

**FACTORS INFLUENCING EMPLOYEE'S RETENTION IN  
PRIVATE SECTORS; A CASE STUDY OF ASSOCIATION OF  
TANZANIATOBACCO TRADERS  
(ATTT)-KAHAMA**

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PRIVATE SECTORS; A CASE STUDY OF ASSOCIATION OF  
TANZANIATOBACCO TRADERS  
(ATTT)-KAHAMA**

**By**

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**A research report submitted to the School of Public Administration and  
Management  
(SOPAM) in Partial Fulfillment of the Requirements for Award of the  
Degree of Master of Science in Human Resource Management of  
Mzumbe University 2016  
2016**

## CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a thesis/dissertation entitled **Factors influencing employee's retention in Private sector**, in partial fulfillment of the requirements for award of the degree of Master of Science in Human Resource Management of Mzumbe University.

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## **DECLARATION**

I, Sebastian Sengerema, declare that this report is my own original work and that it has not been presented and will not be presented to any other university for a similar or any other degree award.

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I would like to express my deepest appreciation to all those who provided me with possibility for successful completion of this research work. I feel greatly indebted to a number of individuals that without their assistance this work would not be possible. First, I am grateful to Almighty God for enabling me to successfully completion of this research work.

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## **DEDICATION**

I dedicate this research work to my lovely family. Thank you for your unconditional support to my studies. I am honoured to have you. I am proud of you, and therefore, this work is your reward.

### **LIST OF ABBREVIATIONS**

|          |   |                                                |
|----------|---|------------------------------------------------|
| ATTT     | - | Association of Tanzania Tobacco Traders        |
| ELRA     | - | Employment and Labour Relation act             |
| ERS      | - | Employee's Retention Strategies                |
| HODs     | - | Head of Departments                            |
| Msc. HRM | - | Master of Science Human Resource Management    |
| RDPS     | - | Regional Data Processor Supervisor             |
| SPSS     | - | Statistical Package for Social Science         |
| SOPAM    | - | School of Public Administration and Management |

## **ABSTRACT**

This study aimed to find out the factors influencing employee's retention in Private sector; a case study of Association of Tanzania Tobacco Traders in Kahama District. Specifically the study addressed the following three specific objectives; firstly, to identify the employee's retention strategies employed by ATTT in Kahama District, secondly, to determine the benefits of employee's retention strategies employed by ATTT in Kahama District, and thirdly, to identify the challenges facing ATTT in implementation of employee's retention strategies.

A case study research design was adopted and a total sample of 50 respondents was consulted. Purposive sampling and simple random sampling techniques were used to obtain the required sample. The researcher used questionnaire, interview, observation, and documentary review to collect data; where the collected data were analysed through Statistical Package for Social Science version 20.

The findings of the study revealed that, there are various employee's retention strategies employed, but the common mentioned by the respondents in ATTT were; provision of bonuses and overtime allowances, training and development, salary increment, promotion opportunity, and good working environment. Through the well practices and implementation of those employee's retention strategies, ATTT achieved various benefits such as; employees may stay in an organization for a long period of time, employees are encouraged and motivated to work, efficiency and productivity, and less supervision.

Furthermore, the following were the challenges facing ATTT in implementation of employee's retention strategies such as; costs to the organization, delaying of the bonuses and overtime allowances, employees may leave organization after training, and lack of training need assessment. The various solutions on the challenges facing ATTT were suggested as follows; bonuses and overtime allowances should be provided timely, to have the policies to protect or guide employees to leave organization after training, training need assessment should be conducted properly in time, organization should budget, plan and monitor the organization costs.



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## **CHAPTER ONE**

### **GENERAL INTRODUCTION**

#### **1.0 Introduction**

Employee retention is important for the companies seeking to gain an advantage among competitors. Most expertise in their early studies shows that employee retention is a practice that can significantly impact a company's success. Employee retention is important because it takes into account various strategies to retain employees in an organization. One of the main reasons behind employee's turnover is due to lack of job-satisfaction (Robbins, 1996). It is essential for organization to retain its employees so as to enable the attainment of the organization's objectives. Therefore this study aimed to identify the factors influencing employee's retention in private sectors a case of Association of Tanzania Tobacco Traders-Kahama.

This research report is organized into six chapters. Chapter one is introduction to the study; it covers the background of the study, statement of the problem, objectives of the study, research questions, significance of the study, delimitation of the study, limitation of the study, and the definitions of the key concepts used in the study. Chapter two represents literature review, and chapter three covers the research methodology, Chapter four is about presentation and analysis of the findings, chapter five is discussion of the findings and chapter six is summary, conclusion and recommendations. Lastly are References and Appendices.

#### **1.1 Background of the Study**

During the Industrial age, industrial physical assets such as machinery, plants, and even land determined how strongly it could compete (Harvard, 2002). In the current "knowledge era," intellectual capital is what defines a company's competitive edge (Harvard, 2002). Intellectual capital is the unique knowledge and skills that a company's work force possesses. Today's successful organizations win with innovative new ideas and top-notch products and services, all of which originate in the knowledge and skills of employees (Ibid). It is true that, for any company or organization to prosper employee's retention is inevitable. This is because employee

retention helps to reduce wastage of time, effort and money spent in hiring and training new employees and integrating them into the organization (Moynihan and Pandey 2007).

It should be noted that organization strategy regarding employee retention primarily started from US, Europe, and Asia (Accenture, 2001). Later in 1990's the effect of labour movement took place that the employer started feeling the effect of labour turnover which change negatively on job performance as the result organization productivity dramatically dropped and their organizations including the government of Tanzania started to develop employee retention strategies and put effort to make them successful (Steel, 2002). The rate of retention is the inverse of the rate of employee's turnover and expectedly of a relative high number of employees stayed at post within a specified period then the retention rate is high and the turnover rate is low (Cunningham, 2002).

Retaining all the employees may not be the desire of every business. Most of the organizations are concerned with retaining the high performers, those who possess key skill and knowledge needed to run the organization and those who are difficult to be replaced. Greenberg and Sweeney (2010) also emphasize that organizations should make an efforts to keep their best and talent despite difficult times. They further argue that it is the top performers that distinguish one business from another (ibid).

Cardy & Lengnick-Hall (2011) also advocate that if best workers are not retained, an organization can be negatively affected from the operational to the strategic level and that human capital remains one of the few resources that can provide a sustainable competitive advantage. They however suggest that employees should be classified as platinum, gold, iron and lead, and that organizations should spend more effort to retain platinum employees as compared to the lead employees.

It is worth mentioning here that employee's exit from a job has different dimensions. However, the issue which is of relevance here is that certain factors of employee's exit may be controlled by the management while there are other factors on which the management has little or no bearing (Steel 2002). For example an employee may

leave his/her job because of family situation, job offers and pursuit of new opportunities. Cardy & Lengnick-Hall (2011) further emphasize that efforts to maximize retention are consistent with a concern for employees and a desire to make the organizational environment as “sticky” as possible in order to keep employees. Efforts to minimize turnover, on the other hand, can be seen as motivated to reduce or avoid a cost.

## **1.2. Statement of the Problem**

It is argued that an organization cannot exist or prosper without human resource (HRs) in place (Armstrong, 2001 and Dessler, 2001). This is because with all resources in the organization human resources are crucial factors (Haslinda, 2009). In the same way Adeleye (2011) emphasized that, human resources are organization’s core competences and that of all the resources of the organization they can be the most important source of sustained competitive advantages. Further the management of human resource is the essential function of any organization.

On the other hand, managing human resources in the organization is not a straightforward task that everyone can perform, simply because human resources are complex and unpredictable (Adeleye, 2011). That is to say that, they are portrayed by diversity in several dimensions such as; cultures, beliefs, perception, motives, like, dislikes, thinking to mention a few of them. These varieties create a great challenge for managers in the whole process of managing HRs in the organization (Haslinda, 2009).

However, it is argued that one of the keys to effective management of human resources lies in harnessing the motivation of a workforce with the aim of retaining them so as attain the organisation’s objectives (Wood, et al., 2010). When the human resources are retained in an organization, they will provide appropriate services to both employers and customers; hence the organization can accomplish its objectives (Mbua, 2003). Similarly, Samuel and Chipunza (2009), added that the main purpose of employee’s retention is to prevent the loss of competent employees from leaving the organization as this could have adverse effect on productivity and profitability.

There is significant economic impact when an organization loses any of its critical employees especially given the knowledge that is lost with the employee's departure. The impact of poor retention techniques on organizations often engenders far reaching consequences and at the extreme, may imperil the efforts to attain organizational objectives, for that reason the organizational leaders must develop clear strategies for attracting and retaining good employees (Holthorn et al, 2005).

The Tanzanian government has recognized the role of retaining employees by enacting laws and policies which address number of issues including financial and non-financial incentives as motivational strategies to retain employees. For stance Employment and Labor Relation Act (ELRA) of 2004 and Public Service pay and Incentives Policy of 2010; these laws and policies have defined other employee benefits which are imperative in increasing employee working morale. However, having such policies and regulations within organizations has not stopped movement of employees from one organization to another organization. It is therefore imperative to try to understand why retaining employees today seems to be difficult. This problem is experienced by Private sectors. In order to bridge this gap, it is of essence to investigate the factors influencing employee retention in Association of Tanzania Tobacco Traders in order to uncover what explains ineffectiveness of retention strategies in private sectors in general.

### **1.3 Objectives of the Study**

This part covers two types of objectives which are General and specific objectives.

#### **1.3.1 General Objective**

The general objective of the study is to identify the factors influencing employee's retention in private sectors.

#### **1.3.2 Specific Objectives**

The study stipulates the following objectives;

1. To identify the employee's retention strategies employed by ATTT in Kahama District.

2. To determine the benefits of employee's retention strategies employed by ATTT in Kahama District.
3. To identify the challenges facing ATTT in implementation of employee's retention strategies.

#### **1.4 Research Questions**

1. What are employee's retention strategies employed by ATTT?
2. What are the benefits of employee's retention strategies in ATTT?
3. Which challenges facing ATTT in implementation of employee's retention strategies?

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

The following are the significances of the study;

Firstly the study findings provide the useful information for the private sectors to realize if there is a need to come up with new sufficient retention strategies. Secondly the findings also provide the guidelines to policy makers and planners at various levels, making them aware on the best strategies to retaining employees. Thirdly the study aimed to know the effects of employee's retention strategies employed by the private sectors and the challenges facing the retention strategies. Fourthly the study aimed to help the researcher to come up with useful recommendation for the private sectors to be able to retain their employees. Fifthly the study helps the researcher to meet the academic requirements of Mzumbe University for the award of the degree of Master of Science in Human Resource Management.

#### **1.6 Delimitation of the Study**

The study took place at Association of Tanzania Tobacco Traders which is located in Kahama District. The other researcher's aimed to explore the factors influencing employee's retention in Public sectors, for the purpose of this study, the researcher focused much on the Private sector (Association of Tanzania Tobacco Traders), so the public organization excluded.

### **1.7 Limitation of the Study**

The following are the limitations of the study;

Firstly poor response from some of the respondents limited the study somehow; this is because of Tanzanian culture that people pay very little attention to research issues. Therefore, the researcher decided to use more efforts to influence the respondents to respond positively and timely through their head of departments.

Secondly some of the respondents refused to be interviewed or to take the questionnaires and some of those who take them, they did not return them in time so the researcher decided to report to the management to seek the assistance, and they were able to influence the respondents to accept the questionnaires and fill them in time and be able to be interviewed and thus 80% of the respondents responded positively.

### **1.8 Definition of Key Terms**

- **Employee**

Employment and Labour Relation Act (2004), defines an employee is a person who offers/renderers service under employment contract.

- **Employee retention**

A voluntary move of organisations to create a suitable environment which keep employees for a long term (Chaminade, 2007).

- **Private sector**

Rye, (2009), private sector is non- governmental institutions that includes the personal sectors and corporate sector responsible for providing services and allocating resources within their economy.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter reviews literature on employees' retention. The chapter is organized into three parts; the first part discusses the theoretical review, the second part covers empirical literature review and last part entails the synthesis.

#### **2.1. Theoretical Literature Review**

According to Milanzi (2002), theoretical literature review is a previous written paper that explains and justify of ways presentation and discussion of the findings. Or is the way that helps to build and sharpen the conceptual view. This part covers the meaning of employee retention, importance of employee's retention, and the theories that underpin the study.

##### **2.1.1 The Meaning of Employee Retention**

Employee retention is a voluntary move by an institution to create the best environment which engages employees for long term in the institution. (Chaminade, 2007). The aim of retention is to prevent the loss of employees from the organization, which could affect the productivity and service delivery (Brown, 2006). Employee retention allows the management attracts and effectively retains high skills and high performing employees (Brown, 2006).

##### **2.1.2 Importance of Employee Retention**

To retain employees has become a major issue in current competitive organization. Managers use different strategies to ensure that employees remain in organizations. It is significant to any organization to implement and practices employee retention strategies to avoid employee turnover (Son, 2016). The following are the importance of employee retention;

Employee retention manage employee's turnover and attract new employees into organization: Employee retention focuses on the relationship between organization

and employees. Pay, benefits, employee's recognition, and training and development employees are all a part of organization attempt to maintain employee satisfaction and thus employees stay in an organization.

Employee retention manage employees working morale: Employees who is satisfied with what he or she is doing and the atmosphere in which they are working is good, employee morale must be raised and they are more likely to remain in organization.

Employee retention helps to create a good working environment and strengthen an employee's commitment to the organization: the retention of employees in any organization target employee engagement, such as good working environment, team boulders and community involvement, increase employees' morale and give employees a sense of pride on what they are doing (Scott 2006).

