

**AN EXAMINATION OF THE IMPACT OF MOTIVATION ON RETENTION
OF EMPLOYEES: A CASE OF GOVERNMENT PROCUREMENT
SERVICES AGENCY**

MAMBOLEO M. MPUGUSI

**A DISSERTATION SUBMITTED IN FULFILMENT OF THE
REQUIREMENTS FOR THE MASTER DEGREE OF HUMAN RESOURCES
MANAGEMENT OF THE OPEN UNIVERSITY OF TANZANIA**

2015

CERTIFICATION

The undersigned certify that she have read and here by recommends for acceptance by the Open University of Tanzania a dissertation titled: “The Impact of Motivation in Retention of Employees: A Case Study of Government Procurement Services Agency” in fulfillment of the requirements for the degree masters of Human Resource Management of The Open University of Tanzania

.....

Dr. Magreth Bushesha

(Supervisor)

.....

COPY RIGHT

No part of this dissertation may be produced, stored in any retrieval system, or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the author or The Open University of Tanzania in that behalf.

DECLARATION

I, **Mamboleo M. Mpugusi**, do hereby declare that this research dissertation is my own original work and it has not been presented and will not be presented to any other university for a similar or any other degree award.

.....

Signature

.....

Date

DEDICATION

This work is dedicated to my parents - Mr. Muhaima Mpugusi - my father and my lovely mother - Zainabu Mpugusi, and all my family members and close friends.

ACKNOWLEDGEMENT

First and foremost, I would like to thank The Almighty God for giving me the power to pursue my dream in writing and completion of this dissertation.

I also wish to convey my sincere gratitudes to my supervisor, Dr. Magreth Bushesha for her devotion, and tireless guidance. She was a source of inspiration in shaping this work. Without her comments, suggestions, criticism, and encouragement I would not have completed this study.

My sincere and special thanks go to my best friend - Mr. Akida Hudu, for his valuable and constructive comments which helped to enrich the quality of this dissertation. It is only befitting to express my special appreciations to my employer Government Procurement Services Agency, for allowing me to pursue my postgraduate studies and conducting this study within the organization

ABSTRACT

The main objective of this dissertation is to examine the impact of motivation in retention of employees in an organization of Government Procurement Services Agency. The specific objectives of this research were to identify different types of motivation applied by the Government Procurement Services Agency, to examine employee's involvement in decision making, and to assess motivation practices applied by the organization. The case study approach was used to conduct this study. A sample of forty seven (47) employees from different levels was selected and data collection was undertaken through questionnaires, interviews, observation and documentary review. Content analysis and descriptive statistics were used to analyze data. The main findings from the research show that level of education, age of majority employees, participation in decision making, working environment, salary and promotion and training predict their intention to leave, while job security did not. In addition the level of education, age of majority employees, ability to participate in decision making, working environment, salary and promotion and training significantly predicted the situation of motivation level. Furthermore, the study revealed that job security is the only variable which play major role in motivating employees. Accordingly employees who are not well motivated will have higher motive searching for job somewhere else. The results of the study therefore can be used as the basis for decision making concerning employees welfare, drafting retention strategies and future human resource planning and development.

TABLE OF CONTENTS

CERTIFICATION	ii
COPY RIGHT	iii
DECLARATION.....	iv
DEDICATION.....	v
ACKNOWLEDGEMENT	vi
ABSTRACT	vii
LIST OF TABLES	xiii
LIST OF FIGURES	xiv
LIST OF ABBREVIATIONS	xv
CHAPTER ONE	1
1.0 INTRODUCTION.....	1
1.1 Background to the Problem.....	1
1.2 Statement of the Problem	3
1.3 The objective of the Study	5
1.3.1 General Objective.....	5
1.3.2 Specific Objectives of the Study	5
1.4 Research Questions	5
1.5 Significance of the Study	5
1.6 Delimitation and Scope of the Study.....	6
1.7 Organization of the Dissertation.....	6
CHAPTER TWO	8
2.0 LITERATURE REVIEW.....	8
2.1 Introduction	8

2.2	Theoretical Literature Review on Concept of Motivation	8
2.2.1	The Concept of Motivation	8
2.2.2	Perspectives of Motivation.....	9
2.3	Herzberg and Maslow Theories	10
2.3.1	Maslow's Hierarch of Need	13
2.4	Retention	17
2.4.1	Turnover.....	18
2.4.2	Factors Affecting Employee Retention	19
2.4.3	External Drivers for The Retention Crisis.....	22
2.4.4	Internal Drivers for Retention Crisis.....	23
2.4.5	Improving Staff Retention in the Organization.....	26
2.5	Empirical Literature Review	28
2.6	Research Gap.....	32
2.7	Conceptual Framework	33
CHAPTER THREE		38
3.0	RESEARCH METHODOLOGY	38
3.1	Introduction	38
3.2	Area of the Study.....	38
3.3	Target Population	38
3.4	Research Design	38
3.5	Sample of the Study	39
3.6	Sampling Techniques	40
3.6.1	Stratified Random Sampling	40
3.6.2	Primary Data	40

3.6.3	Secondary Data	41
3.6.4	Data Collection Methods.....	41
3.6.5	Interview method.....	41
3.6.6	Observation method	42
3.6.7	Documentary research.....	42
3.6.8	Questionnaires	42
3.7	Data Analysis Techniques	43
3.8	Validity and Reliability	44
3.9	Ethical Issues	45
CHAPTER FOUR.....		46
4.0	DISCUSSION OF THE FINDINGS.....	46
4.1	Introduction	46
4.2	Data Presentation	46
4.2.1	Respondents Distribution by Department	46
4.2.2	Presentation of Gender	46
4.2.3	Distribution of Respondents by Age	47
4.2.4	Level of Education	48
4.2.5	Designation.....	49
4.2.6	Employees willingness to leave	49
4.2.7	Involvement in decision making	50
4.2.8	General Working Condition	51
4.2.9	Opinion on Salary.....	52
4.2.10	Opinion on Promotion and Training	53
4.2.11	Opinion on Team Working	54

4.2.12 Incentive Packages	55
4.2.13 Satisfaction of Work.....	56
4.2.14 Job Satisfaction	57
4.2.15 Commitment of Employees towards Their Job.....	57
4.2.16 Job security.....	58
4.2.17 Motivation Practices Applied by Government Procurement Services	
Agency	59
4.2.18 Methods of Compensation	60
4.2.19 4.2.19 Motivation to employees	61
5.1 Summary of the Major Findings	63
5.1.1 Different Strategies Applied by GPSA Management to Retain Their	
Employees	63
5.1.2 Impact of Working Condition on Motivating Employees for Retention	64
5.1.3 Impact of Career Growth Opportunity on Government Procurement	
Services Agency	64
5.1.4 Impact of Conducting Exit Interview on Government Procurement	
Services Agency	64
5.1.5 Impact of Motivation Packages on Government Procurement Services	
Agency	65
5.1.6 Impact of Participation in Decision Making on Government Procurement	
Services Agency	65
5.1.7 Impact of Providing Training on Government Procurement Services	
Agency	65

5.1.8	Impact of Acting Allowance on Government Procurement Services	
	Agency	66
5.2	Conclusion	66
5.3	Recommendation.....	67
5.3.1	Prepare clear Training Programme	67
5.3.2	Provision of incentives	67
5.3.3	Improve Working Condition	68
5.3.4	Improve Working Conditions.....	68
5.3.5	Conducting Regular Meetings.....	68
	REFERENCES.....	70
	APPENDIX.....	74

LIST OF TABLES

Table 3.1:	Sample Frame and Sample Size.....	39
Table 4.1:	Distribution of Respondents by Gender.....	46
Table 4.2:	Distribution of Respondent by Age	47
Table 4.3:	Distribution of Respondents by Level of Education	48
Table 4.4:	Distribution of Respondents by Designation	48
Table 4.5:	Percentage of Respondents who are willing to leave the Agency	49
Table 4.6:	Employee Opinion on General Working Conditions.....	51
Table 4.7:	Opinion on Salary	52
Table 4.8:	Different Perceptions towards Employee Promotion and Training.....	53
Table 4.9:	Opinion on Team Working	54
Table 4.10:	Employees Opinion towards Different Incentives Packages Applied by GPSA	55
Table 4.11:	Employees Opinion towards Job Satisfaction	56

LIST OF FIGURES

Figure 2.1: Herzberg Motivation Hygiene Theory	11
Figure 2.2: Maslow's Hierarchy of Needs	12
Figure 2.3: Conceptual Framework of Employee Motivation and Retention	33
Figure 4.1: Employees Opinions on Their Involvement in Decision Making	50
Figure 4.2: Employees Commitment towards Their Job	57
Figure 4.3: Opinion of Employee's on Job Security	58
Figure 4.4: Opinion of employees on motivation practices applied by GPSA	59
Figure 4.5: Opinion of Employee's On Compensation Methods	60
Figure 4.6: Application of Motivation to Employees	61

LIST OF ABBREVIATIONS

GPSA	Government Procurement Services Agency
HQ	Head Quarter

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background to the Problem

The Government Procurement Service Agency is an Executive Agency of the Ministry of Finance and Economic Affairs. The Agency was established under the Executive Agency Act. No. 30 of 1997 vides Government Notice No. 235 of 7th December 2007. The function of the Agency includes procurement, storage and distribution of quality supplies through its central office in Dar es Salaam to twenty five (25) regional offices throughout the country, provision of clearing and forwarding services, arranging procurement of common used items and service by procurement entities through framework agreement and provision of warehousing and storage facilities (Majura, 2011).

Performance of the Government stores declined year by year due to the fact that customers were not paying for the services rendered on the pretext that Government Store was established to facilitate developmental activities freely in the country. In the 1980s, Government Stores was restructured and become the Department of Supplies and Services headed by a director who also had the additional role of supervising the development of supplies and warehousing professionals which had before been the responsibility of the Treasury. Another important landmark was the enactment of the Public Procurement Act No. 21 of 2004 by which Ministries, Departments and Agencies were given the mandate to source for common use items from the open market (Majura, 2011).

Government Stores was given the additional role of arranging and managing framework contracts for common use items, works and services. Progressively, Government Stores has acquired enormous expertise in the field of procurement, storage, distribution and the overall management of its twenty five depots located at each regional headquarters in Tanzania mainland. It also has extensive expertise in issues of clearing and forwarding (Majura, 2011).

In addition to the vast experience in its area of specialization, Government stores has a broad base of infrastructure (buildings and machinery), which though in bad condition due to age, still facilitates its operations. In its determination to achieve excellence in the provision of procurement services, The Ministry of Infrastructure Development, in line with the Public Service Reform Programme, decided to transform the Government Stores into an Agency. This Executive Agency is now known as the Government Procurement Services Agency (Majura, 2011).

The Government Procurement Services Agency have 400 employees allocated in all regions of Tanzania mainland; all these employees need different incentives which include salaries, lunch allowances, housing allowances, holiday allowances and other incentives depending on the financial performance of the Agency. The Agency is not performing well financially and this has resulted in poor implementation of its motivation policy.

For this particular reason, the researcher decided to conduct this research to examine the impact of motivation in retention of employees at Government Procurement Services Agency (Majura, 2011).

1.2 Statement of the Problem

Retaining talented and competitive employees remains a primary concern for many organizations today. Critical analysis of workforce trends points to an impending shortage of highly skilled employees who possess the required knowledge and ability to perform at high levels, meaning that organizations failing to retain high performers will be left with an understaffed, less qualified workforce that ultimately hinders their ability to remain competitive (Rappaport, Bancroft and Okum, 2003). Despite the vast literature on employee turnover, which is aimed at identifying factors that cause employees to quit (Griffeth, Hom and Gaertner, 2000) much less is known about the factors that compel employees to stay. Maertz and Campion (1998) note that relatively less turnover research has focused specifically on how an employee decides to remain with an organization and what determines this attachment. Retention processes should be studied along with quitting processes. Steel, Griffeth, and Hom (2002) added that the fact is often overlooked, but the reasons people stay are not always the same as the reasons people leave. Retention is a critical element of an organization's more general approach to talent management, which is defined as "the implementation of integrated strategies or system designed to increase workplace productivity by developing improved processes for attracting, developing, retaining, and utilizing people with the required skills and aptitude to meet current and future business needs (Lockwood, 2006).

