
Certificate of appreciation	22	78.6	28
Good working environment	8	28.6	28
health and safety	36	128.6	28

Source: Field Data (2014)

The finding from table above shows those employees are motivated because they get bonuses followed by acceptance and certificate of appreciation. Bonuses motivate employees to raise their performance to meet business goals. This can be raised by giving cash or non-cash bonuses as incentives. Employees earn rewards for special achievements, improving productivity and raising profits. Bonuses can serve as an important tool for small businesses, which have smaller staff and a smaller reservoir of talent than larger firms, helping ensure employee loyalty and reducing turnover.

My most important concern with employee of the month recognition is that employers will believe their job of creating a motivating, rewarding work environment for employees is complete with this award. But, this form of recognition is not a substitute for day-to-day positive recognition, reasonable pay and benefits, company sponsored activities and events, and an environment of appreciation

Working conditions includes good furniture's, ventilation, enough office equipment and stationeries. These could make employee motivated to stay longer in the

organization. The Government is working hard to make sure it provides the conducive working atmosphere; these include provision of clean offices and working tools so that they can accomplish their daily duties.

4.4.3 Things to be Done so as to make Employee more Satisfying

The question was asked to the respondents on the things to be done so as to make employee more satisfying. The finding show that 24(85.7%) of respondents said bonuses, employee from ACB would like to be independence and recognition as 22(91.7%) of respondents mentioned, 19(79.2%) of respondents said they would like to get good working environment, 17(70.8%) of respondents said training and development and the last group was those who said contribution of social funds as 16(66.7%) of respondents said.

Table 4.8 Things to be Done so as to make Employee more Satisfying

Response	Frequency	Percentage	Total
Contribution of social funds	16	66.7	24
Training and development	17	70.8	24
Compensation	24	100.0	24
Recognition	22	91.7	24
Independence	22	91.7	24
Good working environment	19	79.2	24

Source: Field Data (2014)

The finding from table above shows those employees are satisfied by being independence and recognition as 91.7% of respondents indicated. The finding implied that in all walks of life, people want to be recognized for the work they do. Especially when working in a pair or committee, want to recognize other's contributions. However, not everybody will want to or needs to be recognized the same way. A public or general thank you could be great for somebody but very embarrassing for the next

Rewards and recognition programs keep high spirits among employees, boosts up their morale and create a linkage between performance and motivation of the employees. The basic purpose of recognition and reward program is to define a system to pay and communicate it to the employees so that they can link their reward to their performance which ultimately leads to employee’s job satisfaction as a result of employee retention.

Pay is not equally important in all situations or to all individuals, and identify circumstances under which pay is likely to be more (or less) important to employees. Some employees are motivated by money. In fact, most are motivated by money; at least for their basic needs. Employee motivation through compensation can come in the form of raises, performance bonuses, commissions, profit sharing, or any number of "extra benefits" like, automobiles, vacations, or other tangible items purchased and used as rewards.

4.4.4 Received enough reward from the work done by ACB

The question was posed to the respondents if they receive enough reward from the work done. The findings show that 26(50%) of respondents said that the reward they receive is not enough, 21(40.4%) of respondents said to same extent years and only 5(9.6%) of respondents said always do not know.

Table 4.9 Received enough reward from the work done by ACB

	Response	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not enough	26	50.0	50.0	50.0
	To some extent yes	21	40.4	40.4	90.4
	Always do not know	5	9.6	9.6	100.0
	Total	52	100.0	100.0	

Source: Field Data (2014)

The finding from the table above indicate that receiving enough reward from the work done is one of the motivational ways to the employee but the respondents are not enough with the reward they get as 50% of respondents indicated. This implied that every organization is characterized by a particular type of reward structure, often differing from person to person and from department to department. If you want more of something in an organization, simply increase greater rewards for that behavior. If you want less of an activity in an organization, simply reduce the rewards, or increase the punishment or disapproval for that behavior. People respond to incentives.

It is quite common for organization to identify their most profitable products and services so as to make employee satisfied with the service, and then increase the percentage of commission that salespeople will receive for selling those specific products and services, while maintaining lower commissions for less profitable items.