Helps in organization's productivity: To training employees are the most important retention strategies. Training and development gives employees new skills on how they can perform their duties. Through those skills employees have on performing the daily activities, the organization production may rise up.

### **2.1.3 The Theories that Underpin the Study**

This study was guided by three theories; Herzberg two-factor theory, Maslow's hierarchy of needs theory and Equity theory by Adams, for the reason that there is relationship between these theories and employee retention.

#### **2.1.3.1 Maslow's Hierarchy of Needs Theory**

According to Karimi (2007), the theory introduced by Abraham Maslow (1943), he put the human needs in form of hierarchy ascending from the lowest to the highest. The needs are;

Physiological needs: Physiological needs are the needs for sustaining human daily life such as food, water, warmth, shelter and sleep, in organization level the needs reflect the basic salary, and other needs will not arise until this need is fulfilled.

Security or safety needs: This need emphasize the aim for the employees to be free of physical danger and also fear of losing employment, property and others. The need

relates to the employee needs for safe jobs, fringe benefits and job security. Employees want some assurance that the above needs will be met in their organizations.

Love/acceptance needs: The need relates to the feeling of belonging. People feel that they need to be accepted by others. In organization level, employees want to be loved, good relationship with others, participating in working groups and good relationships with the supervisors.

Esteem need: the need means a need for power, personal achievement and high status which is usually done through promotion to the managerial position and to acquire a sense of controls and recognition in an organization.

Self-actualization: the need describe a desire to become what one is capable of becoming, to maximize ones potential and to accomplish something. Maslow concluded that when one set of need is satisfied it cease to be a motivator.

The mentioned five tiers of Maslow's hierarchy of needs relate to the employee retention strategies. Since Maslow's introduction of his motivation model, organizations have been employing strategies attempting to stimulate each of the five humanitarian needs described above to optimize retention rates. When applied to the organizational model, meeting the self-actualization and esteem needs of an employee tend to correlate to better retention. Physiological, safety, and social needs are important as well, however, and must be addressed to better the work environment. While implementing a retention strategy is ideal, successful satisfying all five needs of employees is not only difficult, but also expensive. The criticism to the theory of Hierarchy of need is the theory lack empirical evidence to support Maslow's assumptions (Drenth, Thierry & Willems, 1984). Despite that criticism, the theory is significance in terms of recognizing the needs being pursued by employees (Karimi, 2007).

#### **2.1.3.2 Two-Factor Theory (Herzberg's motivation-hygiene theory)**

Frederick Herzberg proposed a two-factor theory in 1959 after he study the factors in the work environment that caused satisfaction and dissatisfaction among the workers, hundreds of workers were interviewed during the times when they were highly

motivated to work and other times when they were dissatisfied and unmotivated at work. Herzberg classified these job factors into two categories; hygiene factors and motivation factors;

Hygiene factors: this factor is important for the existence of motivation in organization. The factors include payments, human resource policies, benefits, good working environment, status, Interpersonal relations, Job Security, and so on. The presence of those factors creates a suitable environment for work to be done. Their absence can dissatisfy employees but their presence cannot satisfy employees. This means that, the factors do not lead to employee's satisfaction but if these factors are absent, then they lead to dissatisfaction.

Motivation factors: The motivation factors based on an individual's need for the personal needs and growth. It consists of recognition, sense of achievements, advancement, career development, promotion opportunities responsibilities, meaningfulness of the work etc. The presence of these factors in the working place creates a motivating environment, but their absence does not cause dissatisfaction.

Employees are not motivated by hygiene factors like salaries alone but there are many other factors than the salary which can motivate employees in an organization. Therefore organization should not rely only on hygiene factors but combine hygiene as well as motivations to retain an employee. The two-factor theory implies that the managers must stress upon guaranteeing the adequacy of the hygiene factors to avoid employee dissatisfaction. Also they must make sure that the work environment are motivating and rewarding so that the employees are motivated to work and perform better.

#### **2.1.3.3 Equity Theory**

Equity theory was developed by John S. Adams in 1963. He explained that, employees seek to maintain equity between the inputs that they bring to a job and the outcome that they receive from it against the perceived inputs and outcomes of others (Adams, 1965). In retaining employees, organization may apply the equity theory because there is a belief that employees value fair treatment in relation to the amount

of work that has been assigned to them and this causes them to be motivated in maintaining relationships with their co-workers and the organization, as the structure of equity in the workplace is based on the ratio of inputs to outcomes.

An employee will consider that the way he or she is treated fairly if they perceive the ratio of his inputs to his outcomes to be equivalent to those around them. The way people base their experience with satisfaction for their job is to make comparisons with themselves to people they work with. If an employee notices that another person is getting more recognition and rewards for their contributions, even when both have done the same amount and quality of work, it would persuade the employee to be dissatisfied.

The employee dissatisfaction may result into the employee feeling underappreciated and perhaps worthless. This is in direct contrast with the idea of equity theory, the idea is to have the rewards (outcomes) be directly related with the quality and quantity of the employees contributions (inputs). If both employees were perhaps rewarded the same, it would help the workforce realize that the organization is fair, observant, and appreciative. Employees who perceive themselves as being in an inequitable situation will seek to reduce the inequity either by distorting inputs and/or outcomes in their own minds by directly altering inputs and/or outputs, or by leaving the organization (Carrell and Dittrich, 1978).

Therefore, the above theories share some similarities, in that they all recognize positive reinforcement and recognition as tools for creating a positive work environment, while denouncing the use of negative critiques of job performance. The theories also conclude that individuals are motivated by a variety of factors that vary based on environmental and psychological needs of that individual. For that reason, each organization must recognize that what works to motivate one individual employee may not work to the other one.

## **2.2 Empirical Literature Reviews**

Empirical literature review is the literature, or previous studies that relate or argue positively with the study hypothesis and variable (Scott, 2006). This part covers; an

overview of employee retention globally, in Africa, and an overview of employee's retention in Tanzania, the employee's retention strategies, benefits of employee's retention strategies, and the challenges facing organization in implementing employee's retention strategies.

### **2.2.1. A Global overview of employee retention**

Chartered Institute of Personnel and Development (2007), explained the factors that are crucial as retention strategies for IT professionals in the USA and U.K in the order of importance; Money (base salary plus bonus and stock options), chance in training and development, the reputation of the organization in technology; and good working conditions (e.g. physical, colleagues & boss, casual dress). Both motivate employees to stay in an organization and it is successful in maintaining a low turnover rate.

Furlonger (1997) reported that, on Scandinavian and European organizations offers more vacation leave and three day weekend mini vacations than their USA counterparts. This practice attracts scarce skilled professionals (who attach importance to work-life leisure) to organizations in Scandinavia and Europe, now that the international labour market has become a global unit.

Hewitt (2006) founded that, public and private sector organizations in China, Hong-Kong, India, Japan, Korea, Malaysia, the Philippines, Singapore, and Thailand experienced 14% and 16% turnover rates in year 2004 and 2005, respectively. The possibility of the rate increasing is high as Asia's dynamic growth agenda collides with the demographic trends of an ageing population and an immediate need to attract more skilled employees.

According to Boxall et al (2003), retention variables for New Zealand employees are multidimensional. They include variables such as work itself, as the strongest factor in attracting and retaining employees in both public and private sector organizations. Also the research outcome by Boxall, et al (2003) shows that, Employees expect management to make personnel decisions based on merit and also demonstrates that extrinsic rewards (such as pay, promotion & job security) play a role in both

employee retention and turnover management. The research further suggests that management lend support to the idea of good relationships with co-employees and supervisors.

### **2.2.2 Employee retention in Africa**

The biggest challenge faced by many of organization in Africa is the full process of retention and turnover management in their organizations. Deloitte et al, (as cited in Bennett, 2003), explained that, human resources managers were faced by three major challenges; firstly to management the new role of human resource, secondly the organization performance, and lastly how to retain their employees. The following are the motivational factors important in retaining employees in South Africa; training and development, payment matters, recognition, and freedom to be independently. Lanyon (2007) founded that, nature of the job, suitable working environment, promotion opportunity, career development, and pay are among of the employee retention strategies in retaining employees. So management should improve and develop those strategies so as to ensure the availability of employees in an organization.

### **2.2.3 Employee retention in Tanzania**

Jackson (2014), on the investigation on the assessment of factors influencing employee retention in Tanzania's work organization, he founded that to retain employees is the most important for the development and in accomplishment of the goals. Also Alkandari & Hammad, (2009), to retain employees is important and source of an organization to competitive advantage.

Mullins, (2010), explained that today's technological development, world economic, trade agreements, and others are directly affecting employee/ employer relationship. In Tanzania, most organization like Tanzania Postal Bank, Parastatal pension fund, Open University of Tanzania, Zantel, DAWASCO, Airtel Tanzania, issues like low salaries, are the reason for the employee turnover. Other challenges in retaining employees were work hours, no clear retirement plans for further development. So the new strategies for retaining employees like new employing salaries and Benefit

as well as Good retirement benefits and opportunities for career development (Jackson 2014).

#### **2.2.4 The Employees Retention Strategies**

According to Agrela, et al (2008), states that, organization need to seriously view on the factors that can positively affect the employee retention. The studies suggested that, the retention factors which effectively satisfy the needs of the employees, it is obvious enhance the ability for organization to adapt more effectively to ongoing organization change (Gale Group, 2006).

Studies show that, the trends redefining modern retention factors go beyond the salary and benefits package and compensation (Gale Group, 2006). Cunningham (2002), states the three retention factors such as; employee's recognition, employee flexibility and training and development as the main factors make employees prolonging individual employment. While Walker et al, (2001) supporting training and development and good working environment as the factor to retain employees. Yazinski (2009) states the factors that organization could adopt so as to effectively retain their employees. The retention factors were as follows;

2.2.4.1 Skill Recognition: the recognition of the employee's on the job accomplishment can be referred to referred to the effective retention factor for employees at in organization. Yazinski (2009), indicated that, the fulfilling employee's needs by acknowledging employee work accomplishment may result an employee committed to the organization (Redington, 2007). Yazinski (2009) on the his study show the trends that, job applicants applied only for the organization that motivate employees, encourage employee input, career development, training and development, and teamwork, beyond the compensation or benefit packages provided by the organization. Thus, both skill recognition, and training & development influence employee performance, and effectiveness (Agrela, et al, 2008).

2.2.4.2 Learning and Working Environment: learning are among of the employee's retention strategies that organization should adopt so as to retain their employees (Arnold, 2005; Hytter, 2007; Walker, 2001). Organizations should establish a

supportive learning and suitable working environment so as to retain their employees. The findings shows that, appreciative learning and good working environment, positively influencing employee retention (Abrams et al, 2008).

2.2.4.3 Cost Effectiveness: researchers concluded that, organizations provision of cost effective job flexibility options benefit from satisfying the needs of all employees, independent of age, which allows for the reallocation of expenses related to recruitment, work space changes, sick time, absenteeism, and commuting costs (Agrela, et al., 2008; Boomer Authority, 2009; Cunningham, 2002). Consequently, studies indicate that there is a link between cost-effective "flexibility" choices and advanced levels of job satisfaction, accuracy, productivity, recruitment, and employee retention (Boomer Authority, 2009; Cunningham, 2002; Prenda & Stahl, 2001. Eyster, et al (2008) state organizations can cost-effectively fulfill the needs for job flexibility options to promote employee retention. Thus, the provision of cost-effective "flexibility" options is critical in the retention of all employees despite disparity in age, position, skill/knowledge level, and duration of employment (Eyster, et al., 2008; McIntosh, 2001).

2.2.4.4 Training and development: Evidence indicated that training and development is important strategy for individual and organization achievement (United States Department of Labour, 2009). The availability of employees having new knowledge and skills acquired from the training and development programs is important in facilitating organization development in performance and organization effectiveness (Boomer Authority, 2009). Researchers supports that both the organizational benefits and cost savings associated with training programs outweigh the initial cost it incurs (Prenda & Stahl, 2001). Eisen (2005). One of the researcher concluded that, training and development process lead to the individual and organizational growth and retention for both employees and management (Amble, 2006). Research provided by Berryman et al (2001) indicate a relationship between enhanced training foundations (competencies, efficiencies, and intelligence) and advanced development of best practices, cross training, mentoring, and technology changes for all employees.

2.2.4.5 Benefits: Another way to make employees stay in organization is through benefit. As investigated by Maccoby (1984), it was founded that both employees and their management could be retained through pay and other benefits and thus could motivate employees to work for the high organization productivity.

2.2.4.6 Career Development: Career development helps the employees feel that organization investing for them. also help them in their management of their daily life and deal with the fact that there is not a clear promotion track. Management can no longer promise the security of the job, but it can help employee maintain the skills they need to remain viable in the job market (Moses, 1999). Eyster, et al. (2008) state that job flexibility along with embracing career and life options, is a critical incentive for all employees. Research shows growing trends of employers providing greater job flexibility that includes flexible career options (i.e. training, mentoring, and workstation accommodations, job mobility, and reduced work hours) and life options (i.e. counseling services, health and wellness programs) (Boomer Authority, 2009; Eyster, et al., 2008).

2.2.4.7 Superior-Subordinate Relationship: In retaining employees, the managers and supervisors should create a good relationship between them and their employees that

they should act as the coach on what their subordinate have to and support their careers. The good relationship helps the employees to be coached by their seniors help them to valuable assets in an organization and help them to achieve their targeted goal and managers should show that they care on what the employees doing and thus employees could be motivated. (Zenger, Ulrich, smallwood, 2000) Managers at Sears actually go through a workshop called “Managing Career Development” to prepare them to work with employees under their career planning system (O’Herron and Simonsen, 1995). Coaching employees is valuable in helping them meet their goals, but it is also important for managers to simply show that they care. It is an intangible incentive that can make a big difference in employee motivation (Moses, 2000).