Employee turnover occurs when employees leave their jobs and must be replaced. Replacing existing employees is costly to organizations and destructive to service delivery. It is therefore imperative for management to reduce, to the minimum, the

frequency at which employees, particularly those that are crucial to its operations leave. Employee retention is a vital issue and challenge to all the organizations now days. There are number of factors which promote the employee to stay or leave the organization. It may be external factors, internal factors and the combined effect of both.

It is rather difficult for an organization to keep its potential employees in competitive environment when motivation of those employees is poor. Government Procurement Services Agency has been facing the problem of retaining its employees especially the young employees. Annual rate of turnover is between 8 to 12 employees since the last seven years from 2008 to 2015 despite having motivational strategies in place such as housing allowances, transport allowances, lunch allowances, leave allowances and other allowances, the above allowances are only documented on Government Procurement Services Agency Staff Regulations but there are not effectively implemented.

Human resource practices count a lot in this regard (Hassan et al, 2010). Despite the fact that many studies have been done to establish factors leading to employee staying or leaving the organizations, employee retention remain one of the greatest challenges that many work organization including those in Tanzania faces.

However, there are no published or documented evidences which indicate that the same study was done in examining the impact of motivation in retention of employees in Government Procurement Services Agency particular in Tanzania.

1.3 The objective of the Study

1.3.1 General Objective

The main objective of this study was to examine the impact of motivation in retention of employees in Government Procurement Services Agency.

1.3.2 Specific Objectives of the Study

- i). To identify different types of motivation applied by the Government Procurement Services Agency.
- ii). To examine employees involvement in decision making
- iii). To assess the relevance of motivation practices applied by Government Procurement Services Agency in retaining its employees.

1.4 Research Questions

The study was guided by the following research questions:

- i). What types of motivation applied by the Government Procurement Services Agency to its employees?
- ii). How Government Procurement Services Agency employees are involved in decision making?
- iii). Are the Motivation practices applied by the Government Procurement Services Agency to its employees having any effect on the employee's retention?

1.5 Significance of the Study

The study will benefit the Agency by using it to identify different challenges which they are facing concerning motivation of their employees and what measures they

should take to overcome the problem by referring the recommendations which provided by the researcher. Also results from the study will have significance to academia, extension of knowledge frontier as well as policy makers. The dissertation will be used as an important material to other academicians who will use the research document for further reference. The future researchers will identify the gap for further studies. Furthermore, the study is expected to provide knowledge on the relation of motivation and retention of employees in perspective of Tanzania organizations. The study will benefit policy makers of government and non government organizations, civil society organizations and community based organizations in policy making process and advocacy for the benefit of all stakeholders.

1.6 Delimitation and Scope of the study

The study examined how motivation (both intrinsic and extrinsic) impact on retention of employees in Government Procurement Services Agency. The study focuses only on Government Procurement Services Agency because of the rapid turnover which the organization faces.

1.7 Organization of the Dissertation

This dissertation organized into five chapters. Chapter one provided the introduction, background of the study, statement of the research problem, research objectives, research questions, significance of the study and delimitation. Chapter two contains literature review of theoretical and empirical studies and research articles. The information concerning the research gap was identified and explanation in how it

was bridged. Chapter three contains research methodology, which consists of research approaches, the area of study, research design, surveyed population, variables and measurement procedures, sampling techniques, data processing and data analysis. Chapter four contains the findings and discussion of the results. Chapter five contains conclusion and recommendations.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature on motivation issues in respect of the study. The purpose of this chapter is to lay grounds for the study by reviewing concepts and theories on motivation of employee and retention.

2.2 Theoretical Literature Review on Concept of Motivation

In the following chapter the concept motivation is explained. It seems that motivation can be conceived in many different ways; e.g. many researchers tried to formulate motivation but all proposed different approximations. Many research has been conducted about this subject and many theories were designed which greatly influenced and still influence organizational behavior. For example Herzberg's theory of motivation (1959) is still used nowadays. According to Staw (1976) Herzberg was one of the first persons who distinguished between Intrinsic and extrinsic motivation. And that distinction could clarify and therefore help motivating employees. In this chapter some definitions will be mentioned, together with an introduction of the theories of Maslow (1943) and Herzberg (1959). But more importantly a separation between intrinsic and extrinsic motivation is made. This separation is also helpful to clarify the relationship between employee motivation and retention.

2.2.1 The Concept of Motivation

The first question that arises is: "why organizations need to motivate employees?"

(Herzberg, 1959). According to Smith (1994) it is because of the survival of the company. Amabile (1993) adds to this statement by arguing that it is important that managers and organizational leaders learn to understand and deal effectively with their employee's motivation; since motivated employees are necessary to let the organization being successful in the next century. She also argues that unmotivated employees are likely to expend little effort in their jobs, avoid the workplace as much as possible, exit the organization and produce low quality of work. In the case that employees are motivated; they help organizations survive in rapidly changing workplaces (Lindner, 1998). Lindner also argues that the most complex function of managers is to motivate employees; because what motivates employees changes constantly (Bowen and Radhakrishna, 1991).

2.2.2 Perspectives of Motivation

The term motivation arose in the early 1880's; before that time the term "will" was used by Philosophers as well as social theorists when discussing effortful, directed and motivated human behavior (Forgas, Williams and Laham, 2005). According to them motivation used to be considered as: an entity that compelled one to action. Lately, various researchers proposed different definitions of motivation. Motivation has been defined as: the psychological process that gives behavior purpose and direction (Kreitner, 1995); a predisposition to behave in a purposive manner to achieve specific, unmet needs (Buford, Bedeian, & Lindner, 1995); an B. Keijzers; Employee motivation related to employee performance in the organisation internal drive to satisfy an unsatisfied need (Higgins, 1994); and the will to achieve (Bedeian, 1993). Mitchell (1982) stresses that although there is some disagreement about the

importance of different aspects in the definition of motivation, there is consensus about some underlying properties. Namely, that motivation is an individual phenomenon, it is described as being intentional, it is multifaceted and that the purpose of motivational theories is to predict behaviour. Mitchell (1982) also argues that motivation is concerned with action and the internal and external forces that influence one's choice of action. And that motivation is not the behavior itself, and it certainly is not performance. In relation to this, Mitchell (1982) proposes his own definition of motivation: "motivation becomes the degree to which an individual wants and chooses to engage in certain specified behaviors".

It is evident that organizations need to motivate employees to obtain the desirable results for the organization. And it can be stated that there is consensus about the facts that motivation is an individual phenomenon, it is described as being intentional, it is multifaceted and that the purpose of motivational theories is to predict behavior. It seems that Herzberg and Maslow were among the first researchers at this topic and their theories are still being used today. Since these theories clarify the concept of motivation and they are useful for the separation of motivation in intrinsic and extrinsic motivation.

2.3 Herzberg and Maslow Theories

Herzberg (1959) developed a well known motivation theory, namely the Two-Factor Theory; he distinguishes in his theory between motivators and hygiene factors. Important is that factors are either motivators or hygiene factors, but never both. Motivators are intrinsic motivational factors such as challenging work, recognition

and responsibility. And hygiene factors are extrinsic motivational factors such as status, job security and salary. Motivating factors can, when present, lead to satisfaction and hygiene factors can, when not present, lead to dissatisfaction, but the two factors cannot be treated as opposites from each other. Herzberg defines motivation in the workplace as: performing a work related action because you want to.

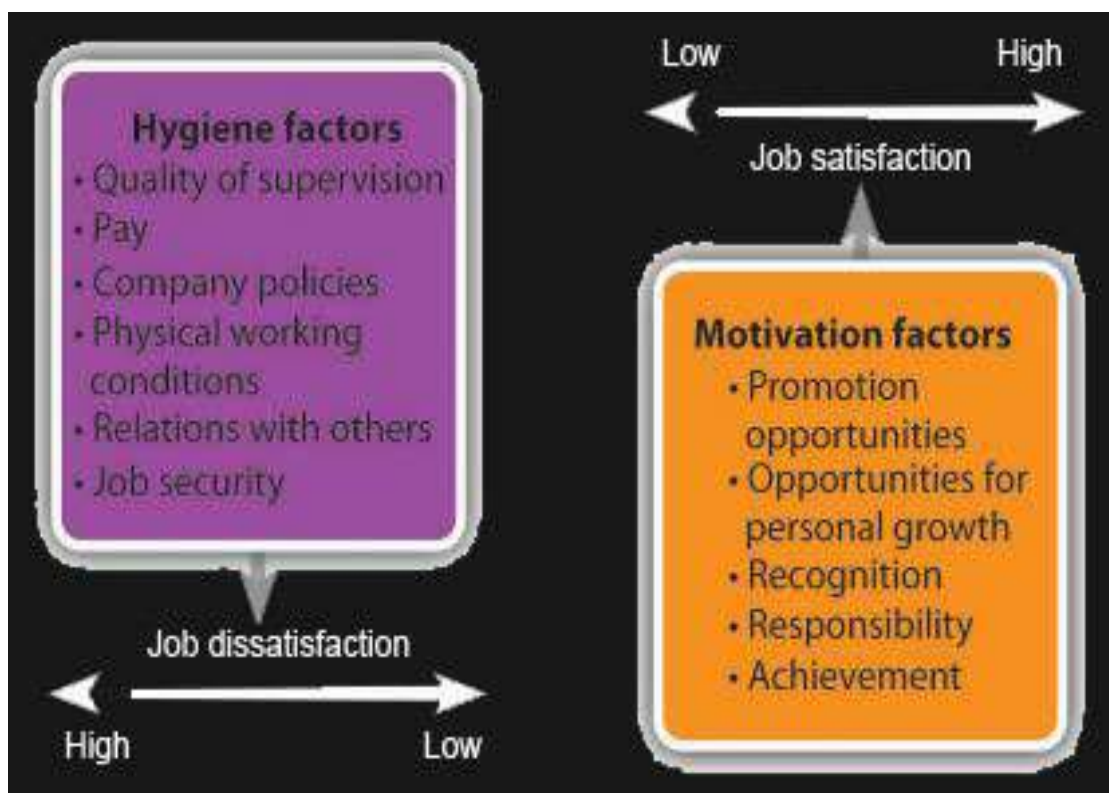


Figure 2.1: Herzberg Motivation Hygiene Theory

Source : Maslow Abraham (1954)

The Two-Factor Theory of Herzberg (1959) is related to Maslow's (1943) theory of motivation, named Hierarchy of Needs. Maslow (1943) states in his need-hierarchy that there are at least five sets of goals, which are called the basic needs, namely: physiological, safety, love, esteem and self-actualization. And "we are motivated by

the desire to achieve or maintain the various conditions upon which these basic satisfactions rest and by certain more intellectual desires” (Maslow, 1943). When the first, physiological, need is satisfied the next “higher-order need” has to be satisfied. Maslow distinguishes between lower- and higher-order needs; the lower-order needs are physiological, safety and love and the higher-order needs are the last two. Lower-order needs have to be satisfied in order to pursue higher-level motivators along the lines of self-fulfillment (Maslow, 1943). However, the five needs differ in type of motivation, e.g.: self actualization is intrinsic growth of what is already in the organism, or more accurately of what is the organism itself (Maslow, 1970). Maslow (1943) argues that self-actualization is absolutely not something extrinsic that an organism needs for health, such as e.g. “a tree needs water”. Hereby, Maslow (1943) refers to the lower order needs as being more extrinsic and the higher order needs more intrinsic.