4.4.5 Seriousness of Boss when employee Make Proposal

The question was asked to the respondents if bosses react when employee make proposal. The finding showed that 29(55.8%) of respondents agree that the boss take seriousness proposal made by the employee and 23(44.2%) of respondents said bosses does not take serious the proposal submitted to them.

Table 4.10 Seriousness of boss when Employee make Proposal

		Frequency	Percent	Valid Percent
Valid	Yes	29	55.8	55.8
	No	23	44.2	44.2
	Total	52	100.0	100.0

Source: Field Data (2014)

The findings from the table above shows that 55.8% of respondents agree that boss take it seriously the proposal submitted to ACB commercial Bank but 44.2%

disagree for the bosses taking seriously the proposal submitted to them, this implied that at ACB commercial bank the proposal submitted to the management are taken seriously for the development of the organization but not in large extent as 44.2% disagree. This is a problem for the expanding the business and employee retention as employee are not satisfied with how the management handle their proposal aimed at increasing productivity.

4.4.6 Recognition Influencing Employee Satisfaction

The question was asked to the respondents to rate if recognition influencing employee satisfaction. The findings show that 25(48.1%) of respondents were strongly agreed that recognition influencing employee satisfaction, 23(44.2%) of respondents agreed that recognition influencing employee satisfaction, 2(3.8%) of respondents were neutral and 1(1.9%) of respondents were disagree and strongly disagree

Table 4.11 Recognition influencing Employee Satisfaction

	Award	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	25	48.1	48.1	48.1
	Agree	23	44.2	44.2	92.3
	Neutral	2	3.8	3.8	96.2
	Disagree	1	1.9	1.9	98.1
	Strongly Disagree	1	1.9	1.9	100.0
	Total	52	100.0	100.0	

Source: Field Data (2014)

The findings from table above shows that 48.1% and 44.2% with agreed and strongly agreed admit that recognition influencing motivation package at commercial banks. This implied that rewards and recognition programs keep high spirits among employees, boosts up their morale and create a linkage between performance and motivation of the employees. The basic purpose of recognition and reward program

is to define a system to pay and communicate it to the employees so that they can link their reward to their performance which ultimately leads to employee's job satisfaction.

4.4.7 Involvement of Employee in Decision Making

The question was asked to the respondents if they are being included in decision making as recognition motivation package. The finding shows 26(50%) of respondents said they don't participating in decision making is one of the most recognition followed by 21(40.4%) of respondents who disagreed and 5(9.6%) of respondents said somehow

Table 4.12 Involvement of employee in decision making

	Response	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	21	40.4	40.4	40.4
	No	26	50.0	50.0	90.4
	Somehow	5	9.6	9.6	100.0
	Total	52	100.0	100.0	

Source: Field Data (2014)

Table above show that 40.4 % of respondents agreed that they are involved in decision making, as shown large number of respondents are not involved in decision making as 50% indicated, this is a problem which hinder development of the organization. There is a need to involve the employee in decision making in different matters concerning their work performance and employee retention. Workers participations in decision making, gives them a stronger motivation and sense of responsibility for the work they do. When these feelings are developed constructively, they can make their work more efficient and can raise the performance of the organization

4.4.8 Safe work Environment

The respondents were asked about the safe working environment. The findings showed that 28(53.8%) of respondents were strongly agree that self working environment, 21(40.4%) of respondents agree that safe working environment motivate the employees and 1(1.9%) of respondents were neutral, disagree and strongly disagree

Table 4.13: Safe work Environment

	Award	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	28	53.8	53.8	53.8
	Agree	21	40.4	40.4	94.2
	Neutral	1	1.9	1.9	96.2
	Disagree	1	1.9	1.9	98.1
	Strongly Disagree	1	1.9	1.9	100.0
	Total		52	100.0	100.0

Source: Field Data (2014)

The findings from table above shows that 53.8% of respondents were strongly agree that self work environment increase motivation to the working place, working conditions includes good furniture's, ventilation, enough office equipment and stationeries. These could make employee motivated to stay longer in the organization.