2.2.4.7 Compensation: management should compensate an employee so as to create a chance of employees to remain an organization. Management claim to base pay according to the employee performance, but that is not actually the case. Some organizations try to emphasize a team working environment, but continue to reward people for individual achievement (Feldman, 2000). These inconsistencies can lead frustration and cynicism by employees. It is especially difficult when employees are not seeing significant pay raises, yet company leaders are richly rewarded (Feldman, 2000). Sears created a new compensation system when they got into the business of employee development. Whereas they used to only offer pay increases to employees who were promoted, they have moved to a system where people may see a pay increase for lateral moves that are appropriate for their own development (O’Herron and Simonsen, 1995).

2.2.4.8 Organizational Commitment: Studies concluded that committed employees’ remains with the organization for longer periods of time than those which are less committed. Steers (1977) suggest that the commitment an employee is, the less of a desire they have to terminate from the organization. These “highly committed” employees were found to have a higher intent to remain with the company, a stronger desire to attend work, and a more positive attitude about their employment. Steers (1977) concluded that “commitment was significantly and inversely related to

employee turnover.” According to Arthur (1994) when organizations seek to foster a philosophy of commitment, then the likelihood of an employee searching for employment elsewhere is lowered. Owens (2006) had a similar finding that employee that had a higher level of commitment also had a higher level of “turnover cognitions”.

**2.2.4.9 Good Communication:** the good communication between employees, managers and the supervisor’s helps to improve the employee’s identification and it build the openness and trust. Researchers have showed that the communications of the organization’s values, traditions, mission, vision, strategies and organization performance that may affect the employees effectiveness and efficiency (Gopinath and Becker 2000; Levine 1995). Most of the organization fighting to provides the information that could be the best way of communication, through the most and clear sources.

**2.2.4.10 Employee Motivation:** Employee motivation is the powerful motivators to retain employees in today’s organization (Thomas, 2000). Nowadays, employees need intrinsic rewards so as to maintain the availability of employees in an organization (Thomas, 2000). Employees have been forced to take more responsibility for their own careers, going where the work is rewarding and where they can develop skills that will guarantee their employability, in whatever organization (Hall and Associates, 1996). Talented workers have more choices than ever before, and are likely to leave if not satisfied with their employer or job content. As employees have become more likely to leave unrewarding jobs, the impact of loosing individuals has become greater.

## **2.2.5 The benefits of employee retention strategies**

According to Hall (2002), He explained the benefits of employee retention strategies as follows;

Employees perceive development and career opportunity: Organization through career opportunity and development gave a way to an employee to acquire skills as well as to develop the employee’s career. Employee’s takes skill and career development and progress as the most attraction to stay in an organization. These

opportunities for career development are taken as the strategy that favoured both organization and personal needs as well. To maintain a competitive advantage, management demands talented employees, and employees need to develop their career and their competencies.

Training and development provides specific skills and helps organization performance: Training and development provides employees with skills and new knowledge and thus helps in their performance. To develop the skills includes improving basic literacy, technological knowhow, interpersonal communication or problem solving. Training and Career development Opportunities are imperative for both the organization and individual. It's a mutual benefit process because career development provides the important outcomes for both parties. Organizations need talented employees for maintaining the sustainable competitive advantage and individuals require career opportunities to develop and grow their competencies.

Training as retention strategy is a sign of employee's commitment to the organization: The training opportunity is the key to ensure the availability of the employees within an organization. Career opportunity and skill development opportunities is the way to attracting and retaining the kind of flexible technologically –sophisticated workforce that organizations need to succeed in the digital economy Accenture (2001).

According to Javier (2002), employee's retention strategies lead to organization into high competitive edge, Organization's performance has been the most important issue for every organization be it a profit or a non-profit making organization. When the employee motivated through the strategies like incentives pay and other appreciations employee may raise the performance for the benefit of organization. The employers can motivate potentially talented employees to join the organization by creating a secured environment.

#### **2.2.6 Challenges in implementing employee's retention strategies**

According to Rolfe (2005) in the U.K. ECEC provided the challenges that organization may face on the implementation of the strategies to retain employees as

follows; On the sector that pay is low, non-payment issues, including the atmosphere and relationships at work take on far greater importance than in sectors where pay forms a greater part of the reward package. In a similar vein, Schwarz et al, (2005) indicated that in the U.S. ECEC sector the quality of work life is a critical component of any successful approach to reducing quit rates because research suggests that wages alone do not predict job satisfaction. Aspects such as collegiality among co-workers, supervisor support, the decision-making structure, professional growth opportunities, goal consensus, communication, and general working conditions are also important. These are non-financial factors that influence job satisfaction and turnover. So research that focuses on Canada or specifically on the Canadian ECEC workforce might determine the components of job satisfaction that influence quits and therefore what human resource management policies could influence job satisfaction and therefore quits.

Most of Organization the low wages remains as the most factor influencing employees to leave, but that the direct association between wages and turnover is rather weak. They indicate that the relationship between wages and turnover depends on other factors. Employee satisfaction with the intrinsic nature of ECEC work, including co-worker relations, opportunities for autonomy and challenge, and working conditions, but dissatisfaction with extrinsic aspects, such as compensation, is common (Whitebook et al. (2001).

Poor organization management in the ECEC sector has been identified by a number of studies as contributing to retention strategies problems. She found that awareness of the importance of human resource practices in retaining staff varied among providers, but practices were generally very poor. Many had inadequate systems for integrating new employees into their centres.

Poor training opportunities, low priority given to staff development, poor planning and staff supervision and limited non-contact time for administrative work and staff discussions ( Vernon and Smith, 1994).

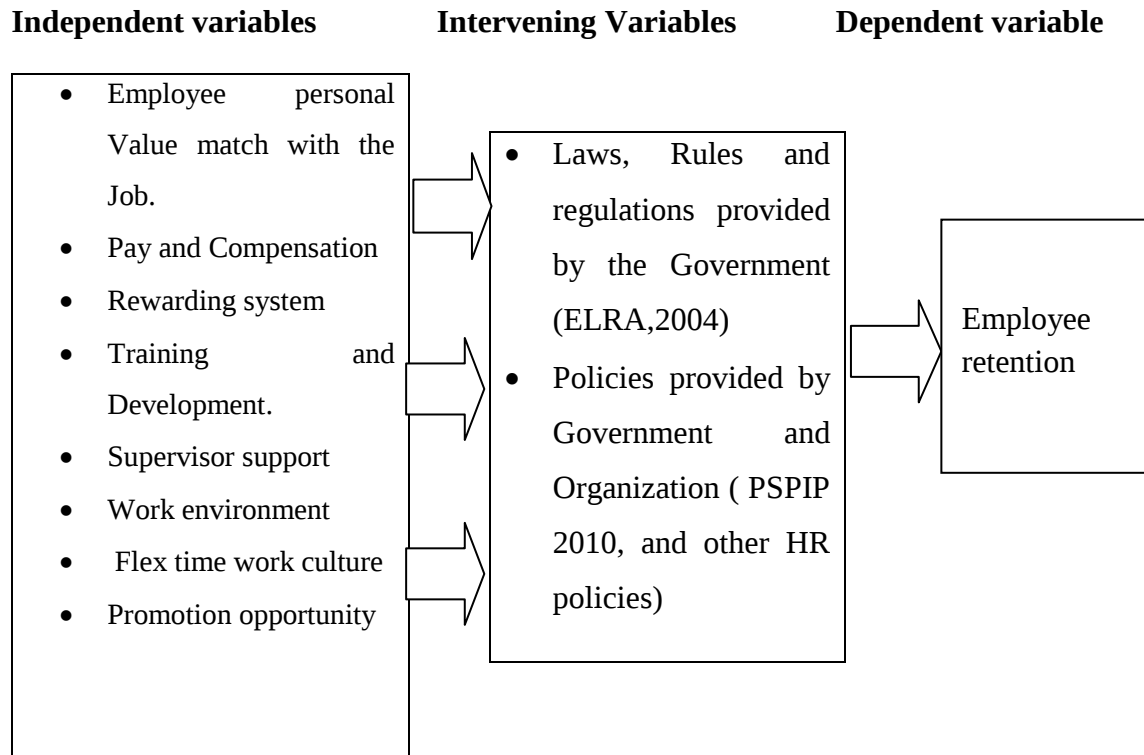
### **2.3 The Synthesis**

The literature review depict that there are gaps, at the sense that, researcher and theories seen the factors that can maintain employee retention into organizational level. Also most of researchers their studies are much based on organization factors that lead to employee retention and forget personal issues like employees interest, nature of the life etc. They did not consider the exact factors that could consider retaining of employees. So in order to consider the exact factor for retaining employee as party of organization, the researcher wanted to identify the factors influencing employee retention in private sectors (Cardy & Lengnick-Hall 2011).

### **2.4 Employee Retention Framework**

This section presents an employee retention framework. The objective of the study is to identify the factors influencing employee's retention in private sectors in ATTT in Kahama district. The study developed a framework that indicating a relationship of variables based on the assumptions derived from the reviewed literature. The framework assumes that the factors influencing employee retention depend on different and a number of factors; Employee personal values match with the job, pay and compensation, rewarding system, training and development, supervisor support, Work environment, and flex time work culture. When these factors are well practicing could lead the retaining of employees, as classified in Figure1below.

**Figure 1 Conceptual Frame Work**



Source; author (2016) based on literature reviewed

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

Research methodology is a systematic way on how the researcher could use the different methodology of a research to investigate a certain problem (Kothari, 2004). It should be understood that research methodology is a systematic studying on how the research should be done in scientific ways. Also it gives a way of explaining the rule and procedures which research is based and which claims for knowledge and evaluation. Also it refers to the system, ways and procedures that direct and govern research (Marczyk, 2005). Methodology provides the identity of the procedure and techniques to be used in a research (Milanzi, 2002).

Therefore, this chapter provides a detailed explanation on research methodology which is used to guide the study. It includes the following; research design, area of the study, population of the study, sample size and sampling techniques, data collection methods, data analysis techniques, and the ethical consideration of the study.

#### **3.1 Research Design**

Research design refers to the planning; organizing of research work, it including the collection of data, in ways that are most likely to achieve the research aims (Ndunguru, 1994). It is a research design which determines what a researcher is going to get, observe and analyze during the field work (Babbie, 1983, page 73). It refers also to a system on how to collection and analyzing of data in a way that it combining relevance to the research purpose with economy in procedure (Selltiz, 1959, page 50). Following the above definitions of research design, the researcher supported Babbie's definition concerning research design whereby it emphasizes a research design as a grand research plan which determines what a researcher is going to observe and analyze in the field.

In scientific research, there are three types of research design such as Case study design, Survey design and Experimental design. Thus in this study the researcher used a case study design.

### **3.1.1 A Case Study Design**

According to Kothari, (2004), case study design is a method of study which involves a popular form of qualitative analysis and involves a collection of data through complete observation of social units in an organization. It is a method of study in depth rather than breadth (ibid). The following are the main reasons for the researcher to select a case study design;

Firstly, a case study design is a detailed investigation of individuals, groups or departments in an organization, or a whole organization. The design was used to investigate the factors influencing employee's retention in ATTT, Case study data can be collected over an extended time series to produce what are called longitudinal studies. It is a more flexible research design which produced interesting and valuable results on employee's retention (Milanzi, 2002).

Secondly, a case study design permits the use of combination of techniques such as interview, questionnaire, and documentary review which can facilitate in collection of data, thus gave a chance to the respondents to give out their opinions and in collection of their views. Thirdly, a case study design was less expensive and suitable to control due to the fact that inquiry was just for the few individual (sample) that represents the whole population in ATTT and thus gave a room to select some of the respondents to be studied. Fourthly the researcher used case study design simply because an intensive exploration of the specific employees In ATTT. The case study method is to locate the factors that account for the behaviour-patterns of the given unit as an integrated totality. It is a method of study in depth rather than breadth (Kothari, 2004).

### **3.2 Area of the Study**

According to Walker, (2001), area of the study is place, field or particular place that the specific results or findings could be achieved. Also it is a study of a particular interdisciplinary field of research particular region, a political or geographical including its history, geography and language that may resulted into the specific research findings (Holtom, 2005). The researcher used Association of Tanzania Tobacco Traders (ATTT) as the study area. ATTT is one of the private companies in Tanzania, situated in Kahama-District. Researcher decided to select ATTT because, it is a private company that there is low rate of turnover and also employees staying in an organization (ATTT Employment Report 2014).

The main activity of the company (ATTT) is to administer services for buying tobacco, and make payments to the farmers through their primary societies. Its vision is “To be the best company in Africa” and their mission is “To grow volume and profit while defending market share by delivering quality brand and maximizing consumer and customer satisfaction through innovation, engaged employees, integrity and excellence in execution.”

### **3.3 Population of the Study**

Population of the study is a study of a certain group of people who have the same goal, characteristics and commons in order to get the specific and targeted research findings (Alkandari, 2009). The population of the study included the employees in Association of Tanzania Tobacco Traders Company in Kahama District as described in table 1 below, as generated from the ATTT.