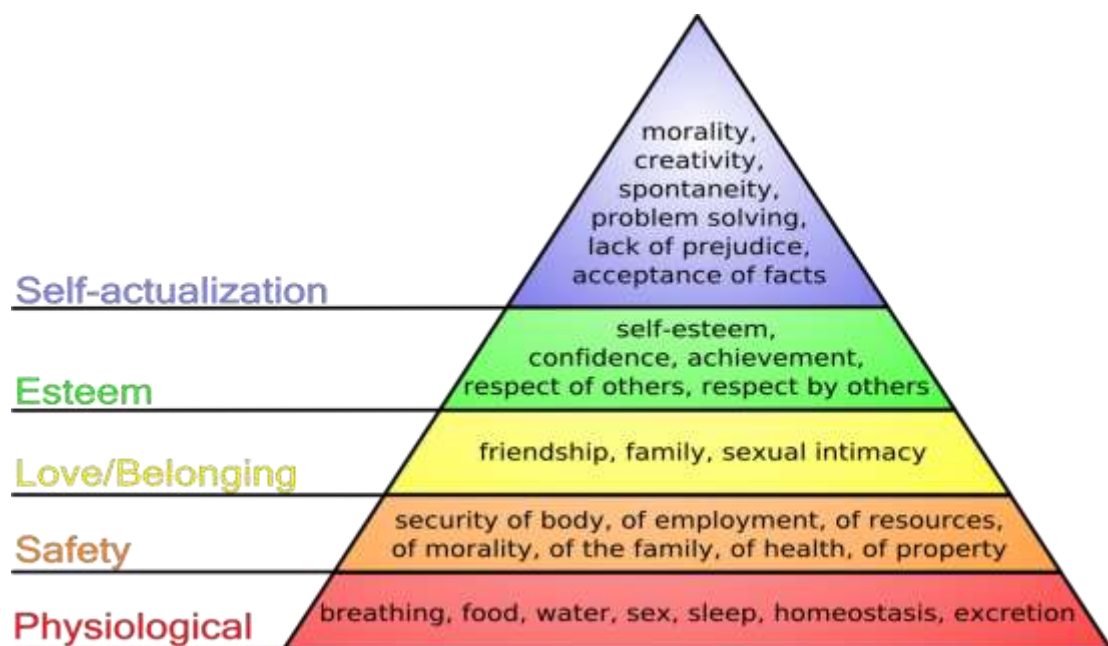


Figure 2.2: Maslow's Hierarchy of Needs

Source: Maslow (1954)

2.3.1 Maslow's Hierarchy of Need

As each of these needs becomes substantially satisfied, the need becomes dominant. The individual moves up the step of hierarchy. From the stand point of motivation, the theory would say that although no need is ever fully gratified, a substantially satisfied need no longer motivates. So if you want to motivate someone, according to Maslow in his 1943 paper you need to understand what level of hierarchy that person is currently on and focus on satisfying the needs at or above that level of satisfaction according to the hierarchy of needs.

Psychological needs; these needs are important needs for sustaining the human life. Food, water, warmth, shelter, sleep, medicine and education are the basic physiological needs which fall in the primary list of needs satisfaction. Maslow was of the opinion that unless these needs were satisfied to a degree to maintain life, no other motivating factors could work.

Security or Safety needs; these are the needs to be free of physical danger and of the fear of losing a job, property, food or shelter. It also includes protection against any emotional harm.

Esteem needs; According to Maslow, once people begin to satisfy their need to belong, they tend to want to be held in esteem both by themselves and by others. This kind of need produces satisfaction such as power, prestige status and self confidence. It includes both internal esteem factors like respect, autonomy and achievements and external factors such as status, recognition and attention.

Need for self – actualization; Maslow regards this as the highest need in this hierarchy. It is the drive to become what one is capable of becoming; it includes growth, achieving one's potential and self-fulfillment. It is to maximize one's potential and accomplish something.

One thing that Maslow probably got wrong, however, was his idea that any lower need has to be met before a higher goal can be aspired to. In other words, survival needs always take precedence over social goals, which in turn always take precedence over existential impulses. Modern research, however, shows that employees are very adept at crossing levels.

In fact, Herzberg, Mausner and Snyderman (1959) redefined Maslow's (1943) Hierarchy of Needs into their two categories named: hygiene's and motivators. This is one of the first attempts to make up the difference between intrinsic and extrinsic motivation (Staw, 1976). And they emphasized that satisfaction and dissatisfaction cannot be treated as opposites from each other (Salancik and Pfeffer, 1977). It can even be stated, according to Furnham, Forde and Ferrari (1998) that the motivator needs of Herzberg are very similar to the higher-order needs in Maslow's Theory of Needs.

It can be stated that Herzberg's (1959) Two-Factor Theory and Maslow's (1943) Hierarchy of Needs are two related theories. And it seems that these two theories form the basis for later motivational theories, since they make a very clear distinction between intrinsic and extrinsic motivation. Intrinsic and extrinsic motivation is explained as follows.

2.3.1.1 Intrinsic and Extrinsic Motivation

As described earlier, motivation can be separated in intrinsic and extrinsic motivation. Amabile (1993) explains this as follows; Individuals are intrinsically motivated when they seek enjoyment, interest, satisfaction of curiosity, self-expression, or personal challenge in the work. Individuals are extrinsically motivated when they engage in the work in order to obtain some goal that is apart from the work itself.

Deci (1972) describes extrinsic motivation as, money and verbal reinforcement, mediated outside of the person, whereas intrinsic motivation is mediated within the person. And a person is intrinsically motivated to perform an activity if there is no apparent reward except the activity itself or the feelings which result from the activity. Amabile (1993) argues that employees can be either intrinsically or extrinsically motivated or even both.

It seems that intrinsic and extrinsic motivators apply differently to persons. Vroom (1964) argues that some employees focus on intrinsic outcomes whereas others are focused on extrinsic outcomes. According to Story et al. (2009), individuals high in intrinsic motivation seem to prefer challenging cognitive tasks and can self-regulate their behaviors, so offering rewards, setting external goals, or deadlines, will do little for them, unless they are also high in extrinsic motivation. For employees high in intrinsic motivation, emphasis could be placed on the engaging nature of the task and encouragement of self-set goals and deadlines (Story et al., 2009). Hackman and Oldham (1976) even argue that people have individual differences in response to the

same work; they differentiate between employees high and low in growth need strength. People high in growth need strength are most likely to be motivated by jobs with high skill variety, task identity, task significance, autonomy and feedback. And people low in strength is relatively insensitive for these factors according to them. This statement is supported by Furnham et al. (1998); they argue that introverts are more extrinsically motivated and extraverts more intrinsically motivated. However, it not only seems that persons are differently motivated but intrinsic and extrinsic motivation also has effect on each other.

2.3.1.2 The Relationship between Intrinsic And Extrinsic Motivation

The distinction between intrinsic and extrinsic motivation is evident, however researchers argue that intrinsic and extrinsic motivation also have an effect on each other. Deci (1972) claims that in some cases extrinsic motivators can decrease intrinsic motivation. He argues that if money is administered contingently, it decreases intrinsic motivation. But this event will not occur if the money is non-contingently distributed. Amabile (1993) reacts to this discussion by stating that although extrinsic motivation can work in opposition to intrinsic motivation, it can also have a reinforcing effect: “once the scaffolding of extrinsic motivation is taken care of, intrinsic motivation can lead to high levels of satisfaction and performance”.

She also states in her research that both intrinsic and extrinsic values can motivate employees to do their work, however intrinsic and extrinsic motivation can have very different effects on employees.

It can be stated that employees can be intrinsically and/or extrinsically motivated, to perform a certain task (Amabile, 1993). And that extrinsic and intrinsic motivation can reinforce each other, but in some cases extrinsic motivators can also decrease intrinsic motivation (Deci, 1972). Furthermore, researchers argue that not all people are equally motivated; some employees are more intrinsically and others more extrinsically motivated (Furnham et al., 1998).

2.4 Retention

According to Philips (2003) he defines retention as the percentage of employees remaining in the organization. Employee retention can be represented by a simple statistics (for example, a retention rate of 50% usually indicates that an organization kept 50% of its employees in a given period). However, many consider employee retention as relating to the efforts by which employers attempt to retain employees in their workforce.

In this sense, retention becomes the strategies rather than the outcome. In a business setting, the goal of employers is usually to decrease employee turnover, thereby decreasing training costs, recruitment costs and loss of talent and organizational knowledge. By implementing lessons learned from key organizational behavior concepts employers can improve retention cost and decrease the associated costs of high turnover in order to retain employees and retain turnover managers must meet the goals of employees without losing sight of the organizations goals, thereby creating a “win-win” situation. Valence and expectancy theories provided some of the earlier guidance for retaining employees.

2.4.1 Turnover

Is the percentage of employees leaving the organization for whatever reasons, employee turnover is a ratio comparison of the number of employees a work organization must replace in a given time period to the average number of total employees. A huge concern to most work organization, employee turnover is a costly expense especially in lower paying job role, for which the employee turnover rate is highest.

Many factors play a role in the employee turnover rate of any work organization, and these can stem from both the employer and the employees. Wages, company benefits, employee attendance, and job performance are all factors that play significant role in employee turnover.

Work organization takes a deep interest in their employee turnover rate because it is a costly part of doing business. When a company must replace a worker, the work organization incurs direct and indirect expenses. These expenses include the cost of advertising, headhunting fees, human resource costs, loss of productivity, new hire training, and customer retention all of which can add up to anywhere from 30 to 200 percent of a single employees annual wages or salary, depending on the industry and the job role being filled. While lower paying job roles experience on overall higher average of employee turnover, they tend to cost work organization less per replacement employee than do higher paying job roles. However, they incur the cost more often. For these reasons, most companies focus on employee retention strategies regardless of pay levels.

2.4.2 Factors Affecting Employee Retention

In view of the large costs associated with employee turnover, even in a global economic downturn characterized by downsizing and layoffs, HR managers still need to work out HR practices that enable them to retain their talented employee.

Steel et al,(2002). These practices are often bundled under the term “retention management is defined as “the ability to hold onto those employees you want to keep, for longer than your competitors”, Yates (2000). There are five considerations to be kept in mind and those are;

First, financial rewards, or the provision of an attractive remuneration package, are one of the most widely discussed retention factors, since they not only fulfill financial and material needs, but also have a social meaning .With the salary level providing an indication of the employee’s relative position of power and status within the organization. However research shows that there is much inter individual variability in the importance of financial rewards for employee retention, Griffeth et al, (2001)

For instance, a study conducted by the “Institute for Employment Studies” Branham, (2001) revealed that only ten percent of people who had left their employer gave dissatisfaction with pay as the main reason for leaving. Moreover, due to the trend towards benchmarking, it is becoming increasingly difficult for companies to set themselves apart from their competitors by means of remuneration, which reduces the impact of financial rewards on employee retention, Cappelli, (2001).

However, despite the fact that many studies show financial rewards to be a poor motivating factor, it remains a tactic used by many organizations to commit their employees to the organization by means of remuneration packages, (2001) found that the most popular retention strategies reported by HR managers of knowledge firms still related to compensation.

Second, opportunities for career development are considered as one of the most important factors affecting employee retention. It is suggested that a company that wants to strengthen its bond with its employees must invest in the development of these employees. This does not, or not only, involves the creation of opportunities for training and skill development that allow employees to enhance their employability on the internal and/or external labor market, Steel et al (2002).

Other factors relating to career development are the provision of mentoring or coaching of employees, the organization of career management workshops and the set up of the competency management programs, Cohen (2001). For instance, in a recent survey carried out by the council for service in government in 2002 found that employees perceptions of growth opportunities were the most frequently cited reason for high performers to leave the company.

The third category of retention factors relates to employees job content, more specifically the provision of challenging and meaningful work. It builds on the assumption that people do not just work for the money but also to create purpose and satisfaction in their life Michael et al, (2001). According to wells (2002) employees,

in addition to a strong need to deliver excellent results, also want to like on difficult challenges that are relevant for the organization. However, when their work mainly consists of the routine- based performance of the tasks, the likelihood of demotivation and turnover is relatively high. By thinking carefully about which tasks to include in which jobs, companies can affect their retention rates, Steel et al, (2002).

Branham (2001) have called this “job sculpting”, or the art of matching people to job that allow their “deeply embedded life interests”. There increasing evidence that job content is an important dimension affecting employee outcomes such as commitment, performance and organization citizenship behavior. Ruth et al. (2004) found that initiatives aimed at enhancing the intrinsic qualities of the job were the second most popular type of retention practices reported by HR managers of knowledge firms.

The social atmosphere, that is the work environment and the social ties within this environment, is the fourth retention factor considered by many researchers. Cappelli (2001) states that loyalty to one’s colleagues’ acts as an effective means of retention. When an employee decides to leave the organization, this also means the loss of social network. Some research suggests that social contacts between colleagues and departments are an important factor for retaining talent. Organizations can contribute to the creation of a positive social atmosphere by stimulating interaction and mutual cooperation among colleagues and through open and honest communication between management and employees, Ruth et al, (2004).