4.5 The positive relationship exist between motivational measures and employee retention

Second objective from this study intended to find out the positive relationship exist between motivational measures and employee retention. The following question were asked to the respondents as per above objective

4.5.1 Money is a factor influence employee retention in commercial Banks

The question was asked to the respondents if money is a factor influencing employee retention in commercial Banks. The findings show that 28(53.8%) of respondents were strongly agree that money is a factor influence employee retention in commercial Banks, 21(40.4%) of respondents agree, and 1(1.9%) of respondents were neutral, disagree and strongly disagree.

Table 4.14: Money is a factor influence employee retention in commercial Banks

	Money	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	28	53.8	53.8	53.8
	Agree	21	40.4	40.4	94.2
	Neutral	1	1.9	1.9	96.2
	Disagree	1	1.9	1.9	98.1
	Strongly Disagree	1	1.9	1.9	100.0
	Total	52	100.0	100.0	

Source: Field Data (2014)

The findings indicate that 53.8% of respondents agreed that money is a factor influencing employee retention in commercial Banks. This implied that money is an important motivator for many employees. While not everybody is motivated by money, employers should consider using money to entice employees to be engaged while on the clock. Commercial banks should be cautious, however, not to use money as their sole means of motivation. By using money as the primary motivational tool, employers can create an environment where workers are performing their job duties solely out of a desire to gain money, rather than to be a contributing member of the team.

4.5.2 Effective leadership toward Employee retention

The ACB Commercial Bank respondents were asked if effective leadership is factor influence employee retention in commercial Banks. The findings shows that

35(67.3%) of respondents agree that effective leadership is a factor influence employee retention in commercial Banks, 13(25%) of respondents were strongly agree, 2(3.8%) of respondents were neutral and 1(1.9%) of respondents were disagree and strongly disagree.

Table 4.15 Effective leadership toward Employee retention

	Effective leadership	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	13	25.0	25.0	25.0
	Agree	35	67.3	67.3	92.3
	Neutral	2	3.8	3.8	96.2
	Disagree	1	1.9	1.9	98.1
	Strongly Disagree	1	1.9	1.9	100.0
	Total	52	100.0	100.0	

Source: Field Data (2014)

Table above indicated that 67.3% of respondents agree that effective leadership is a factor toward Employee retention. This implied that an organization that has ineffective leaders can be an emotionally draining environment for employees, and such a situation can lead to a stagnation corporate culture. Employees who are not led effectively by considerate supervisors may even begin to dread the thought of going to work every day. Effective leaders, however, can stimulate employees to set and meet goals that will provide a sense of pride, accomplishment and motivation.

4.5.3 Reward system is a factor influencing employee retention in commercial Banks. The question was asked to the respondents if reward system is a factor influencing employee retention in commercial Banks. The finding showed that 32(61.5%) of respondents agree that reward system is a factor influence employee retention in commercial Banks, 14(26.9%) of respondents were strongly agree that reward system is a factor influence employee retention in commercial Banks,

4(7.7%) of respondents were neutral and 1(1.9%) of respondents were disagree and strongly disagree.

Table 4.16 Reward system is factor influence employee retention in commercial Banks.

	Reward system	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	14	26.9	26.9	26.9
	Agree	32	61.5	61.5	88.5
	Neutral	4	7.7	7.7	96.2
	Disagree	1	1.9	1.9	98.1
	Strongly Disagree	1	1.9	1.9	100.0
	Total	52	100.0	100.0	

Source: Field Data (2014)

The findings show that 61.5% of respondents agree that reward system is a **factor influencing employee retention in commercial Banks**. This implied that rewarding employee with both tangible goods, as well as praise. Not all tangible rewards come in the form of money. Some organization host free lunches, or give away organization gear to good workers. Many managers choose to reward their best employees by simply praising them for a job well done, or by recognizing the hard work they put in to a project. By using positive reinforcement to motivate employees, a manager may build a good relationship with his employee that fosters a sense of trust. In a good manager-subordinate relationship, employees may feel respected and comfortable in their working environment. Providing rewards, both tangible and in the form of praise, can make employees happier. Happier employees often perform better at work.