**Table 1 Population of the Study**

| No. | Department/Unit                | No. of Employees | Percentage (%) |
|-----|--------------------------------|------------------|----------------|
| 1   | Administration                 | 15               | 3.30           |
| 2   | Accounts                       | 5                | 1.10           |
| 3   | Shipping                       | 125              | 27.5           |
| 4   | Computer I.T                   | 15               | 3.30           |
| 5   | Agronomy/ Production           | 227              | 50             |
| 6   | Agricultural labourer practice | 20               | 4.40           |
| 7   | Reforestation                  | 47               | 10.3           |
|     | <b>TOTAL</b>                   | <b>454</b>       | <b>100</b>     |

Source: Field data (2016)

### 3.4 Sample Size and Sampling Techniques

This section covers sample size and sampling techniques.

#### 3.4.1 Sample Size

According to Milanzi, (2009), sample size is any subset of a population. It is a set of the population to be studied and learn about the population. The sample size of the study was 50 employees out of 454 who are considering representing the population of employees in Association of Tanzania Tobacco Traders in Kahama. As shown in table 2 below.

**Table 2 Sample Size Distribution**

| No. | Department/Unit                | Total number | Sample size | Percentage (%) |
|-----|--------------------------------|--------------|-------------|----------------|
| 1   | Administration                 | 15           | 3           | 20             |
| 2   | Accounts                       | 5            | 3           | 60             |
| 3   | Shipping                       | 125          | 14          | 11             |
| 4   | Computer I.T                   | 15           | 4           | 26.6           |
| 5   | Agronomy/production            | 227          | 17          | 7              |
| 6   | Agricultural labourer practice | 20           | 3           | 15             |
| 7   | Reforestation                  | 47           | 6           | 12.7           |
|     |                                | <b>454</b>   | <b>50</b>   | <b>11.0</b>    |

Source: Field data (2016)

#### 3.4.2 Sampling Techniques

Sampling techniques are the techniques used to select units from a population of interest so that by studying the sample we may fairly generalize our results back to

the population from which they were chosen (William 2006). The choice involves the selection of the specific units, as well as the number of them, to be included in a study (Yin 2011). According to Louis, (2007), sampling techniques refer to the methods used to obtain data from a smaller group or subset of the total population in such a way that the knowledge gained is representative of the total population under study. Therefore in this study the researcher used purposive sampling and simple random sampling techniques to obtain the respondents.

### **Purposive Sampling**

Kothari, (2004), define a purposive sampling as deliberate selection of particular units of the universe for constituting a sample which represents the universe. This technique was used to Heads of departments, and human resource officers because they form part of the management team and they provided the relevant data since they are the ones who design and practice the retention strategies. Also this technique enabled the availability to gather large amount of information and lastly the technique gives better results and had the capacity of keen observation and sound judgments.

#### **3.4.2.1 Simple Random Sampling**

Simple random sampling is a sampling technique in which each and every unit of the population has an equal opportunity of being selected (Milanzi, 2009). This technique was used to select 50 permanent employees in different departments in ATTT as respondents. The researcher made a list of all seven departments/units and prepares pieces of paper matching the number of employees in each department. The researcher wrote the names of each employee on separate pieces of paper and collect them into container prepared for each department. The researcher mixed up thoroughly pieces of paper in all containers, after mixing up selected one piece of paper (without looking the name in it) and continued until the researcher obtain the required number of respondents in each department. The researcher used simple random sampling technique because the technique gives each item an equal probability of being selected so no biasness on selecting the respondents.

### **3.5 Data Collection Methods**

Data collection methods is the methods or a systematic approach to be used in gathering information from variety of source to get a complete and accurate picture of an area of interest (Loyan, 2000). It refers to the devices used to collect data, such as paper questionnaire, interview or computer assisted interviewing system (Abrams, 2008). Both primary and secondary data were collected in this study. The methods that were used to collect data in this study were primary and secondary data collection method.

#### **3.5.1 The Primary Data Collection Methods**

Primary data collection methods are methods used to collect data which are collected afresh and for the first time, and thus happen to be original in character (Kothari 2004). For stance, questionnaire, interview, observation. Therefore, in this study the researcher used both Questionnaires and interviews to data collection. The researcher used questionnaire, interview and observation method because it assured the validity of research and also to capture different dimensions of the same phenomenon (Kulkarni, 2016).

##### **3.5.1.1 Questionnaire**

Questionnaire is a data collection method consisting of a number of questions and other prompts for the aim of getting information from respondents. There are two types of questionnaire such as structured and unstructured questionnaire (Milanzi 2009). Self administered questionnaires were administered to 50 employees in ATTT selected from different departments by providing each respondent a copy of questionnaire to be filled. Questions were both of open ended and closed ended questions prepared in English and translated in Swahili because most of employees understood well Kiswahili than English. This method of data collection was used because; firstly it helped the researcher to get much information from the respondents, secondly the method made respondents free on providing the information, thirdly the researcher chose this method because there is low cost even when the universe is large and widely spread geographically, fourthly the method

gives respondents adequate time to give out answers concerning the employee's retention, fifthly the researcher chose this method because it is free from the bias and answers are in respondent's own words, and lastly the method serves time simply each respondent have the private time for providing information and data required (Kothari, 2004). A sample of questionnaire is attached to this study as appendix 1.

#### **5.3.1.2 Interview**

The interview method of collecting data involves presentation of oral-verbal stimuli and reply in terms of oral-verbal responses (Kothari, 2004). An interview guide was designed and administered personally to the Head of departments, and human resource officers to capture qualitative information, because they are the ones who make important decision including those related to employee retention. Also this is an effective means of gathering information on factors influencing employee's retention in private sectors since the researcher observed the facial impression of respondent and judging the feeling of the respondent about its information he/ she provided. Also this method was used in order to get clarification on the data collected through questionnaires due to the fact that some responses in questionnaires are either too short or long to be not understandable easier. Generally, the interview was selected because it is a technique which managed to collect more information required by the researcher. A sample of interview guide is attached to this study as appendix 2.

#### **5.3.1.3 Observation**

Through this method, researcher concerned carefully and recording down the events as they occur at work place. Observation was done through conducting visits in sections and units offices and technical area in order to observe prevailing situation that relate with employee retention. The researcher observed what is happening and recorded the data, interpret and understand the observed behaviour, attitude and situation more accurately and capture the dynamic of the social behaviour in a way that it is not possible to capture through questionnaire and interview.

### **3.5.2 Secondary Data Collection Method**

Secondary data collection methods are the methods used to acquire the required data which have already been collected early and which have already been passed through the statistical process (Yin 2011). Secondary data collection method was used to collect data from office documents, files to see the written documents that show the strategies employed by the organization to retain employees. Therefore, in this study the researcher used documentary source as the secondary data collection method.

#### **3.5.2.1 Documentary Sources**

Documentary review encompasses reviewing of various literature associated to employee retention tactics the management employ to their employees. They includes recorded files, report books, minutes of the past meetings, computers and any other equipment of record keeping, to know the factors influencing employee's retention. The researcher reviewed various reports documents concerning employee's retention strategies, and human resources policies and procedures like compensation and benefit policy, Healthy safety and security policy, and training and development system policy, on retaining employees in ATTT. Thus the methods helped the researcher to find out the employee's retention strategies that ATTT formulated and practiced to retain their employees.

### **3.6 Data Analysis**

Data analysis techniques are the techniques of describing useful information from the given data that will be suitable in taking important decisions (Milanzi, 2002). Data analysis in research is to make some statistical analysis in order to get one single value that describes the characteristic of the entire mass of unwieldy data; there are several ways in which scientists can use statistical analysis in research (Milanzi, 2002). In this section data analysis technique are described. It should be noted that the researcher used both qualitative and quantitative techniques to analyze the collected data, the researcher used both techniques of data analysis because it provided a more complete set of findings than could be arrived at through the administration of one of the method alone (Hughes et al, 1997).

### **3.6.1 Quantitative Data Analysis**

The Statistical Package for Social Science (SPSS) version 20 has been used to analyze data from questionnaire to get only frequencies and percentages. Quantitative analysis involved computation of descriptive statistics mainly percentages. It is often depicted as one of the friendliest statistical packages of its type, with a good graphical user interface and plenty of built-in documentation. Besides, it makes it possible for researchers to analyze every kind of statistics related to quantitative studies (Gall, Gall, & Borg, 2005:174). The use of tables and percentages in particular helped the readers to note the relationships in quantitative sense more clearly. The responses from questionnaires particularly closed ended questions were edited, coded and entered in this software SPSS.

Editing was done so as to eliminate errors that might happen during field data collection and also to identify any inconsistencies in data collection. It is also important to edit data in order to avoid entering into the computer software wrong data. This was done by assigning numbers to the variables in order to enable them to be entered into the computer. Data entry took place when the researcher finished data editing and data coding. Once the data editing and data coding are done and quantified, the researcher entered data into the SPSS program software. Hence, the SPSS assisted the researcher in extracting out descriptive statistics such as frequencies. The “descriptive statistics are a set of statistical tools that allow us to accurately describe a large volume of data with just a few values” (Brace, Kemp and Snelgar 2003, 48). Therefore, descriptive statistical techniques were used to obtain frequencies, analyze and summarize data before making inferences.

### **3.6.2 Qualitative Data Analysis**

Qualitative data are mainly pertained to the responses obtained from interview and open- ended questionnaires. It should be noted that such responses had information loaded with perceptions, opinions and attitudes of respondents (Kothari, 2004). Thus the qualitative data in this study were analyzed by content analysis. Content analysis is the process of analyzing the contents of documentary materials such as books, magazines, newspapers and the contents of all other verbal materials which can be

either spoken or printed, whereby the researcher adhered to the following steps: Firstly, the researcher identified the main ideas by going through explanations given out by respondents; and secondly the researcher assigned code to the main ideas identified at the first place (Kothari, 2004). This enabled the researcher to know how many times a certain issue or idea has emerged in the course of an interview; thirdly the researcher classified responses into different categories of themes and lastly the researcher incorporated the themes and responses to the final research report (Kothari, 2004:92).

### **3.7 Ethical consideration of the study**

Ethical consideration of the study refers to the focuses on the discipline, methods, procedures, or perspective for deciding how to act and for analyzing a certain issue in the study (Bryman, 2007). The researcher adhered the following principles of ethical consideration such as; the principle of respect for human dignity (Polit & Beck, 2008), the researcher respected the respondent's dignity, that means respondents had the right to decide whether to participate in the study or not. Second Mzumbe University provided the clearance letter to the company to ask for permission in respective authorities in Association of Tanzania tobacco Traders Company (ATTT) in Kahama and the respondents themselves to carry out the study. Third the information that collected during the course of study is kept in strict confidentiality. Last Respondents were treated fairly and equally in both before, during, and after their participation in the study.

## **CHAPTER FOUR**

### **PRESENTATION OF THE FINDINGS**

#### **4.0 Introduction**

The purpose of this chapter is to present the findings on the Factors influencing employee's retention in private sectors; a case of Association of Tanzania Tobacco Traders-Kahama. The study was guided by three research objectives which aimed to: identify the employee's retention strategies employed by the ATTT in Kahama District, to determine the benefits of employee's retention strategies employed by ATTT in Kahama District and to identify the challenges facing ATTT in implanting employee's retention strategies. This chapter is divided into four sections, section one covers the demographic and background characteristics of the respondents. Section two up to four entails the aforementioned research objectives.

#### **4.1 Demographic and Background Characteristics of the Respondents**

The first part of the questionnaire gathered information about the attributes of the respondents. These include gender, age, level of education, and employment status of the respondents.

##### **4.1.1 Gender**

The study put into consideration the sex of the respondents; whereby the findings of the study indicate that 56% of the respondents were male and 44% of the respondents were female as shown in Table 3 below. This means that there were more male employees than female employees in an organization. The motive behind this aspect was simply to observe relationship between sex and employees retention. That both male and female were considered on the factors influencing employee's retention in ATTT.

**Table 3; Gender**

| <b>Sex</b>   | <b>Frequency</b> | <b>Percent</b> |
|--------------|------------------|----------------|
| Male         | 28               | 56             |
| Female       | 22               | 44             |
| <b>Total</b> | <b>50</b>        | <b>100</b>     |

Source: Field data (2016)

#### **4.1.2 Age**

Concerning the age of the respondents the findings of the study show that 32% of the respondents were aged between 20-30 years, 36% of the respondents were aged between 31-40 years. 16% of the respondents were aged between 41-50 years and also 16% of the respondents, were aged between 51-60 years. The findings entails that about 36% of respondents were aged between 31- 40. The motive behind this aspect was simply to observe relationship between age and employees retention. As shown in Table 4 below.

**Table 4; Age**

| <b>Age</b>   | <b>Frequency</b> | <b>Percent</b> |
|--------------|------------------|----------------|
| 20-30        | 16               | 32             |
| 31-40        | 18               | 36             |
| 41-50        | 8                | 16             |
| 51-60        | 8                | 16             |
| <b>Total</b> | <b>50</b>        | <b>100</b>     |

Source: Field data (2016)

#### **4.1.3 Education Level of the Respondents**

The education level of respondents was categorized into five groups; Secondary education level, Certificate level, Diploma level and Bachelor degree level and master degree level. Table 5 below depicts that 28% of the respondents possessed certificates level, 24% of the respondents possessed secondary education level, 24% of the respondents possessed diploma level and 24% of the respondents possessed Bachelor degree level and no any employee possessed master degree. From the findings it shows that many of the respondents' posses' certificate education. The motive behind this aspect was simply to observe the relationship between education level of the respondents and employees retention.