Finally, facilitating good work life balance is the fifth retention factor frequently cited in the literature, Cohen (2001). The conflict between work and career on the one hand and private life on the other hand and private life on the other is currently assuming large proportions in our society. There is an increasing demand for more flexible forms of work, which would positively affect the reduction of work- family conflict and employee satisfaction in general. HR policies addressing work- life balance are assumed to be important because the current generation of employees attaches much importance to quality life, as a result of the ever increasing work pressure, Michael et al, (2001).

2.4.3 External Drivers for the Retention Crisis

Major changes have occurred in organizations both internally and externally making this issue more critical today than in previous years. Unfortunately, these changes will only worsen the crisis in future, (Nancy 2005).

Economic growth; almost all industrialized nations, and many emerging countries, have experienced long economic expansions. As economies grow, job growth will continue. In almost all segment of the economy, economic expansion translate directly into new jobs, which in turn create new opportunities for employees to leave current employment (Nancy 2005).

Slower growth of job seekers; despite economic growth, the number of job seekers is not increasing as quickly as job growth. In the United States, the job seeker growth rate is growing at a slower rate each year. Consequently, many organizations have

the compounding problem of fewer job seekers and more jobs created. Unemployment rate at lower levels low unemployment rates lead to increased turnover because more jobs are available. Many economists agree that whenever the actual unemployment rate falls in 5 percent range or lower, it creates serious problem for employers seeking to fill job vacancies, Ngirwa (2005).

Entrepreneurship; in recent years, growth in small business has been tremendous, particularly in those business created by individuals leaving large organizations and taking their expertise with them, Branham (2001).

Job changes for more favorable climates. In recent decades, a significant number of jobs shifted to areas where the weather was considered more favorable. Turnover is created as people migrate. This change has little to do with specific organization, just the location of the job themselves, Grantham (2000).

2.4.4 Internal Drivers for Retention Crisis

Internal changes in organization operate with concert with the external influences to drive excessive turnover: internal issues include structural changes within the organization and changes in employee attitudes about work and their employers. The following internal drivers have a tremendous impact on turnover.

2.4.4.1 Lack of Company Loyalty

Perhaps one of the most frustrating issues in retaining is lack of company loyalty. Many organizations show that much needed loyalty has deteriorated in recent years.

Years ago employee appreciated their jobs and would strive to stay with an organization for a long time. Studies continue to indicate that it is not only low, but continues to remain low, perhaps even declining in recent times. Ironically the research shows that employees want to remain with an organization for longer periods creating an opportunity for the organizations to tackle this issue, Ngirwa (2005).

2.4.4.2 Desire for Challenge and Useful Work

Employees want creative, challenging and useful work, a desire that has been evolving for many years. For many employees their jobs are their ‘identities’. They have a need to use their minds and make a significant contribution. If they cannot achieve this through the framework of the current job, they will find one where they can, Nancy (2005).

2.4.4.3 Need for Autonomy, Flexibility and Independence

Employees are becoming more accustomed to having the autonomy and flexibility to organize and control their work and work environment. Telecommunication is making it easier to work at home. This need is attracting many employees to organizations offering a flexible structure.

2.4.4.4 Need for Performance Based Rewards

More employees are seeking appropriate reward systems that reflect individual contribution and individual performance. If rewards are not in direct proportion to achievement employees often will find jobs at organizations where they will be rewarded accordingly, Branham (2001).

Need for recognition for participation, accomplishments and contributions; In addition to monetary rewards, employees want credit for what they do and what they have accomplished. Periodic feedback and recognition has been an important part of motivational research for years. Employees seek workplaces where they can be acknowledged in a more systematic in a more systematic, routine fashion, Ngirwa (2005).

2.4.4.5 Desire for All Types of Benefits

Unfortunately, employees expect compensation in all forms. Some employees go to extremes to seek an organization with a particular benefit that is critical to their need. Companies have had to adjust their programs and offer all types of perks, sometimes bordering on the absurd, Branham (2001).

2.4.4.6 Need to Learn New Skills

Perhaps a more recent development is employees desire to acquire new skills and skill sets. Employee wants to learn new technology, processes, and projects and develop all types of skills, particularly in technical area. Employees view neither skills acquisition nor seniority as providing them with job security. Consequently, they seek organizations willing to invest in them. The availability of generous tuition payment, ample job related training and continuous development opportunities can be strong attractions.

2.4.4.7 Desire for Competitive Compensation

Increased salary schedules have probably been the most visible and discussed internal change in organizations. Compensation levels have grown significantly,

sometimes outstripping other economic indicators. Employee wants more money with more disposable income. They also view their income level as an indicator of their worth to the organization and their field, Branham (2001). In some cases, internal issues are affecting turnover rates more than external drivers, but collectively, the internal issues and external issues shifts provide a tremendous challenge for organizations to manage employee retention, Nancy (2005).

2.4.5 Improving Staff Retention in the Organization

In the year 2002, Taylor and his colleagues interviewed 200 people who had recently changed employers about why they left their last jobs. They found mix factors at work. In most cases push factors were a great deal prevalent than the pull factors. Very few people appear to leave jobs in which their broadly happy in search of something even better. Instead the picture is overwhelmingly one in which dissatisfied employees seek alternatives because they no longer enjoy working for their current employer (Torrington, Hall&Taylor, 2008).

According to Taylor (2002) it is worth considering the following elements, all of which have been shown to play a positive role in improving retention and hence minimizing adverse staff turnover: Job previews give prospective employees a realistic job preview at the recruitment stage. Take care not to raise expectations only to dash them later. The advances in technology present employers with increasing opportunities to familiarize potential candidates with the organization before they accept the position. Make line managers accountable for staff turnover in their teams. Reward managers with good record for keeping people by including the subject in

appraisals. Train line managers in people management and development skills before appointing or promoting them. Offer retraining to existing managers who have a high level of turnover in their team. Career development and progression maximize opportunities for individual employees to develop their skills and move on in their careers, where promotions are not feasible, look for sideways moves that vary experience and make the work more interesting.

Consult employees ensure where possible employees have a 'voice' through consultative bodies, regular appraisals, attitude surveys and grievance systems. This will provide dissatisfied employees with a number of mechanisms to sort out problems before resigning. Where there is no opportunity to voice dissatisfaction, resigning is the only option.

Be flexible wherever possible accommodate individual preferences on working hours and times. Where people are forced to work hours that do not suit their domestic responsibilities they will invariably be looking for another job which can offer such hours.

2.4.5.1 Security and Stability Are Greatly Valued By Most Employees

Treat people fairly never discriminate against employees. A perception of unfairness, whatever the reality when seen from a management point of view, is a major cause of voluntary resignations. While the overall level of pay is unlikely to play a major role unless it is way below the market rate, perceived unfairness in the distribution of rewards is very likely to lead to resignations.

2.5 Empirical Literature Review

In this section, the researcher tries to relate the study with the literature review through research done by others in the same area. Countless professionals and academicians have conducted a good number of studies on motivation and job satisfaction. It has been observed that there exists empirical support for the relationship between motivation and intention to stay in the job or to quit the job (Carlson et al., 1992). Satisfaction in work place is very difficult mostly in developing countries especially in Tanzania, due to several reasons where GPSA Headquarters was ideal place for my study.

Booth and Hamer (2007) conducted a study on labor turn over in the retail industry, predicting the role of individual, organization, and environment factors aiming at identifying key variables that influence the variability of labor turnover over. The key data sources were an index for local competitive and labor market factors, an annual employee survey and internal labor turnover data for each UK unit of the retailer.

The method used for analysis was stepwise regression which identifies the key relationship that predict labor turnover. The finding of this study showed that environmental factors such as local labor markets possess a major influence on labor turnover. Organizational culture such as company culture and values has significant influence. Management behavior as seen through operational and control variables is also of important in decision concerning turnover. The practical implication of this finding was that, as employee become more embedded and familiar with the

organization labor turnover increases. Also it implies that as employee's self esteem increases they tend to search for better jobs elsewhere.

The limitation of this research comes when the statistical analysis accounts for 38.7% of the total variance in labor turnover. Therefore, there are other factors which account for 61.3% which are not assessed in this study which also contribute to labor turnover. This study by Booth NAD Hamer (2007) was useful in the researchers' study because it tried to focus on both individual, organization, and environmental factors, but this study will be conducted in Tanzania which is different as to UK.

Min (2007) also conducted a study in examining sources of warehouse employee turnover aiming to identify key variables that affect warehouse employee turnover. Those key variables according to Hokey Min are occupational variables (example Skills, years of experience); organizational variables (e.g. firm size, industry); and individual variables (e.g. pay scale, job security).

The study also developed a conceptual model for linking the aforementioned variables reflecting job alternatives and job satisfaction to warehouse employee turnover. Min (2007) conducted empirical analysis to determine which variables significantly influence warehouse employee turnover. The empirical analysis is based on data obtained from the questionnaire survey intended for various industries such manufacturing, third party logistic providers, wholesalers, and retailers which get actively involved in warehouse operations. The survey data was analyzed using series of regression analysis to identify variables significantly influencing warehouse

employee turnover. The findings show that, job security turned out to be one of the most important factors for recruiting and retaining warehouse employee turnover.

Another study was conducted by Taplin and Winterton (2007), on the importance of management style in labor retention. The aim of the study was to examine the role that management style plays in retaining workers in high labor turnover industries. The approach or methodology used in this study was interview with workers and managers derived from industry wide data set.

The finding of this study was positive actions by management to promote worker attachment to leaders and the organization and was crucial in sustaining work values that diminish the likely hood of employee turnover. This study of Taplin and Winterton (2007) was important in understanding the role of the management style as a motivational factor at work place but the weakness is that, the study lies only on management side and not on employee side, that the management can only sustain labor retention which is not true. There were other motivational factors which depend on employee perception on the researcher want to study. Another study conducted by Takahashi (2006), on the effect of wage and promotion on the motivation levels of Japanese employees. The aim of this study was to focus on the effects in Japanese organization where job security is valued. In particular the study was sought to investigate the relative strengths of the effect of wage and promotion incentives on employee's motivations.

The methodology used was involving 1823 Japanese employees working at the group companies of Toyota Motors. Multiple regression analysis were performed to

separately analyze the effects on white color (n= 928) and blue color (n=818) workers. The findings show that both promotion and wages positively influence employee work motivation. A comparison of the relative strengths of the effect reveals that fair promotion was more powerful motivator than wage level and wage increase.

The Takahashi (2006) study, contributed a lot by its pluralistic view by not recognizing the wage to be an important factor in motivation in order to retain workers, but there are other variables like working conditions, participation in decision making and others which is not studied in that study. The research study tried also to include more other factors to see how they affect labor turnover as the geographical location of Japan where study was conducted is different from researchers study in Tanzania.

Hang, Lin and Chuang (2006), conducted a study in China on constructing factors related to worker retention. The purpose of that study was to examine the effect of individual based, firm based, and market factors on job retention basing its hypothesis on human capital theory and signaling models. The methodology used was by collecting data on 180 employees who left their jobs at one firm and interviewing human resource managers and those who left for other jobs at one firm and interviewing human resource managers and those who left other jobs, factors determining the decision to stay with a firm for certain period were investigated. Hierarchal regression analysis was performed to test hypothesis relationship. The findings show that marriage, gender, honored employee status, relative pay (both

inter firm and intra firm wages), speed promotion, and economic cycles had significant impact on how long the employees retained their jobs, but education level and individual performance did not. A firm specific human capital, wages, and signaling effects were proved to affect job retention. This study was very significance in this study because it covers many variables in relation to labor turnover, but the researcher wanted to enquire also in the context of Tanzania if it will be the same as found in China.

There are few studies which have addressed motivation of health workers in Tanzania. Motivation issues among workers at the MNH can be largely transported to the Tanzania health system as a whole, in both rural and urban areas. Indeed, low motivation in the work place contributes towards the brain –drain of the health worker to population ratio in the world, a situation that has recently worsened partially due to migration of available few workers to other counties. For example , one report of 2002, shows that out of the 150 medical officers who were trained in three medical schools in Ghana 50% left the country within the second year and 80% left by the fifth year 70% doctors trained in Zimbabwe in the 1990s have migrated out of the country.