4.4.6 The ways to improve the employee retention and productivity.

The third objective aimed at finding the ways to improve the employee retention and increase productivity, the following questions were asked as per objective:

4.6.1 The Ways to Improve the Employee retention and Productivity.

The question was asked to the respondents about the ways to improve the employee retention and productivity. The findings show that 46(88.5%) of respondents said the ways to improve the employee retention and productivity is for incentives provided to be uniform and run a high-performing organization followed by 45(86.5%) of respondents who said provide employee recognition, 44(84.6%) of respondent said clear conflicts of interests between employees and management and providing training to the employee

Table 4.17 The ways to improve the employee Retention and Productivity.

Response	Frequency	Percentage	Total
Incentives provided should be uniform.	46	88.5	52
Run a high-performing organization	46	88.5	52
Clear the conflicts of interests between employees and management	44	84.6	52
Improve Training	44	84.6	52
Provide employee recognition	45	86.5	52

Source: Field Data (2014)

1. Incentives provided should be uniform.

Incentives were provided differently according to the positions held and professional, for Example house allowances transport, extra duty allowances are given differently, thus, those who are at the low level were demoralized, and this was reveled during interview with representatives from different sections. Andrew (2005) revealed that, high degree of inequity in the incentives provided creates classes among employees and high degree of

inequity creates a feeling of unfairness and job dissatisfaction. The incentives provided by the ACB commercial bank should be uniform to all employees, this would increase moral and make employee to retain in the organization

2. Run a high-performing organization.

People want to work for winners. The best performing organizations have a tremendous advantage in getting and keeping good people. Align the strategy, structure, people and processes. Making sure that employees understand the big picture and can see how they individually support the strategy. The organization should establish measures and let everyone know how they are doing on a regular basis.

3. Conflicts of interests between employees and management

Most motivation programs to the private organization have failed to meet the requirements of its employees because, top management officers who were the key leaders, designers and implementers of motivation system put individual interest first and neglecting organizational interest, these were revealed during interview with employees. It is evident that, most private organization face problems in motivating employees due to lack of transparency. This always leads to ineffective motivational programmers. Everything is treated as confidential such that even matters that are for employees benefits are not disclosed leading to dissatisfaction and distrust to the management

4. Provide employee recognition.

Employees stay where they feel appreciated. Encourage individual management recognition but also develop organizational recognition vehicles. The interview conducted to the employee showed that the simple recognition of jobs well done in the quarterly newsletter, pictures on the bulletin board, dinner gift certificates, and other small rewards provide a high return on motivational.

5. Focus on people development.

The results obtained from the interview. One of the interviewees said that *“People want to learn and grow. If employees are not mentally challenged by training, you will lose them. People will check out mentally long before they check out physically”*. Training programs can be highly effective in boosting retention of great employees. Well designed training programs speed development of both the new employee and the mentor. Identify ways to keep people learning and developing even after a few years on the job. For example, special projects or a transfer to a different part of the organization can help keep high performers stimulated and challenged.

CHAPTER FIVE

5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter addresses the summary of findings, recommendations, area for further studies and conclusion. The conclusion and recommendations are based on the results in chapter four.

5.2 Summary of findings

This study examines and identifies the contribution of motivation in employee retention and productivity in microfinance banks. Specifically the research establish which motivational measures are currently in place and how effective are these, to establish whether a positive relationship exist between motivational measures and employee retention, to establish ways to improve the employee retention and productivity. Data presented under this chapter were collected through interview and questionnaires conducted to the ACB respondents

In the first place, the study explored relevant literature regarding the study topic. The literature review has indicated that, motivation is a complex phenomenon and motivators are many and varied in employee retention and productivity. It has indicated that employees are not only motivated by financial rewards, but also, there are non-financial rewards which includes; training in various fields, involvement in decision making, mutual respect, promotion and recognition that appears to be important in motivating employees among all the issues raised within the study.