**Table 5; Education level of the respondents**

| <b>Education levels</b> | <b>Frequency</b> | <b>Percent</b> |
|-------------------------|------------------|----------------|
| Secondary education     | 12               | 24             |
| Certificate             | 14               | 28             |
| Diploma                 | 12               | 24             |
| Bachelor Degree         | 12               | 24             |
| Master Degree           | 0                | 0              |
| <b>Total</b>            | <b>50</b>        | <b>100</b>     |

Source: Field data (2016)

#### **4.1.4 Employment Status of the Respondents**

Concerning the employment status, the researcher categorized it into two aspects which are permanent employment and temporally employment. Interestingly, all respondents 100% were employed in permanent basis that means the findings were provided by permanent employees in ATTT.

#### **4.2 Employee's retention strategies employed by ATTT**

The first research objective sought to identify the employee's retention strategies employed by ATTT to retain employees. The researcher used questionnaires, interview, documentary review and observation methods to gather the relevant information concerning the mentioned research objective. It should be noted that the findings of this objective are organized into four parties. First part covers the findings on whether ATTT's employees had worked elsewhere (other organizations) before joined ATTT, the second part entails the reasons behind ATTT's employees for them to leave their previous organizations, the third part postulates if ATTT's employees consider to leave the organization in near future and the last part presents the strategies employed by ATTT to retain employees.

##### **4.2.1 Whether ATTT's employees had worked somewhere before joined ATTT**

In this part the researcher was interested to know whether ATTT's employees had worked somewhere else before joined ATTT. The researcher asked the respondents, "were you employed somewhere before joined ATTT?" The respondents were required to tick on given answers which were categorized into "YES, and "NO". The

findings of the study show that 60% of the respondents were not employed before joined ATTT and 40% of the respondents were employed somewhere else before joined ATTT as shown in table 7 below. This means that large number of ATTT's employees were new.

**Table 7; Whether ATTT's employees had worked somewhere before joined ATTT**

| <b>Responses</b> | <b>Frequency</b> | <b>Percent</b> |
|------------------|------------------|----------------|
| Yes              | 20               | 40             |
| No               | 30               | 60             |
| <b>Total</b>     | <b>50</b>        | <b>100</b>     |

Source; Field data (2016)

#### **4.2.2 Reasons for respondents to leave the previous organization**

In this part the researcher was interested to know the reasons for the 40% of the respondents to leave the previous organization. The researcher asked the respondents, "Why did you leave the previous organization?" The reasons for the employees to leave the previous organization are categorized into three; low salaries, no bonuses and allowances and absence of training opportunities as indicated in table 8 below.

##### **4.2.2.1 Low salaries**

Low salary was mentioned by 26% of the respondents as the reasons for employees to leave the previous organization. Salary that was offered by their previous organization was not enough to convince them continuing stay for their previous organization and thus made them shift to ATTT.

##### **4.2.2.2 No bonuses and allowances**

It was among of the reason mentioned by 12% of the respondents as the reason made them to shift from their previous organization to ATTT. The previous organizations did not provide them bonuses and allowances while they are proving their overtime hours for the benefits of the organization thus decided to shift to ATTT.

#### 4.2.2.3 Absence of training opportunities

It was mentioned by 2% of the respondents that they were decided to leave the previous organization because there was absence of training opportunities to the employees that some of the employees were sent for training but others were not, thus they decided to shift to ATTT. From the findings, many of the respondents 26% leave their previous organization to somewhere else because of the low salary as shown in table 8 below.

**Table 8; Reasons for respondents to leave the previous organization**

| Reasons                           | Frequency | Percent   |
|-----------------------------------|-----------|-----------|
| Low salary                        | 13        | 26        |
| No bonuses and allowances         | 6         | 12        |
| Absence of training opportunities | 1         | 2         |
| <b>Total</b>                      | <b>20</b> | <b>40</b> |

Source: Field data (2016)

#### 4.2.3 Whether ATTT's employees consider leaving ATTT in a near future

In this part the researcher wanted to know whether the employees consider leaving ATTT in the near future. The researcher asked the respondents, "would you consider leaving this organization in a near future?" In this question the respondents were required to answer by ticking YES, NO and NOT SURE. Table 9 below shows that, 28% of the respondents said yes, 8% of the respondents said No and 64% of the respondents were not sure as to whether they consider to leave ATTT in a near future. This means that majority of the respondents were not sure as to whether they consider to leave ATTT in a near future.

**Table 9; whether ATTT's employees consider leaving ATTT in a near future?**

| Consider leaving | Frequency | Percent    |
|------------------|-----------|------------|
| Yes              | 14        | 28         |
| No               | 4         | 8          |
| Not sure         | 32        | 64         |
| <b>Total</b>     | <b>50</b> | <b>100</b> |

Source: Field data (2016)

#### **4.2.4 Reasons for the respondents to stay in ATTT**

In this part the researcher was interested to know the reasons for the 8% of the respondents to stay in ATTT. Researcher asked the respondents to give out the reasons for them to stay in ATTT. The reasons for the respondents to stay in ATTT are the salary increment, bonuses and allowances and training opportunities as shown in table 10 below;

4.2.4.1 Salary increment: It was mentioned by 1% of the respondents. These respondents choose to stay in ATTT because the organization practices salary increment as the retention strategy.

4.2.4.2 Bonuses and allowances: It was mentioned by 2% of the respondents. These respondents stay in ATTT because there are bonuses and allowances payments that attract them continue stay and working for ATTT.

4.2.4.3 Training and development opportunities: It was mentioned by 1% of respondents. These respondents stay in ATTT because the company provides the opportunity for them going for training and thus made them continue working for the company.

**Table 10; Reasons for the respondents to stay in ATTT**

| <b>Reasons to stay</b> | <b>Frequency</b> | <b>Percent</b> |
|------------------------|------------------|----------------|
| Salary increment       | 1                | 2              |
| Bonuses and allowances | 2                | 4              |
| Training opportunities | 1                | 2              |
| <b>Total</b>           | <b>4</b>         | <b>8</b>       |

Source: Field data (2016)

#### **4.2.5 The general strategies employed by ATTT to retain employees**

In this part the researcher was interested to know the strategies employed by ATTT to retain employees. Firstly the researcher asked the respondents on whether there is any employee's retention strategies employed by ATTT and the answer was; 100% of respondents agreed that there is employee's retention strategies employed by ATTT. Secondly the researcher was interested to know "what are the employee's retention strategies employed by ATTT?" In this question respondents were required

to mention the employee's retention strategies employed by ATTT. The mentioned employee's retention strategies are as follows;

#### **4.2.5.1 Provision of bonuses and overtime allowances**

Association of Tanzania Tobacco Traders provides several bonuses and extra duties allowances to their employees, 40% of the respondents mentioned it as the retention strategies employed to retain their employees. As one of the interviewees emphasized that, *"employees in ATTT are given the bonuses and overtime allowances each month according to the organization's payments and incentive policy. The policy states that, employee should be provided with his or her bonuses according to the duty he or she does. Extra duties allowance should also be provided in accordance to the hours the employees worked."*

#### **4.2.5.2 Training and development**

It was mentioned by 12% of the respondents as the employee's retention strategy employed by ATTT. As one of the interviewees emphasized that, *"ATTT's training and development policy guides the organization on the full process of developing employees. The policy states that, every employee has the right to be assisted in developing him or herself in order to excel in their competencies. In every starting of the season seven head of departments and regional accountant attending the training on how they could work effectively and efficiently in the full process of buying Tobacco."*

#### **4.2.5.3 Salary increment**

It was mentioned by 12% of the respondents as the employee's retention strategy to retain employees in ATTT. Also it was remarked by one of the interviewees that, *"organization raise employee's salaries according to the payments and incentive policy. The policy states that, employee's salaries should be increased in every after one years of working in an organization. The percentage of what amount should be added in the salary per year depends on the time range of the employee working in an organization."* Thus the employees continuing stay in an organization.

#### **4.2.5.4 Promotion opportunity**

Promotion opportunity was mentioned by 12% of the respondents as the strategy to retain employees in ATTT. In ATTT there is an opportunity for the employees to be promoted to the higher level. It was emphasized by interviewee that, *“organization’s promotion policy gives the direction on how employee could be promoted. The policy clearly states that, employee could be promoted when he or she has the following; good performance for a period not less than three years in the organization, level of education, discipline at work, and good relationship with colleagues. In 2013 one of the employee were promoted from the assistant regional data processor supervisor and becoming a regional data processor supervisor (RDPS). Also in 2016 one of the employee are promoted and becoming an assistant accountant.”*

#### **4.2.5.5 Good working environment**

The physical working environment at ATTT is good for employees to work comfortably, as it was observed by a researcher and supported by 8% of the respondents as the employee’s retention strategies employed by ATTT. As one of the interviewees said, *“Both internal and external environment are suitable for the employee to work. Internal environment are well arranged that favours the employees to work, rooms are big, every employee have a personal computer, files shelf, office telephone, table and other. External environment also are good for the employee to work. In Godown there are groves, mask and other working gears like overalls, which help employees not to harm their health. He emphasized that, ATTT is governed by health and safety policy. The policy states that, for the matter of chemicals, employee should be protected from dust, poisonous gases and other toxic chemicals.”* As shown in figure 3 and 4 below.

**Figure 2; the working environment at ATTT**



Source: Field data (2016)

**Figure 3; the working environment in ATTT's godown**



Source: Field data (2016)

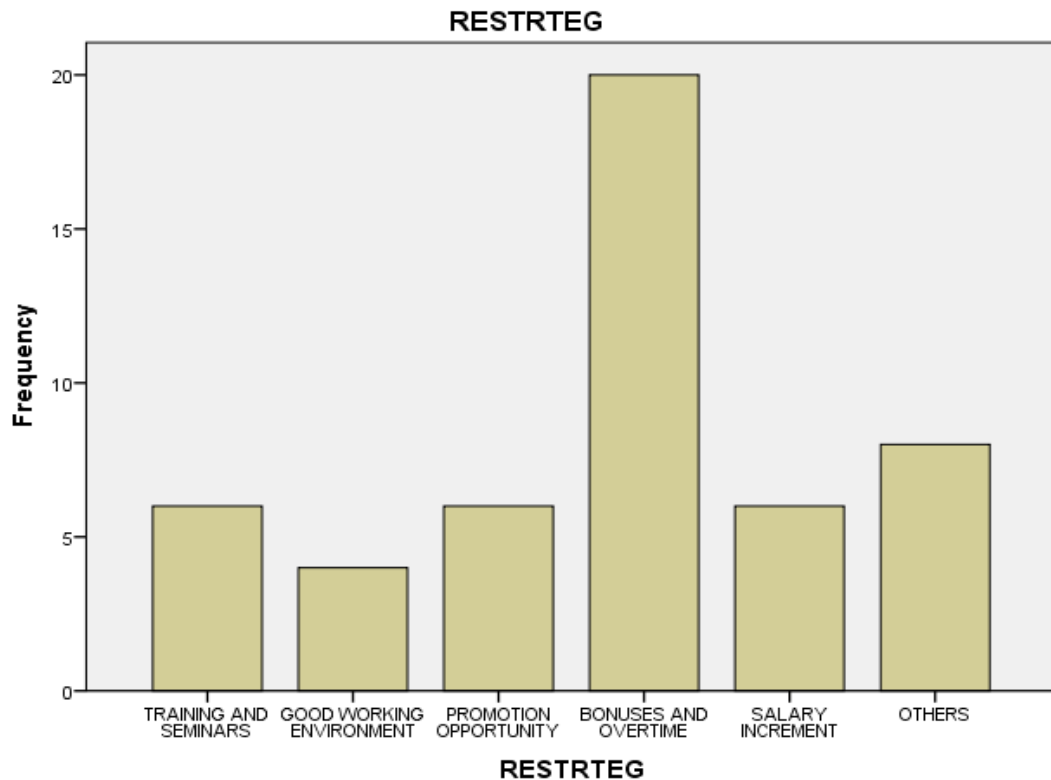
**Figure 4; ATTT's employee protected by wearing mask and overalls**



Source: Field data (2016)

Also 16% of the respondents mentioned other strategies like medical treatments, good employment relationship, and good retirement benefits as the employee's retention strategies made them stay in ATTT as shown in figure 2 below. This means that most of the respondents 40% mentioned bonuses and overtime payments as the employee's retention strategy employed by ATTT, followed by 12% of the respondents who mentioned training and seminar, 12% of the respondents mentioned the salary increment, 12% of the respondents mentioned promotion opportunities and 8% of the respondents mentioned good working environment.