2.6 2.6 Research gap

Despite the fact that there are many studies on the impact of motivation in retention of employees, most of researchers did not concentrate or pin point the impact of motivation in retention of employees on Government Agencies especially in Tanzania.

2.7 Conceptual framework

The phrases conceptual framework is a broader idea of a research that contains key concepts and issues which a researcher wants to explore in the study (Straus and Cobin, 1998). A conceptual framework could be viewed as a basic structure of research consisting of certain abstract ideas and concepts that a researcher wants to observe, experiment or analyze.

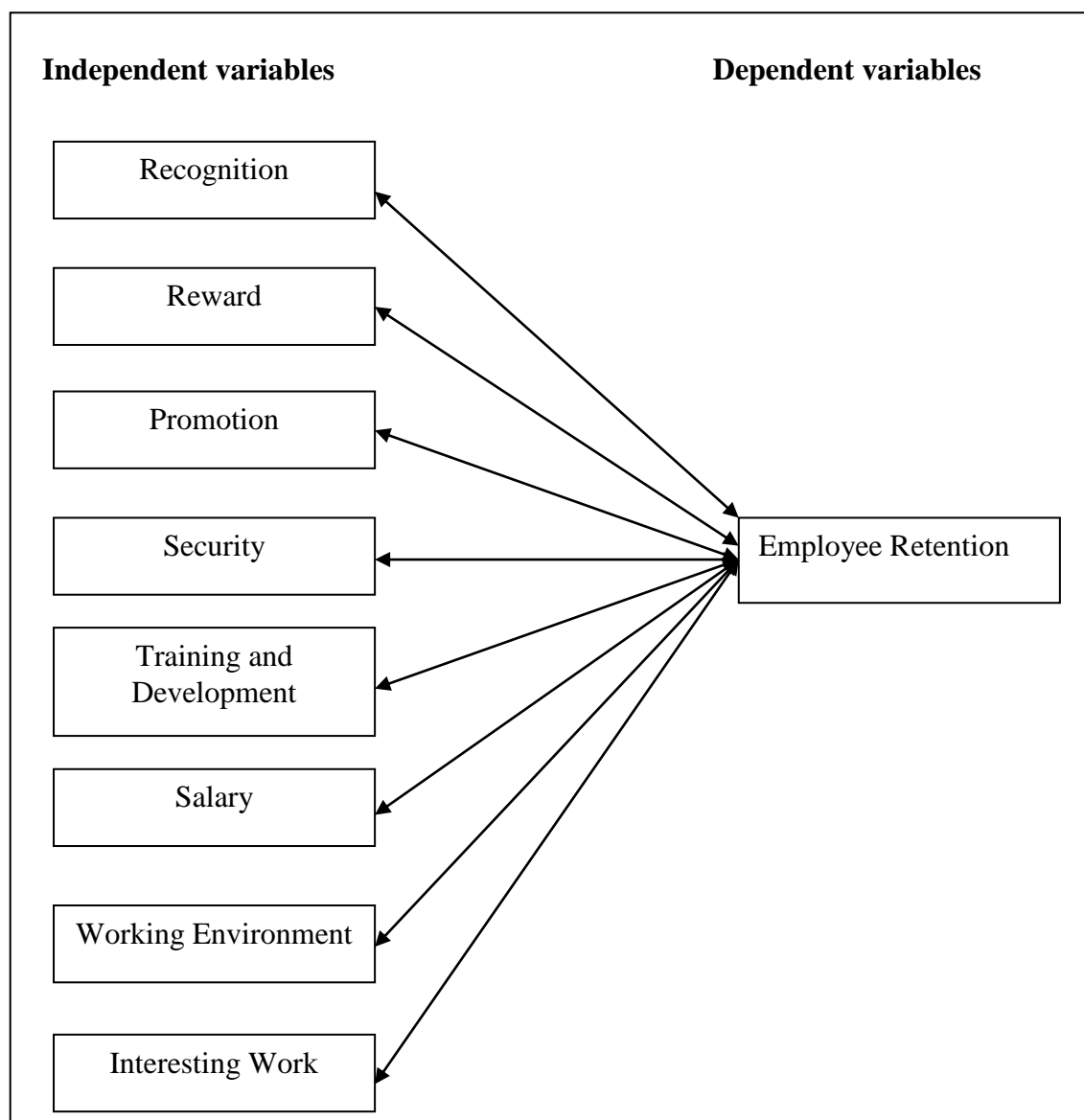


Figure 2.3: Conceptual Framework of Employee Motivation and Retention

As Wheelhouse (1989) argues “there are some factors which are basic to the workers performance and are not effective motivators in themselves but if these factors are neglected by managers it will have negative impact on motivation”. The independent variables that are critically examined in this study are reward, recognition, promotion, security, salary, training & development, interesting work and working environment. Taking this, the following hypotheses were driven.

Reward: when rewards are given to those who achieve high performance, they can become an important instrument to encourage the continuance of the desired behavior. In the workplace, external rewards include incentives, benefits and other monetary forms of rewards. Such external rewards are often used as motivators by managers. However, Herzberg argues that motivation comes from work itself and these external rewards are merely just satisfiers or dissatisfies (Bowen, 2000). Once employees are motivated, they will be able to fulfill the customers’ needs and together achieve the company’s goals (Bowen, 2000). Michael S. (2008) indicated that reward is the most important motivational variable that contributes to retain employees in the organization.

Recognition: Researches show that “employees are not likely to be motivated by money all the time. In fact, innovative non-monetary rewards like paid vacations, time off from work, favored parking, or gift certificates can be quite effective in encouraging employees” (Bragg, 2000 and Geller, 1991 cited in Govindarajulu and Daily, 2004). Michael S. (2008) reported that recognition is the most important motivational variable that contributes to retain employees in the organization.

Promotion: identify the high achievers in your department and keep them challenged with new opportunities for growth and advancement, if you don't you may lose them" (Wheelhouse, 1989). However promoting employees is only one of the ways of motivation and this should be mentioned that it is not what all the employees want; and therefore if a manager is using just promotion as a motivator he or she is not motivating everyone (ibid).

Salary: pay is a major consideration in human resource management because it provides tangible incentive for employees' service" as (Bohlander, Snell and Sherman, 2001, cited in Petcharak, 2002). Wheelhouse (1989) stated "payday should be one of the happiest days of the week", it should be delivered to employees on time and in a friendly manner. In another study Stone (1982, cited in Petcharak, 2002) stated that "people are motivated by money because of many different reasons, the need to provide the basic necessities of life motivates most people. Michael S. (2008) found that competitive salary package is the most important motivational variable that contributes to retain employees in the organization.

Security: According to Maslow's theory, security is a very vital factor whether in life or work. Most of the companies according to Wheelhouse (1989) offer the general security of insurance benefits, retirement programs, and saving plans. As he mentioned if employees are worried about their job for instance whether they will have the job next week so they are not likely to be very responsive, and they are not motivated to perform well. (Samuel M. and Chipunza C. 2009) found that security significantly influenced employee retention.

Training & development: plays a vital role in motivating employees and preventing them from failing, due to a lack of abilities. Hence, managers should provide employees with as much training as possible in order to increase their competencies and chances of doing a successful job. Training can be formal, i.e. at a class, or informal, i.e. on-the-job. Informal training is probably the most important training employee can get and it includes the sum of experiences he/she undergoes at work. Whereas informal training usually costs nothing, formal training comes with a cost. Despite these costs, managers must send employees to formal training, as this is their only chance to learn and bring new ideas back to the department. Samuel M. and Chipunza C. (2009) found that training and development significantly influenced employee retention.

Interesting work: what a person finds interesting is very subjective, thus before assigning employees to tasks, managers should find out what interests each of their subordinates and try and make a match. Sometimes it is clear what an interesting task is, e.g. dealing with a hot topic that occupies the media or politicians minds. In this case, an interviewee suggested that “managers should give the hot topics to those employees they want to motivate”. Though, managers must take caution to overall distribute “good” projects as equal as possible in order not to create demotivation. Another way to make the job interesting is by diversity and framework breaking. For example, junior employees work on bits and pieces of a big puzzle they never get to see. Therefore, managers can motivate them by letting them see the top of the pyramid and by having them present their work to senior management. This fosters

also the participation factor. (Samuel & Chipunza, 2009) found that interesting work significantly influenced employee retention.

Working environment: whether working environment is plainly a satisfier or an active motivator is still to be decided. What is sure, though, is that there is no use trying to motivate high performance, while employees are frustrated by not having the right quality and amounts of equipment they need for their work (Bowey, 2005). Thus, managers should make sure their staff has the adequate space, tools, information technology systems, and materials they need for the job. Managers are then urged to prepare in advance all the equipment a new employees needs (e.g. a desktop and a chair). Managers should also hold a healthy (physically and mentally) working environment. Pessaran D. and Tavakoli S. (2012) reported that good working environment is so important for employee retention.

If an organization lacks of the above variables, employees are likely to be demotivated and possibly quit the job. Government Procurement Services Agency should strive to satisfy the above needs to their employees if they really want them to serve the organization until retirement age. However it is very challenging to find out the right method of motivation as every employee has their individual wants to be satisfied.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodologies which were applied during the study. This involved analysis and application of various steps that were adopted in studying motivational problems in Government Procurement Services Agency (GPSA) in Tanzania. It involved issues such as research design, data collection, sampling techniques employed and analysis procedure that were used.

3.2 Area of the Study

The study was conducted at the Government Procurement Services Agency (GPSA). This was deliberately selected as the study area due to the following reason: inappropriate provision of motivation incentives which causes turnover of employees while others remained until retirement age.

3.3 Target Population

The target population of this research study were employees from all levels of GPSA in various departments like Operations, Internal Audit, Planning and Evaluation, Accounting and Finance, Marketing, Security and Human Resource and Administration, GPSA has 160 permanent workers and casual laborers working at Dar es Salaam offices.

3.4 Research design

According to Saunders (2000), research design is the detailed plan of how the

research is conducted. It is a framework that guides research activities to ensure that sound conclusions are reached. It argued by Adam J and Kamuzora F. (2008) that a good research design is essential for a successful research process one has to plan in advance the study area the type of research to be carried out method of obtaining required data, a sample from which data to be collected, methods to use in collecting and obtaining data, duration and fund required to complete the study Ndunguru (2007) state that “designing a research study involve conceptualizing and organizing the collection and analyzing of data to fulfill the purpose of the research”. It may be explanatory, descriptive, predictive or comparative. In other way a research designing should be appropriate for particular research problem.

The case study design was used in this study because it is less expensive in term of time and money as compared to other research design like survey design or experimental design. The case study is also flexible in data collection.

3.5 Sample of the study

The major aim of this step was to determine the specific population that would be surveyed, to decide on an appropriate sample, and to determine criteria that will be used to select the sample. (Marczyk, et al, 2005)..

Table 3.1: Sample Frame and Sample Size

S/No.	Category	Population	Sample	Percentage %
1	Management staff	7	7	100%
2	Middle level Cadre	25	13	52%
3	Lower cadre staff	15	10	66.6%
		47	30	57.5

Source: Research Data

The research was undertaken within three levels. First level comprised management staff; second level comprised middle level staffs and the last one lower cadre staff in other words supporting staffs.

3.6 Sampling Techniques

This provided a range of methods that enabled to deduce the amount of data to be collected, basing on the selected representative of the population rather than the whole. The following sampling techniques have been used in this study.

3.6.1 Stratified Random Sampling

Stratified random sampling is a sampling technique where by total population divided into group or layer before selection of the preventive Adam and Kamuzora, (2008). For the case of this study, the sample is to be drawn from the heterogeneous group, stratifying the populating into stratum and then the drawing of manageable sample items from each stratum.

The sample size of the study was 30 respondents proportional stratified sampling plan was the population is to be divided into three strata's according as follows stratum (I) management staff (Head of departments, Head of units and Managers) , stratum (II) Middle level cadre (other member of staffs) and stratum (III) lower cadre (supporting staffs).