Regarding the findings, the study generally shows that, the ACB is committed to motivating its employees aimed at employee retention. This is proved by a wide range of motivation packages that to the employees. These includes training, opportunities, promotion, good office working environment, incentives provided like tea allowances, transport, electricity, water and, house rent allowances. Second, findings from table above shows that 48.1% and 44.2% with agreed and strongly agreed admit that recognition influencing employee satisfaction. The findings

suggest that, the ACB has the management still has a long way to go regarding improvement of employees' motivation because the private sector is increasing the competitive environment than one way or another has shown to have more incentives than the Government so you find people

As regarding to the question of positive relationship exist between motivational measures and employee retention, the study shows that those who are highly motivated have higher work morale and those who are not motivated are demoralized, frustrated and above all lack of enthusiasm and morale at work. 53.8% of respondents agreed that money is a factor influencing employee retention in commercial Banks. Money is an important motivator for many employees. 67.3% of respondents agree that effective leadership is a major factor toward Employee retention. This implied that an organization that has ineffective leaders can be an emotionally draining environment for employees, and such a situation can lead to stagnation in corporate culture. 61.5% of respondents agree that reward system is a factor influencing employee retention in commercial Banks and also rewarding employee with both tangible goods, as well as praise. Not all tangible rewards come in the form of money. Some organization host free lunches, or give away organization gear to good workers.

As far as the problems of employees' motivation are concerned, the respondents about the ways to improve the employee retention and productivity. The findings show that 46(88.5%) of respondents said the ways to improve the employee retention and productivity. Incentives were provided differently according to the positions held and professional, for example house allowances, transport, extra duty allowances are given differently, thus, those who are at the low level were demoralized, Run a high-performing organization, people want to work for winners. Conflicts of interests between employees and management most motivation programmes to the private organization have failed to meet the requirements of its employees because, top management officers who were the key leaders, designers and implementers of motivation system put individual interest first and neglecting organizational interest, these were revealed during interview with employees. Provide employee recognition

employees stay where they feel appreciated. Encourage individual management recognition but also develop organizational recognition vehicles. Focus on people development, the results obtained from the interview. One of the interviewees said that *“People want to learn and grow. If employees are not mentally challenged by training, you will lose them. People will check out mentally long before they check out physically”*

5.3 Conclusion

The researcher aimed at looking on how motivations can influence employees` performance in the private organizations. Different motivational toward employee retention aspects were analyzed in order to know how such aspects increase employees` retention and productivity. The information was obtained from questionnaires, interview, observation and documentaries review which analyzes and relates motivation and employees performance.

Motivation and employees performance in most of the organizations has been difficulty issue to handle. It has shown common problems in many organizations. It has exposed the truth that it is not easy to fulfill all the peoples` needs. This becomes true because the individual motivational aspects differ from one another. However, motivation continues to be an important because it contributes much to the creation of employee`s commitment in the organization and thus influences employee performance. In this case, none fulfillment of these needs leads to employees` tension, stress, frustrations and negative attitude to the organization.

Therefore, motivations packages are as lifeblood, that if employees find it attractive and administratively sound, it can help the Government and other management to develop effective motivation packages that relates rewards and efforts of employees directly not only to subordinates but also to superior who communicate with all levels within the work environment. The ways to improve the employee retention and productivity this can be achieved if incentives provided should be uniform to all employees, run a high-performing organization, clear the conflicts of interests

between employees and management, improve training, Provide employee recognition

5.4 Recommendations

In view of the research findings and conclusions, the researcher recommends the following:-

1. The ACB **should** set goals that are challenging but obtainable, goal commitment should be obtainable from the workers. Strategies to achieve this could include the use of extrinsic rewards (bonuses), the use of peer pressure by setting both individual and group goals, and encouraging intrinsic motivation through providing workers with feedback about goal attainment.
2. ACB should introduce participative management whereby employees are given opportunities in decision making process especially in the motivation package. In this regard, employees may come up with positive ideas that may be useful inputs in improving performance to the organization.
3. The authorities should make deliberate efforts to implement career and training policy to her employees. The bank should prepare a clear training programme to its employees both locally and overseas.
4. The bank should train its employees to upgrade their level of education which should be done basing the demand of the market.