**Figure 5; Employee's retention strategies employed by ATTT**



Source: Field data (2016)

#### **4.3 The benefits of employee's retention strategies employed by ATTT**

The second research objective aimed to determine the benefits of employees' retention strategies employed by ATTT. The researcher used questionnaires, interview and documentary reviews to gather the relevant information concerning the mentioned research objective. The researcher asked the respondents "What do you think could be the benefits of employee's retention strategies employed by ATTT?" The respondents were required to mention the benefits of employee's retention strategies. The benefits of employee's retention strategies presented as follows;

##### **4.3.1 Employees may stay in organization for a long period of time**

The well implementation of these retention strategies by the management it may lead to the employees to stay in an organization for a long period of time as supported by 56% of the respondents as the benefit of employee's retention strategies employed by

ATTT. It was explained by one of the interviewee emphasized that, *“In ATTT there is good implementation and practices of the retention strategies like provision of bonuses and overtime allowances, promotion opportunities, and chance for training and seminars. All of these help the organization to retain employees, since from 2010 to 2015 only two employees shifted to other organization”*

#### **4.3.2 Employees are motivated and encouraged to work**

It was mentioned by 20% of the respondents as the benefit of retention strategies employed by ATTT. It's obvious that when the organization implementing well these retention strategies the employees will be motivated and encouraged to work as one of interviewee remarked that, *“through good implementation of those retention strategies mentioned, employees are motivated and encouraged to work, since it influences the employee's morale and thus employee working effectively.”*

#### **4.3.3 Efficiency and productivity**

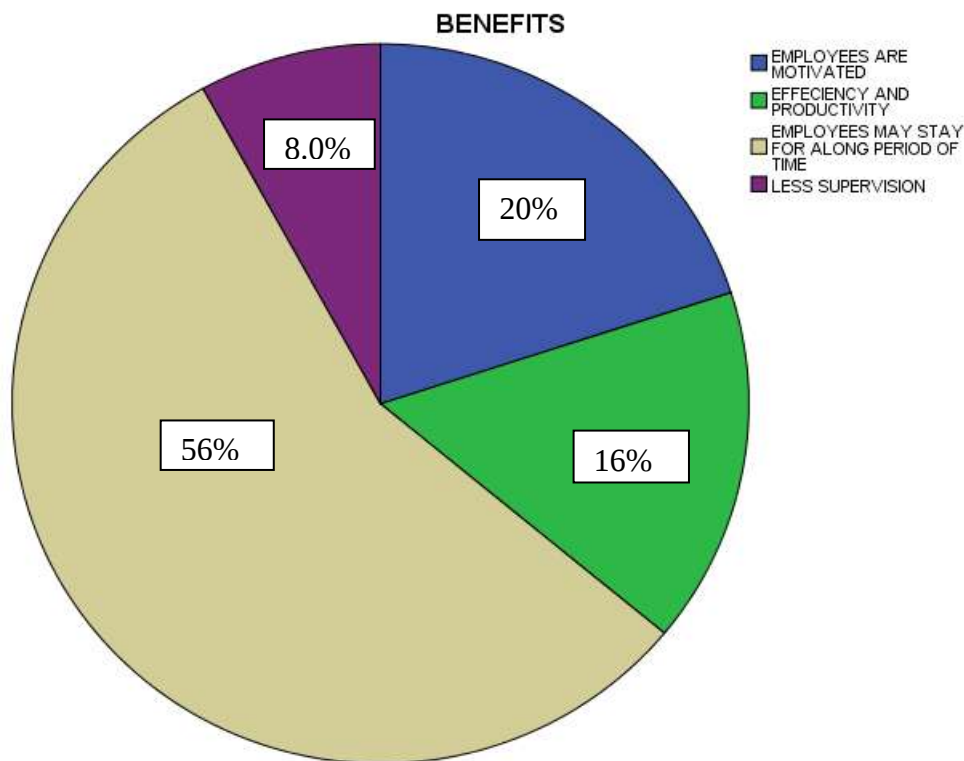
Efficiency and productivity was among of the benefit mentioned by 16% of the respondents as the benefit of employee's retention strategies employed by ATTT. As one of the interviewee said, *“In ATTT employees are well retained by providing their demands for their benefits and thus working efficiently and effectively and thus high production in organization. So the Tobacco production rises according to the time, from 2005 to 2010 the production raises from 5.4 million kilograms to 6.5 million kilograms, from 2010 to 2015 the production rises to about 7.5 million kilograms.”*

#### **4.3.4 Less supervision**

This was mentioned by 8% of respondents as the benefit of employee's retention strategies employed by ATTT. As it was emphasized by one of interviewee, *“In ATTT employees are trained and developed on how they could perform their duties. So there is no need for the supervisors to make full supervision simply the employee are full of knowledge concerning the assigned duties. Also the employees are encouraged to work through paying them bonuses and other allowances that motivate them to work effectively”*

The findings of the study shows that, many of the respondents 56% mentioned employees may stay for a long period of time as the benefit of employee's retention strategies employed by ATTT. As shown in figure 3 below.

**Figure 6; the benefits of employee's retention strategies employed by ATTT**



Source; Field data (2016)

#### **4.4. The challenges facing ATTT in implementing employee's retention strategies**

The last research objective aimed to identify the challenges facing ATTT in implementing employee's retention strategies. The researcher used questionnaires, interview and documentary reviews to gather the relevant information concerning the mentioned research objective. The respondents were asked "What are the challenges facing ATTT in implementing employee's retention strategies", and the challenges facing ATTT in implementing employee's retention strategies were presented as follows;

#### **4.4.1 Costs to the organization**

This was mentioned by 8% of the respondents as the challenge facing ATTT in implementing employee's retention strategies. It was remarked by one of the interviewee that, *"ATTT's management facing the challenge of costs in sending employees to the training and development. Also costs to the provision of bonuses and overtime allowances since the provision of employee's allowances need a lot of money to make employees succeeded. Training expenses are also high."* Due to the findings, it shows that many of the respondents mentioned delaying of the bonuses as the challenge facing ATTT in implementing employee's retention strategies. As shown in figure 4 below.

#### **4.4.2 Delaying of the bonuses and overtime allowances**

It was mentioned by 40% of respondents as the challenge facing ATTT in implementing retention strategies. It was emphasized by one of the interviewee that, *"the challenge of delaying of the bonuses and overtime allowances is due to the organization itself or by outside organization. Inside organization, there is delaying of checklist from the head office and the challenge caused by outside organization is due to the problems in bank transaction."*

#### **4.4.3 Employees may leave organization after training**

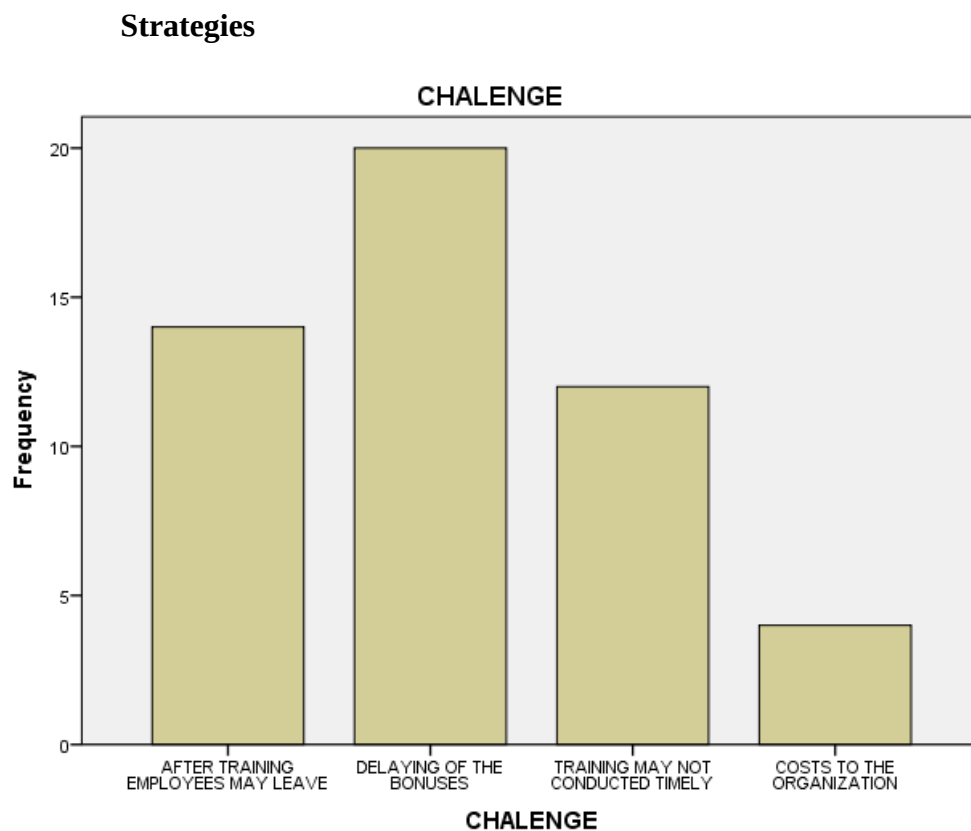
This was mentioned by 28% of respondents as the challenge facing ATTT in implementing retention strategies. As remarked by one of the interviewee that, *"organization face the challenge of employees to leave the organization after training. The data shows that, from 2010 to 2015 two employees leave the organization after being trained."*

#### **4.4.4 Lack of training need assessment**

It was mentioned by 24% of respondents as the challenge facing ATTT as one of the interviewees said, *"training need assessment in ATTT are not well practiced to see if there is a knowledge gap to be filled. Organizations are practicing the training need assessment but insufficiently than the organization needs. When there is a need for*

training organization are delaying to conduct the training need assessment so as to discover the gap to be covered and thus the training may not be conducted in time.” He emphasized that, lack and delay of the training needs assessment caused the training not to be conducted timely. “Poor preparation in terms of training budget and others also could be the challenge that organization face.”

**Figure 7; the challenges facing ATTT in implementing employee’s retention**



Source: Field data (2016)

#### 4.5 Summary

Under this study researcher through responses from different respondents, the data shows that, 40% of the respondents mentioned bonuses and overtime allowances payments as the employee’s retention strategy employed by ATTT, while 12% of respondents mentioned Training and seminars as the retention strategy, 12% of the respondents mentioned salary increment as the employee’s retention strategy, 12% of the respondents mentioned promotion opportunity as the employee’s retention

strategy, good working environment was mentioned by (8%) of the respondents as the employee's retention strategies employed by ATTT. 16% of the respondents mentioned other employee's retention strategies like medical treatment, good employment relationship, and good retirement benefits.

Further, the researcher founded that the benefits of employee's retention strategies employed by ATTT were the; 56% of respondents mentioned employees may stay for a long period of time, 20% of respondents mentioned employees were motivated and encouraged to work, 16% of respondents mentioned efficiency and productivity, and 8% of employees indicated less supervision. Furthermore the researcher founded that the challenges facing ATTT in implementing employee's retention strategies were; 40% of respondents mentioned delaying of the bonuses and other payments, 28% of respondents mentioned employees may leave organization after training, 24% of respondents mentioned training may not conducted timely and 8% of the respondents mentioned costs to the organization as the challenges facing ATTT in implementing employee's retention strategies.

## **CHAPTER FIVE**

### **DISCUSSION OF THE FINDINGS**

#### **5.0 Introduction**

The major aim of this study was to examine the factors influencing employees' retention in private sector, a case of Association of Tanzania Tobacco Traders-Kahama. This chapter focuses on discussion of the study results. The chapter has three main parts; the first part discusses the results concerning the first research objective which is; to identify the employee's retention strategies employed by ATTT. The second part discusses the results of the second research objective which is; to determine the benefits of employee's retention strategies employed by ATTT. The third part discusses the results of the third research objective which is; to identify the challenges facing ATTT in implementation of employee's retention strategies. And the final part is summary.

#### **5.1 The employee's retention strategies employed by ATTT**

The first research objective sought to identify the employee's retention strategies employed by ATTT. It should be noted that there are various employee retention strategies around the world, but each organization selects some tactics which it believes will be more efficient and suitable for it to retain its valuable employees. The same goes to Tanzania private organizations including Association of Tanzania Tobacco Traders in Kahama District, as presented in chapter four, the following are the employee's retention strategies employed by ATTT to retain its employees;

##### **5.1.1 Provision of bonuses and overtime allowances**

It should be noted that every employee wants fairly provision of bonuses and overtime allowances for the work he or she does (Nel et al, (2008). Provision of bonuses and overtime allowances was mentioned by 40% of the respondents as the employee's retention strategy employed by the organization to retain its employees. The provision of these bonuses and overtime allowances to the employees motivate to work hard and encourage them to stay in organization. As emphasized by one of

the interviewees, employees in ATTT are given the bonuses and overtime allowances each month according to the organization's payments and incentive policy. The policy states that, employee should be provided with his or her bonuses according to the duty he or she does (ATTT's payments and incentive policy, 2003). Extra duties allowance should also be provided in accordance to the hours the employees worked. The provision of bonuses and overtime allowances covers the personal needs of the employees hence they are motivated to stay in an organization. The findings of the study are in line with Cappelli, (2001) who emphasized that, bonuses and allowances are the employee's retention strategies that can make employees to stay in organization. In addition, the study findings are in consistent with Nel et al, (2008) who said that people perceive their allowances and other bonuses as an indication of what they are worth to the organization. Therefore this rises the phenomena that how much an employee is paid determine how is valued by the organization and the entire organization (ibid).

### **5.1.2 Training and development**

Providing training and development to employees is a good way to help and build employees skills that not only make a difference in their lives but also bond them more closely to the organization (Rosenwald, 2000). Training and development was mentioned by 12% of the respondents as the employee's retention strategy employed by ATTT. Training and development at ATTT is governed by training and development policy. As remarked by one of the interviewees that, ATTT's training and development policy guides the organization on the full process of developing employees. The policy states that, "every employee has the right to be assisted in developing him or herself in order to excel in their competencies (ATTT's training and development policy, 2003). It should be noted that training and seminars provide specialized technique and skills to employee and also help to rectify deficiencies in employee performance (Itika, 2011). Through this policy, employees are provided with the opportunity for training and attending seminars in accordance to the organization needs (ATTT's training and development policy, 2003). That is to say in every starting of the season seven head of departments and regional accountant

attending the training on how they could work effectively and efficiently in the full process of buying Tobacco. Training and development may lead the employees into highest position in an organization thus employee decided to stay in an organization. These findings are similar with Logan (2000), in his study on the employee retention conducted in Europe, Logan explained that, some of the organizations understand the importance of training and to the employees and to the organization as well. Training and seminars add value to the employees and that is important for the development of organization and in fact, many companies have discovered however that one of the factors that helps to retain employees is the opportunity to learn and try new things (ibid). Also it was recommended by Storey and Sisson (1993) in the study of employee performance that, training is sign of organization commitment into employees. Jennifer Potter-Brotman, CEO of Forum Corporation also claims that there is strong evidence indicating a link between training programs and employee retention (Rosenwald, 2000).