3.6.2 Primary Data

Primary data is original and collected for the first time; it is collected through questionnaires and interviews, Kothari (2004). Under this study were obtained by the

researcher through questionnaire and interviewing top management of Government Procurement Services Agency. More than (50) questionnaire distributed and 7 top management officers were interviewed by the researcher.

3.6.3 Secondary Data

Secondary data, these are data that are already available and are collected from secondary sources of data such as journals, books, newspapers, websites, publications and other documents available in libraries including research reports from distinguished academicians, Kothari (2004); these type of data are normally available for review and analysis in relation to the proposed research. The researcher collected this type of data by review journals, web sites, Annual Financial Reports, Journals and other internet publications about the Company.

3.6.4 Data Collection Methods

The study employed four instruments of data enabled the researcher to acquire accurate and correct information. The methods used; Interviews, Questionnaires, Observation and documentary sources.

3.6.5 Interview method

Krishna swami et al (2007) defined interview as two way systematic conversations between an investigator and information, initiated for obtaining relevant specific study. The researcher obtained primary data from interview whereby targeted staff were top management staff for in depth interview that were believed to be reliable and information resourceful for the study.

3.6.6 Observation method

The study applied research questions as a guide in collecting information from Government Procurement Services Agency. The researcher is also employee of the Agency and the research questions guided him to collect necessary information required by the researcher to complete this study also organization. Researcher observed several employees complaining about the general affairs of the organization are not favoring them and they are getting hard time to fulfill their daily operation one of the indicator was absenteeism and late coming. (Source Field data, 2015)

3.6.7 Documentary research

The researcher was guided by Government Procurement Services Agency evaluation reports (2010- 2011), (2011 – 2012), (2012 – 2013), (2013- 2014) and (2014 -2015). The Agency conducts evaluation at least every year but these are documents which were referred by the researcher as the guide of the study in order to collect necessary information. These evaluation reports collect information about the general affairs of employees and progress of the organization.

3.6.8 Questionnaires

The researcher used questionnaire to collect primary data. Respondents were guided to answer questionnaire, the researcher used both close ended and open ended questions which close end questionnaire were on the form of multiple choices where by the respondents were required to tick only the appropriate letter while the open ended questionnaire gave the chance for the respondents to answer the question in the provided empty space. The questionnaire where coded by numbers in orders to

help the researcher, to insert and analyze data. Questionnaire was chosen by the researcher because of the following reasons:- it encourages great honest, possibilities of enquiring absent attitude and options, they could be written for specific purposes within a short time, one could collect a lot of information as well as its possibilities of mailing them made them economic in term of costs.

3.7 Data Analysis Techniques

Kothari (2004) has defined the term analysis as the computation of a certain measure along with searching for patterns of relationship that exist among data groups. In this study, quantitative data technique was used and qualitative technique. Data was analyzed through elaborating findings in by tables and in percentages. This helped the study to be interpreted by the data which was collected and finally making appropriate recommendations.

The data that was collected for this study were analyzed by using Statistical Package of Social Science (SPSS). However, the collected data from different sources were edited for accuracy and completeness before being coded and numbered.

3.8.1 Quantitative Data Analysis Techniques

This research was used to answer the research questions in quantitative numerical values such as percentages. The method was preferred by the researcher in order to meet the objectives of the study. This approach was based on measurement of quantity or amount. It was applicable to the phenomena that can be expressed in terms of quantity.

3.8.2 Qualitative Data Analysis Techniques

This method use logical statement to analyze the data collected in questionnaires and documentary review during the study. The researcher employed this technique in order to make clear the real situation in the Government Procurement Services Agency.

3.8 Validity and Reliability

The quality of research depends on the design of the research instruments as well as application of these instruments in data collection in the field. There are several criteria or tests for judging for judging the quality of any empirical research. These include validity and reliability (Welman and Kruger 1990; Easwaren and Singh, 2010). The below points demonstrate how validity and reliability was achieved.

Researcher was concerned with both external and internal validity. External validity refers to the extent to which the results of a study are generalizable or transferable (Campbell and Stanley, 1966). Internal validity refers to (1) the consistency with which the study will be conducted (e.g. the study's design, the care which will be taken to conduct measurement, and decision concerning what will be and will not be measured) and (2) the extent to which the designers of a study will take into account alternative explanations for any causal relationship to be explored.

Reliability of a measure indicates the extent to which the measure is without bias (error free) and hence offers consistent measurement across time and across the various items in instrument (Sekaran, 1999). In this study, questionnaires were pre-

tested (a pretest evaluates the knowledge of a subject before you cover the material.) to ensure reliability.

3.9 Ethical Issues

This research considered the issues of Ethics in research, because it becomes extremely important when undertaking study. Before starting the study the researcher obtained a letter of introduction for permission to undergo the research. Also issues of plagiarism and falsification were highly observed and used systematic process to collect data without interfering or harming the right of respondents. The subjects also participated in the study according to their own willingness. Confidentiality was one of the most important aspects with regard to ethics in this study and no data was revealed to non-concerned parties.

CHAPTER FOUR

4.0 DISCUSSION OF THE FINDINGS

4.1 Introduction

This chapter focuses on analysis of research findings through discussion and interpretation based on the methodology selected for the study. This discussion and interpretation also focused on the problems identified in Chapter One, research objectives, and questions posed in the first chapter aimed to the understanding of dependent variable (Retention of employee) and independent variable (Motivation).

4.2 Data presentation

4.2.1 Respondents Distribution by Department

This study involved 30 respondents from different departments Finance and Administration respondents 18, from Operation department respondents 5, and from Procurement and Advisory Services respondents 7 making total of 30 respondents.

Table 4.1: Distribution of Respondents by Gender

	Gender	Frequency	Percentage
Valid	Male	19	63.3
	Female	11	36.7
	Total	30	100.0

Sources: Field data, 2015

4.2.2 Presentation of Gender

The above table shows the population distribution of GPSA staff members based on gender which is respondents (19 - 63.3%) males and respondents (11 - 36.7%)

females. This shows that GPSA (HQ) has gender imbalance in its work force. The gap between male and female is more than the average of 50% due to inadequate overall number of female in the organization (GPSA).

This finding is also supported with empirical study done by Huang, Ling and Chuang (2006) on contracting factors related to worker retention. Their findings showed that, gender was one of the most important factors which affect workers retention in an organization.

Table 4.2: Distribution of Respondent by Age

	Age	Frequency	Percent
Valid	18-25	2	6.7
	26-35	16	53.3
	36-45	5	16.7
	46-60	7	23.3
	Total	30	100.0

Sources: Field Data, 2015

4.2.3 Distribution of Respondents by Age

Age difference also considered as an important variable to consider during this study. The findings shows that most of employees of GPSA (HQ) were middle aged between 26 years and 35 years. This is one of the problems which employers face because as most of the young employees are very difficult to retain due to several job opportunities which exist elsewhere. Employees within this age range are very mobile.

Table 4.3: Distribution of Respondents by Level of Education

	Education level	Frequency	Percent
Valid	Masters	5	16.7
	University degree	17	56.7
	Diploma	5	16.7
	Certificate	3	10.0
	Total	30	100.0

Sources Field Data, 2015

4.2.4 Level of Education

The responses from various respondents have shown different levels of education in GPSA (HQ). Education considered by the researcher as one of the important attribute to refer when examining the impact of motivation in retention of employees in Government Procurement Services Agency. The study found that 17 (56.7%) were graduates, while 5 (16.7%) held masters degrees, and diploma holder were only 5 (16.7%) and certificate level only 3 (10%). The level of literacy at GPSA (HQ) makes it very difficult to retain employees due to education qualifications and awareness of the environment which surround them. Table 4.3 illustrates.

4.5 Distribution of Respondents by Designation

Table 4.4: Distribution of Respondents by Designation

	Directorate	Frequency	Percent
Valid	Business Support Services	18	60.0
	Operations	5	16.7
	Procurement and Advisory Services	7	23.3
	Total	30	100.0

Source Field data, 2015

4.2.5 Designation

Most of the employees are in the department of Business Support Services include Accountants, Office assistants, Security guards, Records management assistants, Technicians, Human resource officers and Administrative Officers, Receptionist and Personal Secretaries 18 (60%) , this department is the most populated department compared to the other departments. As a result, it is affected by budget constraints which cause inadequate provision of different incentives. In addition, other departments as well, face the same problem which makes it difficult to retain employees and as a result most of the employees more than 50%, were willing to leave the Agency if they got employment in other Institutions (Refer to Table 4.4).

Table 4.5: Percentage of Respondents who are willing to leave the Agency

	Answer	Frequency	Percentage
Valid	Yes	16	53.3
	No	14	46.7
	Total	30	100.0

Source Field data, 2015

4.2.6 Employees willingness to leave

The study was interesting in understanding whether the employees were willing to leave the Agency if they got employment in other institutions. The study shows that 16 respondents – (53.3%) were willing to leave the organization while the other 14 respondents (46.7%) were willing to stay. The statistics implies that due to several reasons, the willingness to leave the Agency is big than staying due to the information collected from most of employees is because there are not satisfied from what they are getting from their current employer (Table, 4.5).

4.2.7 Involvement in Decision Making

Involvement in decision making motivates employees because they feel that they are part and parcel of the organization's affairs. In any organization when employees are given a chance on making decision concerning their organization, they feel to be valuable and this acts as a motivating factor. Some of the areas in which employees can participate in decision making including budgeting, election of labor union leaders, and other areas which concern employee's affairs directly.

The findings revealed that, respondents (20 - 66.7%) of respondents said they are not involved in decision making while respondents (10 -33.3%) responded they are involved in decision making. From the collected findings shows that GPSA management they tend to make decision without involving employees most especially from middle and lower level staffs (Figure 4.4).

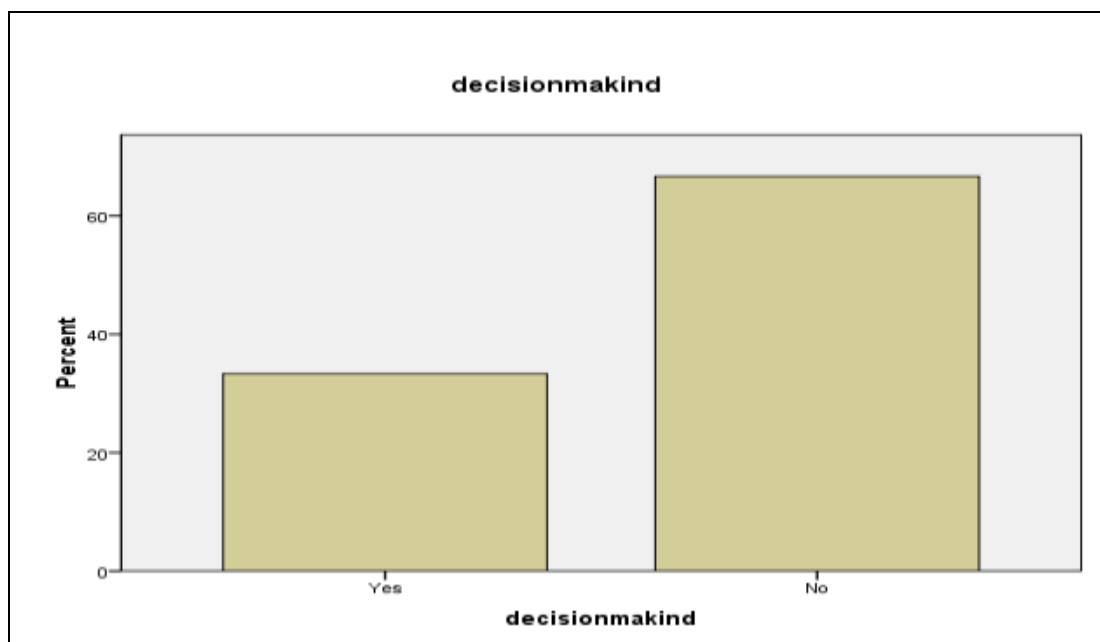


Figure 4.1: Employees Opinions on Their Involvement in Decision Making

Source Field Data, 2015

4.2.8 General Working Condition

With respect to working condition - or working environment, there are a lot of things to be considered such as working tools, cleanness of the environment, and allocation of different resources to facilitate workers daily activities. Good working conditions facilitate efficiency of the workers in performing their duties.