5.4 Area for further studies

The study assesses the contribution of motivation in employee retention and productivity in microfinance banks. The implementation of effective motivation package is still a problem due to outcry of many employee and limited funds. Also management of many organizations failed to identify the types of motivation to employees. With these shortcoming the researcher would assess on how motivation practices influences employees' performance at the local authorities

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APPENDICEX 1

**MZUMBE UNIVERSITY, DAR ES SALAAM CAMPUS COLLEGE
RESEARCH ON CONTRIBUTION OF MOTIVATION IN EMPLOYEES
RETENTION AND PRODUCTIVITY
IN MICROFINANCE BANKS, A CASE OF ACB COMMERCIAL BANK COMMERCIAL
BANK**

Please answer all questions

1. The questionnaire is made up of both, open and closed ended questions
2. The open ended questions are to be filled in the space provide while the closed ended questions require you to circle on of the options the letters or as instructed
3. All information given will remain confidential and to maintain anonymity no names are required but for the case of analysis please indicate your personal details as presented in the questionnaire

Personal details

Name of the Organization.....

Department.....

Position.....

Age.....

Gender.....

Duration of employment.....

1. What is your age?
 - (a) between 25 - 30 years
 - (b) between 30 – 45 years
 - (c) between 45 - 60 years

What are current motivational measures in ACB Commercial Bank

(i).....

(ii).....

(iii).....

(iv).....

2. What is your level of education?

- (a) Secondary school
- (b) Diploma
- (c) Bachelor degree
- (d) Masters degree

Job satisfaction

3. Do you feel satisfied with your job?

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

4. If you feel dissatisfied, what dissatisfies you most about your job?

.....
.....
.....

5. What should be done so as to make your job more satisfying?

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.....
.....

6. Do you feel you are using your talent, when performing your job or your talents are wasted since the boss gives clear directives to follow?

.....
.....
.....

7. (I) when you make proposal to your boss, does the boss take you seriously?

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

(ii) During the course of your duty, are you allowed to make certain decisions?

-
- (iii) If no, is it so important to you that you make some independent decisions in relations to your job?
- (a) Yes
- (b) No
- (c) Somehow

(iv) About what kind of topics in your job are you allowed to make decisions

.....

.....

(v) How important are these decisions for you as an individual and for the organization?

.....

.....

.....

8. Do you agree with the following as being important? Please indicate against each by ranking from 1-5

- -Good pay
- -Good working condition
- -Good physical surrounding
- -Adequate job security
- -Good working relation

9. Do you agree with the following as being important elements in your job? Please rank each between 1-5

- A feeling that you are able to achieve your aspirations and plans through your job
- To be recognized as contributing to the organization goal
- A sense of feelings that you are responsible over your job and outcomes
- A feelings that your job offers you, a future prospect for advancement

10. Do you agree with the following as important elements in your job?

Please rank each between 1-5

- Proper supervision provided by your supervisor
- Undergoing both long term and short term training
- Your performance being monitored on a regular basis by your boss
- Planning your work each time before you begin a day
- Planning the setting of the workplace before starting to work every day

Monetary incentive, employee retention and productivity

11. Do you think a good salary and allowance is good incentive to retain employee and increase productivity?

Working condition, employee retention and productivity

12. Do you think good working condition is good incentive to retain employee and increase the productivity?

.....
.....

(a)What about working condition of your job?

.....

(a)If not good, what are your suggestions?

.....

Physical environment, employee retention and productivity

13. Do you believe a good physical environment has a contribution towards retaining staff and increase productivity?

.....
.....

(a)What about the physical environment of your job?

.....

(a)If not suitable, what are your suggestions?

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Job security, employee retention and productivity

14. Do you think having an assured over the retention of your job can encourage you to increase productivity and stay longer in the organization?

(a)What is your opinion in relation to job security of your job?

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Advancement, employee retention and productivity

15. Do you think when workers feel that their job allow them to advance from one career ladder to another, it serve as an incentives to retain employee and increase productivity?

(a) Does your job offer you that possibility of advancing from one position to another?

(b) If not, what are your suggestions?

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Recognition, employee retention and productivity

16. Do you think that the feeling of recognition in your job is good incentive to retain you and increase productivity?

(a) Do you think that you are recognized in your job?

.....
.....
.....

Training, employee retention and productivity

17. Have you ever proceeded for training either long term or short term?

(a) Yes (b) No

(b) How often do you go fro training either long or short training?

.....

(c) Do you enjoy the training?.....

(d) Has your training contributed to retain you in the organization and have good performance?.....

(e) How do you think any worker that has undergone training could be made more beneficial to the organization?

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Thanks for your responses