### **5.1.3 Salary increment**

Salaries are fundamental aspect in retaining employees due to the fact that it is one of the employee basic rights and needs. According to Maslow's hierarchy of needs theory the absence of salaries causes dissatisfaction to employees. It was mentioned in two-factor theory by Ihsan and Naeem (2009). This strategy of retaining employees was mentioned by 12% of the respondents that, salary increment is one of the retention strategy employed by ATTT. Salary increment to the employees in ATTT is governed by the organization's payments and incentive policy. The policy states that, every employee's salary should be increased in every after one year of working in an organization (ATTT's payments and incentive policy, 2003). When the salaries of the employees are increased, this has got the effect to employee's morale, that is to say the employees will be motivated to stay in the organization. As insisted by one of the interviewees that, organization raise employee's salaries according to the payments and incentive policy. The policy states that, employee's salaries should be increased in every after one years of working in an organization. The percentage of what amount should be added in the salary per year depends on

the time range of the employee working in an organization. So employee's salaries have to be increased after specific period of time because the life expenses also rises. The findings of this study are similar with Tetty (2005) who remarked that; financial factor (that is salaries and other incentive packages) has to be maintained and if possible should be improved so that employees could be motivated to remain in organization. Also Williams & Dreher (1992) emphasized that salary is the key factor for employee's attraction and retention.

#### **5.1.4 Promotion opportunity**

Every employee need to be promoted to the work he or she does. Promotion is a sign of recognition to the employees from their managers or employers. For example getting promotion is gaining more salary or power and for others it means management recognition of his/her achievements in performing the duties and responsibility (Beach & Dale 1985). Promotion opportunity was mentioned by 12% of the respondents as the strategy to retain employees in ATTT. Employees are promoted according to the promotion policy of the organization, since the promotion of employees motivating employees to work and continuing to stay in the organization also promotion of employees raises employee's morale. As one of the interviewees insisted that, organization's promotion policy gives the direction on how employee could be promoted. The policy clearly states that, employee could be promoted when he or she has the following; good performance for a period not less than three years in the organization, level of education, discipline at work, and good relationship with colleagues (ATTT's promotion policy, 2003). In 2013 one of the employee were promoted from the assistant regional data processor supervisor and becoming a regional data processor supervisor (RDPS). Also in 2016 one of the employee were promoted and becoming an assistant accountant. So through promotion opportunity employee may decide to stay in an organization in a long time since it brings a good promising future to be a senior in an organization and also financially implication. The findings of this study are in line with Section 6A(3) of The Public Service (Amendment) Act of 2007 says; "Every promotion in the service shall be made by considering (a) performance and efficiency to perform and execute

the duties by an employee (b) career development and succession plan (c) seniority among the employees.”

#### **5.1.5 Good working environment**

The employee's retention strategies have to do with creating and maintaining a workplace that attracts, retains and nourishes people (Zeytinoglu & Denton, 2005). This covers a lot of issues like safe working environment and creating clear, logical and consistent operating policies and procedures (ibid). People strive to work and to stay in those organizations that provide good and positive work environment, where employee feel that they are valued and making difference (Raml all, 2003). As observed by a researcher, the working environment of ATTT is good. Also 8% of the respondents mentioned working environment as the retention strategies employed by ATTT. Similarly one of the interviewees emphasized that, both internal and external environment are suitable for the employee to work. Internal environment are well arranged that favours the employees to work, rooms are big, every employee have a personal computer, files shelf, office telephone, table and other. External environment also are good for the employee to work. In Godown there are groves, mask and other working gears like overalls, which help employees not to harm their health. It should be noted that, ATTT is governed by health and safety policy. The policy states that, for the matter of chemicals, employee should be protected from dust, poisonous gases and other toxic chemicals (ATTT's health and safety policy, 2003). So good working environment enables employees to work easily, safe, and effectively for the personal and organization development and thus employee continuing stay in an organization.

#### **5.2 The benefits of employee's retention strategies employed by ATTT**

The second research objective sought to determine the benefits of employee's retention strategies employed by ATTT. When the organization's policies, laws and procedures on retaining employees are well practiced and implemented, every organization could expect some of the benefits. The following are the benefits of employee's retention strategies employed by ATTT;

### 5.2.1 Employees may stay in organization for a long period of time

It is obvious when organization's policies, laws, and procedures on retaining employees are well practiced and implemented, the employees will be highly encouraged to work and motivated employees staying in organization for the long period of time. This means that when management provides good salaries to the employees, a good working environment, when the employees are well trained and developed they are likely to be motivated to stay in an organization. In ATTT there is good implementation and practices of the retention strategies like provision of bonuses and overtime allowances, promotion opportunities, and chance for training and seminars. All of these help the organization to retain employees, since from 2010 to 2015 only two employees shifted to other organization as shown in table 11 below. The findings of the study are in line with Sherrie (2011) who emphasized that, a well implementation and practices of employee's retention strategies in an organization could manage employee to shift to other organization and also it attracts new quality employees into organization.

**Table 11; number of employees who stay in an organization**

| Year        | Number of employees                       |                                        |
|-------------|-------------------------------------------|----------------------------------------|
| 2010 – 2015 | 456                                       |                                        |
|             | Number of employees who left Organization | Number of employees in an organization |
|             | 2                                         | 454                                    |

Source: Field data (2016)

### 5.2.2 Employees are motivated and encouraged to work

The good practices and implementation of policies, laws and procedures on retaining employees may result into the employee motivation and encouraged to work. The provision of bonuses and overtime allowances, training and development, having promotion opportunity and good working environment both make the employees to be motivated and thus encourages to work efficiently and effectively. As supported by 20% of the respondents that, in ATTT there are good implementation and practices of the policies on retaining employees thus employees are satisfied that is why they are motivated and encouraged to work. Also it was remarked by one of the

interviewees that, through good implementation of those retention strategies mentioned, employees are motivated and encouraged to work, since it influences the employee's morale and thus employee working effectively. And this is supported by Brick (2002), who emphasized that employees who are enjoying what is doing him or her is likely to be encouraged and motivated to work effectively and efficiently and thus lead to the personal and organization development.

### **5.2.3 Efficiency and productivity**

The well implementation and practices of the policies on retaining employees is a back born to maintain the availability of employees in an organization, since employees lead to the efficiency and productivity in an organization (Scott, 2010). When management provides the employee's demand and needs such as good working environment, salary increment, promotion, and training and development opportunities it is obvious there could be efficiency and productivity in an organization. As supported by 16% of the respondents that in ATTT there is retention strategies such as availability of bonuses and allowances payments, training and development, salary increments, promotion opportunity, and good working environment. Through those retention strategies employees are getting morale on attending their daily activities and thus lead to the efficiency and productivity. Also one of the interviewees emphasized that, in ATTT employees are well retained by providing their demands for their benefits and thus working efficiently and effectively and thus high production in organization. So in ATTT, the Tobacco production rises according to the time, from 2005 to 2010 the production raises from 5.4 million kilograms to 6.5 million kilograms, from 2010 to 2015 the production rises to about 7.5 million kilograms as shown in table 12 below, and this due to the retention of employees in an organization. The findings of the study are similar with Scott (2010) who explained that, employee retention practices help support organization productivity, since there are efficiencies and effectiveness in the production process that created by training and development process.

**Table 12 the rise of Tobacco production in ATTT**

| <b>Year</b> | <b>Production</b>            |
|-------------|------------------------------|
| 2005 - 2010 | 5.4 to 6.5 million kilograms |
| 2010 - 2015 | 6.5 to 7.5 million kilograms |

Source: Field data (2016)

#### **5.2.4 Less supervision**

Employee's retention strategies are the most important thing in any organization that leads to the development of organization and employees as well (Logan, 2000). The well implementation of those strategies in an organization may result into less supervision of the employees on doing the daily duties. When employees are provided an opportunity for training and development, it is obvious employees gain new knowledge and skills important for their daily activities. As supported by 8% of the respondents and remarked by one the interviewee that, in ATTT employees are trained and developed on how they could perform their duties. So there is no need for the supervisors to make full supervision simply the employee are full of knowledge concerning the assigned duties. Also the employees are encouraged to work through paying them bonuses and other allowances that motivate them to work effectively. The aim of training and seminars in an organization is to cover the gap that employees have in conducting the duties. So when employee has new knowledge and skills, when employee are motivated by giving them bonuses and allowances they motivated to work without forcing them.

#### **5.3 The challenges facing ATTT in implementation of employee's retention strategies**

The third research objective intended to identify the challenges facing ATTT in implementing employee's retention strategies. The challenges facing ATTT in implementing employee's retention strategies are as follows;

### **5.3.1 Costs to the organization**

Costs are inevitable in any organization so as to perform daily activities (Sherman et al, 2006). Organization should maintain and prepare the budget that fit and fix the daily activities in the organization (ibid). Costs are challenge facing ATTT in the implementation of the employee's retention strategies. It was mentioned by 8% of the respondents that, ATTT's management facing the challenge of costs in sending employees to the training and seminars. Also costs to the provision of bonuses and overtime allowances since the provision of employee's allowances need a lot of money to make employees succeeded. Training expenses are also high as emphasized by one of the interviewee that, many of the strategies need a high budget to be implemented. Training the employees need high budget so as to accomplish it. The study results are in line with Sherman et al, (2006: 22) who stated that, organization costs are usually associated with replacement costs such as advertisements, recruitment agency fees, employee training and development and other pay. So organization should budget plan and monitor the organization costs so as to maintain costs effectiveness.

### **5.3.2 Delaying of the bonuses and overtime allowances**

In implementing and practicing employee's retention strategies in any organization there must be a challenges that organization could face. One of the challenges could be the delaying of the bonuses and overtime allowances. It was mentioned by 40% of the respondents that, though there is provision of bonuses and overtime allowances in ATTT, organization faced by the challenge of delaying of those bonuses and overtime allowances to the intended employees. The challenge of delaying of the bonuses and overtime allowances caused by the organization itself or by outside organization. As one of the interviewees emphasized that, the challenge of delaying of the bonuses and overtime allowances is due to the organization itself or by outside organization. Inside organization, there is delaying of checklist from the head office and the challenge caused by outside organization is due to the problems in bank transaction. The findings of this study are similar with Buhler (2002), who explained that, organizations faced by the challenge of delaying in provision of the employee's

bonuses and overtime allowances. Organizations are not providing bonuses and allowances in time thus lead to employee loss the working morale. So organization management should make sure that the challenge of delaying of the bonuses and overtime allowances is solved so as to maintain employee morale and effectiveness for the organization development.

### **5.3.3 Employees may leave organization after training**

Another challenge that organization face in implementing and practices employee's retention strategies is employees to leave organization after training. In ATTT employees leave the organization after being trained. After the employees being trained, he or she feel that they are more knowledgeable and have more skills not to continue staying in an organization, and thus decided to shift to other organization. This was supported by 28% of the respondents and emphasized by one of the interviewees that, organization face the challenge of employees to leave the organization after training. The data shows that, from 2010 to 2015 two employees leave the organization after being trained as shown in table 13 below. The findings of the study are similar with Bliss (2007:1) who states that, organizations suffer in productivity simply the employees decided to leave the organization after being trained. Employee is hired, trained, and finally leave (ibid). So organization should make sure that there must be rule and regulation that could protect the employees to leave the organization after training. Also there should be rule that directs the employees to leave the organization after a minimum period of time in an organization for stance after five years and so on.

**Table 13 Number of employees who left ATTT after training and development**

| <b>Year</b> | <b>Number of employees who leave<br/>The organization.</b> |
|-------------|------------------------------------------------------------|
| 2010-2015   | 2                                                          |

### **5.3.4 Lack of training need assessment**

Training is the most important tool that could sharpen the direction of the organization (Vernon & Smith, 1994). So organization should consider training as the most important thing within an organization. Lack of training need assessment is the challenge facing ATTT. It was mentioned by 24% of the respondents and emphasized by one of the interviewee that, training need assessment in ATTT are not well practiced to see if there is a knowledge gap to be filled. Organizations are practicing the training need assessment but insufficiently than the organization needs. When there is a need for training organization are delaying to conduct the training need assessment so as to discover the gap to be covered and thus the training may not conducted in time. It was emphasized by the respondents that, lack and delay of the training needs assessment caused the training not to be conducted timely. Poor preparation in terms of training budget and others also could be the challenge that organization face. This study are similar with Vernon & Smith, (1994) who explained that, lack of training need assessment, low priority given to staff development, poor planning and staff supervision and limited non-contact time for administrative work and staff discussions regarded as the challenge that organization faces. (Vernon & Smith, 1994).

### **5.4 Summary**

Generally, this chapter aimed to discuss the findings from the three research objectives whereby, employee's retention strategies basically based according to the particular employee's needs and demands. In Association of Tanzania Tobacco Traders, 40% of the respondents are greatly concerned with provision of bonuses and overtime allowances as the employee's retention strategies that make them stay in organization, 12% of respondents indicated salary increment, 12% indicated promotion opportunity, also 12% of respondents indicated training and seminars. 8% of respondents indicated working environment and other are, good retirement benefit, job security, working relationship, and provision of the working gears.

Also it was founded that the benefits of employee's retention strategies provided according to the respondents as follows; 56% of respondents indicated employees

may stay in organization for a long period of time, 20% of respondents indicated employees are motivated and encouraged to work, 16% of respondents indicated efficiency and productivity, and 8% of employees indicated less supervision. Further the challenges facing ATTT in implementing employee's retention strategies are; costs to the organization, delaying of the bonuses and overtime allowances, employees may leave organization after training, and lack of training need assessment.