Table 4.6: Employee Opinion on General Working Conditions

	Item	Frequency	Percentage
Valid	very much satisfied	4	13.3
	satisfied	7	23.3
	neutral	14	46.7
	not satisfied	4	13.3
	completely not satisfied	1	3.3
	Total	30	100.0

Source Field data, 2015

The study found that only (4-13.3%) responded that they are very much satisfied with their working conditions which means they are supplied with all necessary equipments which facilitate their daily activities, while respondents (7 -23.3%) they are only satisfied with their working condition which implied that the working condition is substantive to them they access necessary materials which facilitate their daily activities, the majority which is respondents (14 -46.7%) which is almost half of the responds they implied that they are neutral, the satisfactory of the working condition is either satisfied or not satisfied these responses represented mostly with employees of middle level cadre which include officers, from junior to senior level while the rest of responses respondents (4 -13.3%) and respondent (1 - 3.3%)

represented by lower level cadre who complaining about their working conditions are not favorable which causes less satisfaction or completely not satisfied (Table 4.6).

4.2.9 Opinion on Salary

In many organizations salary is the primary factor to be considered before other benefits. Most of employees view salary as the determinants of their status. Status of employees is determined by his or her salary, some organizations they have good salaries comparing to other organizations, for the case of GPSA the findings reveled employee's opinion.

Table 4.7: Opinion on Salary

	Item	Frequency	Percentage
Valid	very much satisfied	4	13.3
	satisfied	6	20.0
	neutral	11	36.7
	not satisfied	6	20.0
	completely not satisfied	3	10.0
	Total	30	100.0

Source Field Data, 2015

The statistics from the respondents shows that respondents (4 - 13.3%) are satisfied with their salary this group represented by management staff, respondents (6 - 20%) responded their satisfied with their salary mostly senior officers responded, they are satisfied with their salary, respondents (11- 36.7%) neutral mostly junior officer responded they are not sure if the salary is satisfied or not while the rest not satisfied respondents (6 - 20.0%) and respondents (3 - 10.0%) represented with lower level

cadre which include drivers. Security guards, Office assistants and personal secretaries were completely not satisfied (Table 4.7).

4.2.10 Opinion on Promotion and Training

In any working place, promotion and training are the most important things to the employees as far as skills update, behavior, knowledge and increased efficiency is concerned. Experience is one of the factors that are considered to enhance employee promotion to better performance. After being promoted, employees should be provided with training. At GPSA there are different perceptions towards employee promotion and training as presented in Table 4.8.

Table 4.8: Different Perceptions towards Employee Promotion and Training

	Item	Frequency	Percentage
Valid	Very Much Satisfied	5	16.7
	Satisfied	6	20.0
	Neutral	5	16.7
	Not Satisfied	8	26.7
	Completely Not Satisfied	6	20.0
	Total	30	100.0

Source Field Data, 2015

The findings revealed that in GPSA promotion and training opinion according to different respondents as follows. Respondents (5 - 16.7%) were very much satisfied with promotion and training, while respondents (6 - 20%) were satisfied with the promotion and training respondents (5 - 16.7%) they were either satisfied or not satisfied according to their opinions and respondents (8 - 26.7%) were not satisfied

and respondents (6 - 20%) were completely not satisfied in total respondents (14 - 46.7%) were not satisfied with promotion and training.

4.2.11 Opinion on Team Working

Team work is the unit of employees in any work place. Due to availability of different professionals the need of team working is highly considered. Parts of an organization depend on each other to facilitate its activities. For employee to perform and stay longer in one organization, team work plays vital part to influence employees to dedicate their efforts towards the particular organization. For the case of GPSA, respondents replied as shown in Table 4.9.

Table 4.9: Opinion on Team Working

	Item	Frequency	Percentage
Valid	Very Much Satisfied	4	13.3
	Satisfied	8	26.7
	Neutral	12	40.0
	Not Satisfied	6	20.0
	Total	30	100.0

Source Field data, 2015

Table 4.9 shows employees opinion concerning team work at GPSA. Four respondents (13.3%) said they were very much satisfied with team work and 8 respondents (26.7%) said they were only satisfied with the team working. 12 respondents (40.0%) said they were neutral neither satisfied nor dissatisfied with the team work spirit in the organization. 6 respondents (20%) were not satisfied with the team working atmosphere.

4.2.12 Incentive Packages

There should be different incentives to facilitate employee behavior and perception towards their organization so that employees can be effective and efficient, as well raising their morale and attitudes towards their organization. Employees who are well provided with different incentives in turn are dedicated to their work in the organization. Incentives whether financial or nonfinancial, are highly recommended to be provided by any organization in order for the organization to keep their crucial resources - human resources. The following data (Table 4.9) collected in at GPSA show the classification of different respondent opinion towards different incentives provided by the Agency.

Table 4.10: Employees Opinion towards Different Incentives Packages Applied by GPSA

	Item	Frequency	Percentage
Valid	very much satisfied	5	16.7
	satisfied	4	13.3
	neutral	5	16.7
	not satisfied	11	36.7
	completely not satisfied	5	16.7
	Total	30	100.0

Source Field Data, 2015

Table 4.10 shows that 5 respondents (16%) were very much satisfied with the different incentives packages provided by GPSA while 4 (13.3%) were only satisfied and 5 respondents (16.7%) were neutral. 11 (36.7%) were not satisfied, while 5 respondents (16.7%) were completely not satisfied.

4.2.13 Satisfaction of Work

The need of employee for employees to be satisfied with their daily duties is very significant in retaining particular employees. The employee satisfaction is generated from their educations qualifications. Employee needs should be a primary factor in any organization. The employee satisfaction can be observed in employee's daily activities. An employee can have skills and competence but if he or she is not satisfied with their daily activities it will be very difficult to retain this type of employee for long time. There is a need to supply employee with all necessary equipment and also to raise their awareness and satisfy their needs.

Table 4.11: Employees Opinion towards Job Satisfaction

	Item	Frequency	Percent
Valid	very much satisfied	2	6.7
	satisfied	13	43.3
	neutral	12	40.0
	not satisfied	2	6.7
	completely not satisfied	1	3.3
	Total	30	100.0

Source Field Data, 2015

The findings indicated that 2 (6.7%) respondents were very much satisfied with their job and 13 (43.3%) respondents were satisfied with their daily duties or activities. This means that they were comfortable with their daily duties. 12 (40%) of the respondents were neither satisfied nor dissatisfied. 2 (6.7%) of the respondents were not satisfied and only 1 respondent (3.3% was completely not satisfied.

4.2.14 Job Satisfaction

Job commitment is mainly caused by the influence of the supervisor. If an employee is given good instructions which help to perform their daily activities, the level of awareness and commitment can be high as well. Reasonable instructions and good supervision are the most important things which many employees expected from their supervisors in order for organization to utilize their manpower effectively.

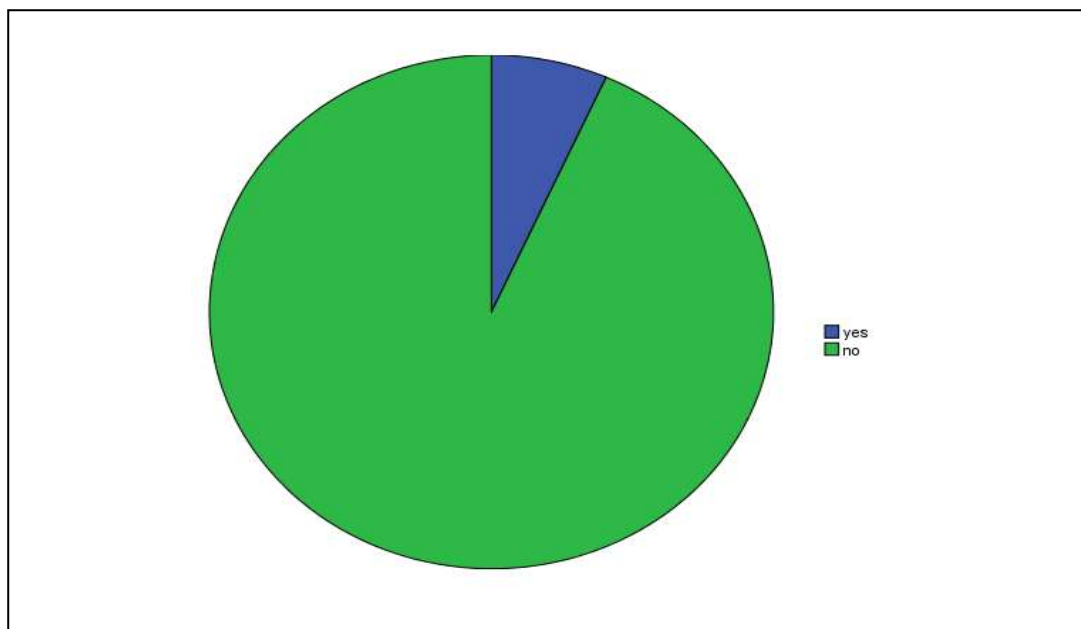


Figure 4.2: Employees Commitment towards Their Job

Source Field Data, 2015

4.2.15 Commitment of Employees towards Their Job

The findings which were collected from the field towards commitment of employees to their job were categorized in yes and no response whereby 24 respondents said they were committed to their daily activities, while 6 respondents were not committed to their daily activities. The difference between respondents who replied yes and those who replied no is huge due to close supervision employees were getting from their immediate supervisors.

4.2.16 Job security

Job security is very important for employees to have long career plan within a particular institution. Most of employees who work with government institutions and who are under permanent and pensionable contracts are more secured with their jobs compared to those in private institutions, At GPSA both types of employments, permanent and pensionable and contracts are there. Most of employees prefer permanent and pensionable contracts to feel more secure with particular organization. But those employees who are on contract they are not well secured with their employment.

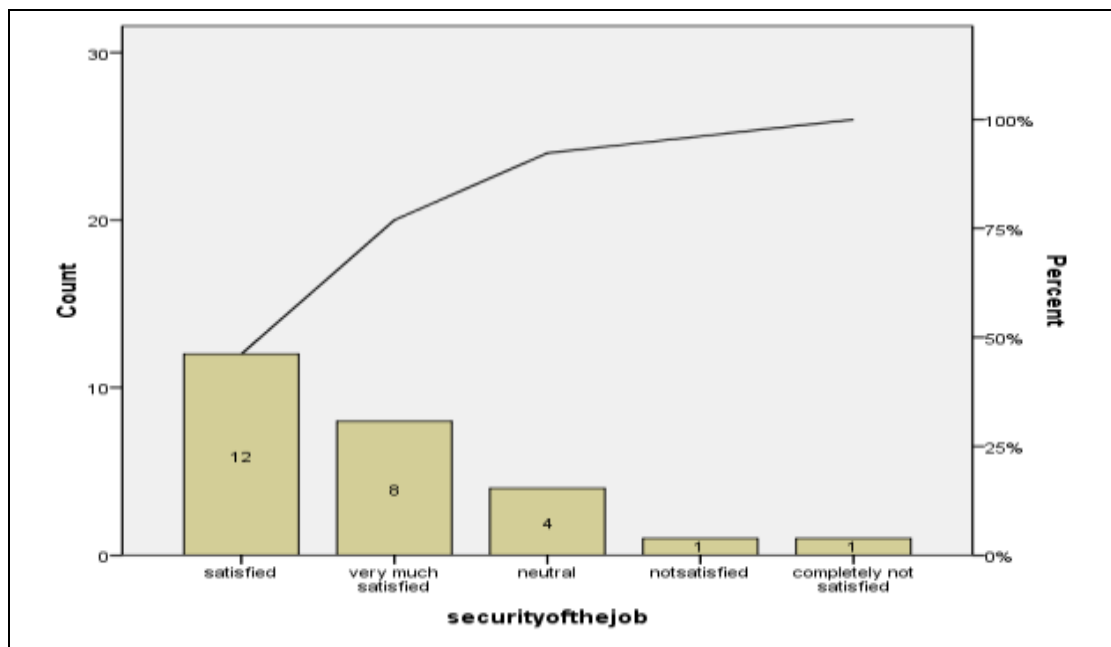


Figure 4.3: Opinion of Employee's on Job Security

Source Field Data, 2015

The findings collected from the field and as presented in Table 13 show that, 8 respondents (30.0%) were very much satisfied with their job security and 12 respondents (46.7%) were satisfied with their working job security these are those

who were in permanent contract whose jobs were secured Neutral respondents were 4 (16.7%). These are those employees who were on contract of three years and above. One respondent (3.3%) was not satisfied and one (3.3%) was completely not satisfied. These last two respondents were those who were on very short term contracts of one year and less than one year.