## **CHAPTER SIX**

### **SUMMARY, CONCLUSION, AND RECOMMENDATIONS**

#### **6.0 Introduction**

This chapter presents the summary, conclusion, recommendation, and areas for further research based on research findings.

#### **6.1 Summary**

The aim of this study was to examine the factor influencing employee's retention in private sectors; a case of Association of Tanzania Tobacco Traders Kahama. Three specific objectives were set; first to identify the employee's retention strategies employed by ATTT in Kahama District; second to determine the benefits of employee's retention strategies employed by ATTT in Kahama District; third to identify the challenges facing ATTT in implementation of employees retention strategies.

The researcher reviewed various literature related to employee's retention. The 50 respondents were involved in the study. Both primary and secondary data collection methods like questionnaire, interview, documentary reviews and observation were used to gather the information on the three research questions. Data were analyses using both quantitative and qualitative means. The following are the summary of the study which is presented in line with the three research objectives as follows;

- To identify the employee's retention strategies employed by the ATTT.
- To determine the benefits of employee's retention strategies employed by ATTT.
- To identify the challenges facing ATTT in implementation of employee's retention strategies.

### **6.1.1 The employee's retention strategies employed by the ATTT**

This research objective sought to identify the employee's retention strategies employed by ATTT; whereas the respondents came up with various employees' retention strategies as follows;

The employee's retention strategies mentioned were; the provision of bonuses and overtime allowances, training and development, salary increment, promotion opportunity, and good working environment. It should be noted that, provision of bonuses and overtime allowances was mentioned by 40% of the respondents, training and development was mentioned by 12% of the respondents, salary increment was mentioned by 12% of the respondents, promotion opportunity was mentioned by 12% of the respondents, good working environment was mentioned by 8% of the respondents as the employee's retention strategies employed by ATTT to retain their employees. While 16% of the respondents mentioned other employee's retention strategies like medical treatments, good employment relationship, and good retirement benefits.

### **6.1.2 The benefits of employee's retention strategies employed by ATTT**

The findings of the study show that, the following are the benefits of employee's retention strategies employed by;

The respondents mentioned employees may stay in organization for a long period of time, employees are motivated and encouraged to work, efficient and productivity, and less supervision as the benefits of employee's retention strategies. Whereby employees may stay in organization for a long period of time was mentioned by 56% of the respondents, employees are motivated and encouraged to work was mentioned by 20% of the respondents, 16% of the respondents mentioned efficient and productivity, and less supervision was mentioned by 8% of the respondents as the benefits of employee's retention strategies employed by ATTT.

### **6.1.3 The challenges facing ATTT in implementation of employee's retention strategies**

The study found that, the following are the challenge facing ATTT in implementing employee's retention strategies; costs to the organization, delaying of the bonuses and overtime allowances, employees may leave organization after training, and lack of training need assessment. Whereby costs to the organization was mentioned by 8% of the respondents, delaying of the bonuses and overtime allowances was mentioned by 40% of the respondents, employees may leave organization after training was mentioned by 28% of the respondents, and lack of training need assessment was mentioned by 24% of the respondents as the challenges facing ATTT in implementation of employee's retention strategies.

### **6.2 Conclusion**

The findings of the study provides various employee's retention strategies like provision of bonuses and overtime allowances, training and development, salary increment, promotion opportunity, and good working environment. In order for the organization to practice and implementing well those strategies mentioned, there must be a presence of labour laws which governed by ELRA, (2004), rules and regulations and also there must be the HR policies like training and development policy, promotion policy, payments and incentives policy, health and safety policy and others so as to maintain the effectiveness of those retention strategies. The effective implementation and practices of those retention strategies resulted from laws, rules, procedures and HR policies may lead an employee to continue stay in an organization and thus organization could achieve the positive impacts on the production process. The absence or failure to follow those laws, rules, regulation, and HR policies on retaining employees in an organization, it may resulted an organization into different challenges. Also it may shake the organization direction and thus production may dropdown simply employees are not well retained.

### **6.3 Recommendation**

On the basis of the findings and conclusion of the study, the following recommendations are proposed to Association of Tanzania Tobacco traders (ATTT) and other private sector in general on implementation of employee's retention.

#### **6.3.1 Bonuses and overtime allowances should be provided timely**

The organization should make sure that, the bonuses and overtime allowances are provided in time for the employees who deserve them. The delaying of the bonuses and overtime allowances may lead to the loose of employee's morale and effectiveness. Management should make sure that, the list of all employees who deserve them are prepared in time. Also the salary, bonuses and other allowances needed to be increased which will not only retain the present employees but will attract new employees from other organization as well. This is due to the fact that many of the employees are motivated by monetary incentives.

#### **6.3.2 To have the policies to protect/ guide employees to leave organization after training**

For the organization to implementing and practices well the retention strategies, organization should have the policies and laws to protect employees to leave the organization after training. Since employees have the tendency of living the organization after being trained, therefore there must be a policy that, after training employees should work for the organization in a specific period of time before he or she leave to other organization. Thus could hinder them to leave before paying what the organization spent for them.

#### **6.3.3 Training need assessment should be conducted properly in time**

In implementing employee's retention strategies, organization should conduct the training need assessment in a right time so as the training could be conducted in time for the betterment of organization. Failure to do so it will be difficult to cover the gap in time, also there must be a good preparation in terms of training budget and others planning within an organization. There must be an establishment of training

programs to all employees as a regular practice so as to improve employee's performance, satisfying employee's needs and increase employee retention.

#### **6.3.4 Organization should budget, plan and monitor the organization costs**

Organization should have the budget which could provide a direction for the financial management of the organization. It includes controlling costs, historical results along with the effects of current revenue and cost trends. The basis for a budget can help predict the future financial health of the organization and thus organization can plan for the betterment of the organization concerning the employee's retention.

#### **6.3.5 Involvement of employees in decision making**

Also employees should be participated and involving in decision making. Participating employees in decision making is very important since it brings a sense of respect. Allowing employees to participate in the decision making can be one of the non-financial incentives that are highly motivating employees. The ability to have a say in what happening in the organization can help employee to feel included and organization value their inputs.

#### **6.4 Areas for Further Research**

Since this study aimed at identifying the factors influencing employee's retention in Private sector, the researcher propose both Public and Private sectors to be the areas for further research on the factors influencing employee's retention so as to know which employee's retention strategies is valid for retaining employees.

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## **APPENDECES**

### **Appendix I**

#### **QUESTIONNAIRE FOR EMPLOYEES IN ASSOCIATION OF TANZANIA TOBACCO TRADERS**

Dear respondents,

My name is Sebastian Sengerema; I am currently a Master's degree student at Mzumbe University pursuing Master of Science in Human Resource Management (MSc. HRM). I am carrying out research on "the factors influencing employee retention in Private Sectors." I kindly request you to take not more than 20 minutes to voluntarily respond to this questionnaire appropriately according to your own understanding and experience. Your participation in this study will provide me with the necessary data and information from which conclusion can be drawn. This study is part of my studies and information given here will be treated with strict confidentiality. Data will be reported in aggregate and all responses will remain anonymous. I highly appreciate your participation.

The researcher

#### **A: Demographic characteristics of respondents**

**Please put a tick where appropriate and give explanation where needed to the following questions**

1. Gender

A. Male (    )

B. Female (    )

2. Age

A. 20-30 (    )    B. 31-40 (    )    C. 41-50 (    )    D. 51-60 (    )

3. Level of education

- A. Secondary education ( )
- B. Certificate ( )
- C. Diploma ( )
- D. Bachelor Degree ( )
- E. Master degree ( )

4. Employment status.

- A. Permanent ( ) B. Temporary ( )

5. Your occupation.....

6. Were you employed somewhere else before this organization?

- A. Yes ( ) B. No ( )

7. If yes why did you leave the previous organization? (Mention three major factors)

A.....

B.....

C.....

8. Would you consider leaving this organization? (A) Yes ( )

(B) No ( ) (C) Not sure ( )

9. If No Why? Give out the reasons

A.....

B.....

C.....

### B. Employee's retention strategies employed by ATTT

10. Is there any employee's retention strategies employed by ATTT?

- a) YES (     )                                                  b) NO (     )

11. If the question number (10) is YES, what are the employee's retention strategies employed by ATTT? Please mention them.

- a).....
- b).....
- c).....
- d).....
- e).....
- f).....

### C. The benefits of employee's retention strategies employed by ATTT.

12. Is there any benefits of employee's retention strategies employed by ATTT?

- A. YES (     )                      B. NO (     )

13. If the question number (12) is YES, what do you think could be the benefits of employee's retention strategies employed by ATTT?

- A.....
- B.....
- C.....
- D.....

#### D. The challenges facing ATTT in implementing employee's retention strategies.

14. What are the challenges facing ATTT in implementing employee's retention strategies?

- A.....
- B.....
- C.....

15. What do you think could be the solution on the above challenges facing ATTT in  
Implementing employee's retention strategies?

A.....

B.....

C.....

Thank you for your cooperation.

## **Appendix II**

### **Interview guide for Managers and Head of departments**

**The interview guide questions intended to seek information on the factors influencing employee's retention in ATTT.**

1. What are the employee's retention strategies employed by ATTT?
2. What are the benefits of employee's retention strategies in ATTT?
3. Which challenges facing ATTT in implementation of employee's retention strategies?
4. How can these challenges be solved?
5. Do you have any other comment?

### **Appendix III**

#### **QUESTIONNAIRE CODES ADMINISTERED TO THE RESPONDENTS IN ATTT ON THE STUDY FACTORS INFLUENCING EMPLOYEE'S RETENTION, A CASE OF ASSOCIATION OF TANZANIA TOBACCO TRADERS- KAHAMA.**

##### **Question 1**

###### **Code name: Gender**

|        |   |   |
|--------|---|---|
| Male   | = | 1 |
| Female | = | 2 |

##### **Question 2**

###### **Code name: Age**

|       |   |   |
|-------|---|---|
| 20-30 | = | 1 |
| 31-40 | = | 2 |
| 41-50 | = | 3 |
| 51-60 | = | 4 |

##### **Question 3**

###### **Code name: Level of education**

|                     |   |   |
|---------------------|---|---|
| Secondary education | = | 1 |
| Certificate         | = | 2 |
| Diploma             | = | 3 |
| Bachelor degree     | = | 4 |
| Master degree       | = | 5 |

#### **Question 4**

**Code name: employment status of the respondents**

|                      |   |   |
|----------------------|---|---|
| Permanent employment | = | 1 |
| Temporary employment | = | 2 |

#### **Question 5**

**Code name: respondent's occupation**

|                         |   |   |
|-------------------------|---|---|
| Regional accountant     | = | 1 |
| Regional Data processor | = | 2 |
| Railhead supervisor     | = | 3 |
| Shipping officers       | = | 4 |
| Marketing officer       | = | 5 |
| Others                  | = | 6 |

#### **Question 6**

**Code name: Were you employed somewhere else before this organization?**

|     |   |   |
|-----|---|---|
| Yes | = | 1 |
| No  | = | 2 |

### **Question 7**

**Code name: the reasons for the employees to leave the previous organization**

Low salaries = 1

No bonuses and allowances = 2

Absence of training opportunities = 3

### **Question 8**

**Code name: would you consider leaving this organization?**

Yes = 1

No = 2

Not sure = 3

### **Question 9**

**Code name: Reasons for the respondents to stay in ATTT**

Salary increment = 1

Training and development opportunities = 2

Bonuses and allowances = 3

### **Question 10**

**Code name: Is there any employee's retention strategies employed by ATTT?**

Yes = 1

No = 2

### **Question 11**

**Code name: the employee's retention strategies employed by ATTT**

|                                                 |   |   |
|-------------------------------------------------|---|---|
| Training and seminars                           | = | 1 |
| Good working environment                        | = | 2 |
| Promotion opportunity                           | = | 3 |
| Availability of bonuses and overtime allowances | = | 4 |
| Salary increment                                | = | 5 |
| Others                                          | = | 6 |

### **Question 12**

**Code name: Are there any benefits of employee's retention strategies employed by ATTT?**

|     |   |   |
|-----|---|---|
| Yes | = | 1 |
| No  | = | 2 |

### **Question 13**

**Code name: the benefits of employee's retention strategies employed by ATTT**

|                                                                   |   |   |
|-------------------------------------------------------------------|---|---|
| Employees were motivated and encouraged to work                   | = | 1 |
| Efficiency and productivity                                       | = | 2 |
| Employees may stay in an organization for the long period of time | = | 3 |
| Less supervision                                                  | = | 4 |

#### **Question 14**

**Code name: the challenges facing ATTT in implementing employee's retention strategies**

|                                                 |   |   |
|-------------------------------------------------|---|---|
| Employees may leave organization after training | = | 1 |
| Delaying of the bonuses and other payments      | = | 2 |
| Costs to the organization                       | = | 3 |
| Training may not conducted timely               | = | 4 |

#### **Question 15**

**Code name: the solutions on the challenges facing ATTT in implementation of employee's retention strategies**

|                                                                                                    |   |   |
|----------------------------------------------------------------------------------------------------|---|---|
| Training should be conducted timely                                                                | = | 1 |
| Bonuses and allowances payments should be provided timely                                          | = | 2 |
| Organization should budget, plan and monitor the organization costs                                | = | 3 |
| Organization should have policies to protect/ guide employees to leave organization after training | = | 4 |