4.2.17 Motivation Practices Applied by GPSA

In many organizations employee motivation is one of the main factors towards employee's performance and retention. Most profitable organizations invest many funds on their crucial human resource in order to enhance performance to increase their productivity. In other words, in order to keep potential employees, organizations should focus much on different kinds of motivation they should provide to their employees.

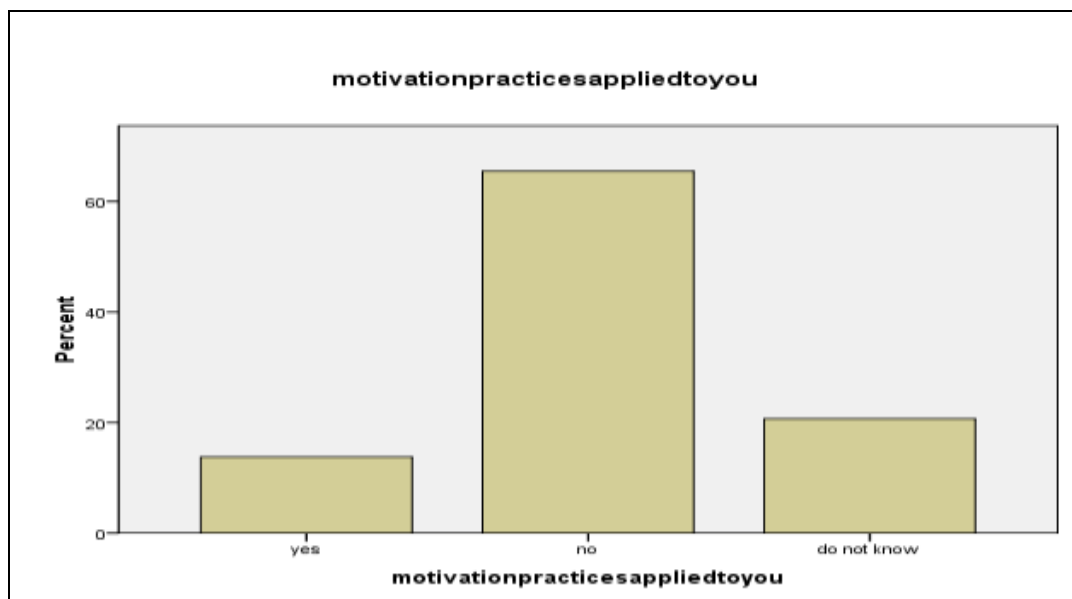


Figure 4.4: Opinion of employees on motivation practices applied by GPSA

Source Field Data, 2015

The findings indicated that 4 (13.3%) of the respondents were comfortable with the type of motivational practices applied by GPSA, while 20 (66.7%) of the respondents were not comfortable with the motivation practices applied by GPSA. the rest respondents 6 (20.0%) were not sure with the motivation practices. These results implied that in order for GPSA to keep its employees, more emphasis placed on motivating their employees.

4.2.18 Methods of Compensation

Organizations have their compensation methods according to their staff regulations. In GPSA the staff regulations have provisions for different compensation for instance compensation for working beyond normal hours, transfer, work outside GPSA, transport and travelling benefits and other provisions on how to set compensation rates.

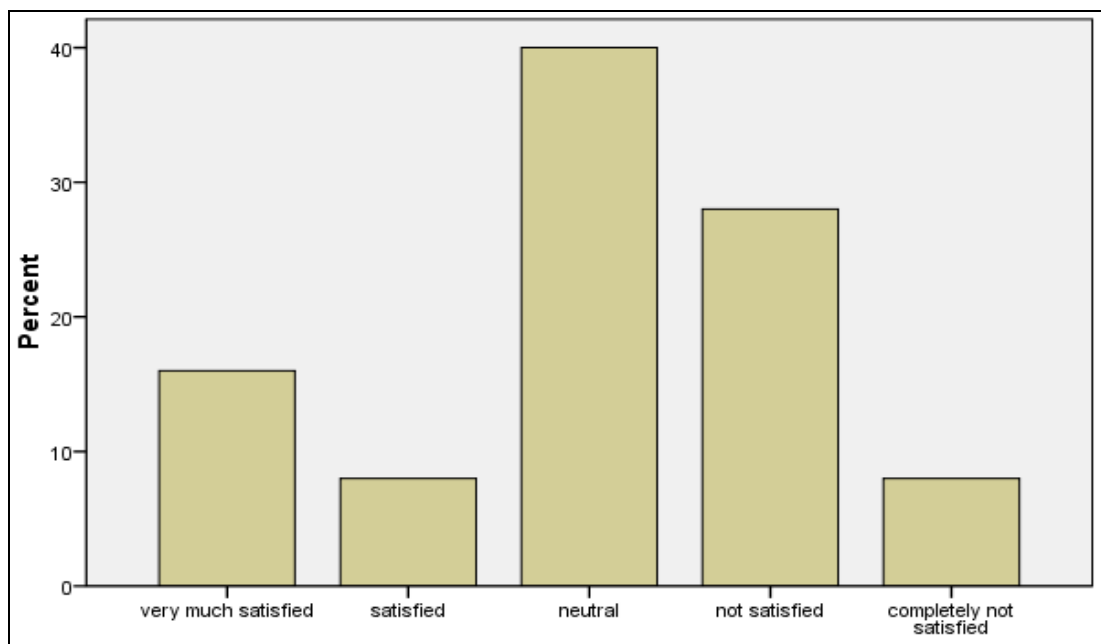


Figure 4.5: Opinion of Employee's On Compensation Methods

Source Field Data, 2015

The findings show that 4 (13.3%) respondents were very satisfied with the compensation methods while 5 (16.7%) were satisfied. 12 (40.0%) were neither satisfied nor dissatisfied. 7 (23.3%) respondents were not satisfied and 2 (6.7%) respondents were completely not satisfied.

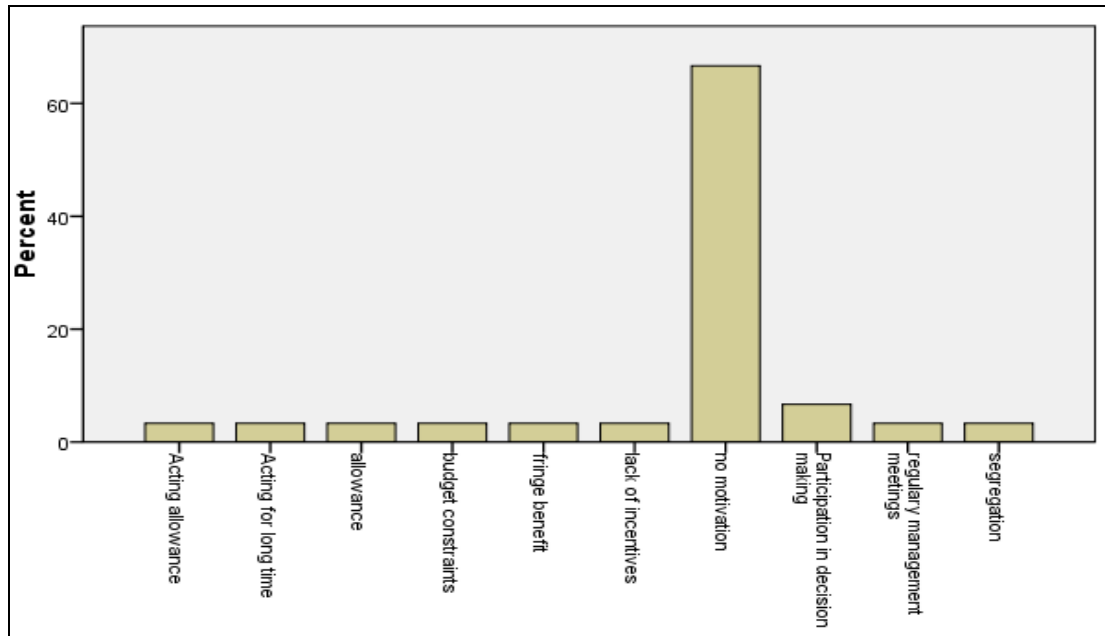


Figure 4.6: Application of Motivation to Employees

Sources: Field Data, 2015

4.2.19 Motivation to Employees

Opinions of employees on things which when provided will help in retaining them. There were some employees who preferred acting allowances in order for them to be retained. These were employees who were held managerial posts and had been acting in particular posts for a long time. They revealed that if they were provided with acting allowances they would be more committed to their jobs. Those who had been acting for a long time preferred to be promoted to higher managerial levels. Others preferred different allowances which would make them to work more comfortably

with the Agency. Others preferred more adequate budget in order to accommodate many activities of the agency while others preferred to be considered in decision making. Fringe benefit is different benefits which should be provided by the organization and other factors as shown in (Figure 4.5).

CHAPTER FIVE

5.0 SUMMARY OF THE MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of the Major Findings

5.1.1 Different Strategies Applied by GPSA Management to Retain Their Employees

The findings show that GPSA employed few strategies to keep or retain its employees and only a small number of employees enjoyed.

The findings showed that more than 50% of GPSA employees were willing to leave the organization if they were to get employment somewhere else. Retention of employee's is essential to organization's productivity as it enhances workers' loyalty, work experience, effectiveness, and efficiency. When employees are when provided with all necessary items they are willing to stay longer with the same organization.

Motivation is the most important factor in employee retention. However, it is very challenging to find the right method of motivating for every employee because each employee own individual needs and wants to be satisfied. Management should be able to identify and meet employee needs in order to motivate employees and raise their productivity.

Motivated employees can be measured by different variables including employee complaints, general working conditions, security of the job, team work, salary, motivation packages, regular meetings with employees, career growth opportunity and capacity building in other words training.

5.1.2 Impact of Working Condition on Motivating Employees for

Retention

According to the findings, the majority of employees at GPSA complained about working conditions as most of employees were not supplied with all necessary working tools required for their work for instance, there was scarcity of equipment like table, computer, flexible chairs and other properties which enhance performance. This particular situation caused employee absenteeism, late coming and other negative attitudes.

5.1.3 Impact of Career Growth Opportunity on GPSA

Promotion in government office should take place after every three years and if a candidate qualifies to be promoted him or she is entitled to be promoted. Some employees complained about late promotions which cause ineffective performance and other negative attitudes.

5.1.4 Impact of Conducting Exit Interview on GPSA

Management does not normally conduct exit interviews and annually almost around 9 to 13 employees leave the Agency either by transfer to other organizations or ending their contracts. Management of GPSA rarely conduct exit interview to identify the reason behind the exit of employees to other institutions. Due to inability of conducting this interview some respondents complained that management missed important information which could help them to retain other employees after getting the reason behind their exit.

5.1.5 Impact of Motivation Packages on GPSA

The findings showed that most of employees were complaining about their motivation packages provided by GPSA management. The absence of lunch allowance, transport allowance and other allowances demoralized most of the employees at GPSA and was one of the reasons why employees left the organization for other institutions which provide good incentives and attractive salary packages. Retaining employees in the environment where salary is the only benefit employee can enjoy is very difficult and attaining full support from these employees is difficult as well hence the utilization of manpower becomes so difficult.

5.1.6 Impact of Participation in Decision Making on GPSA

There is small room for employees of middle and lower level to participate in making decisions concerning different affairs of the Agency, according to the findings, employees rarely meet with management to discuss different affairs which create the gap. This gap demoralizes employees to perform their job and affects their commitment. Due to the poor involvement of employees in decision making the agency loose more potential employees in turn over and those around some are late comers, others they leave before time because most of employees have no sense of ownership, they do not feel as if they are part of the institution.

5.1.7 Impact of Providing Training on GPSA

Training should be provided in order to utilize employees and to make them more aware of their job requirements According to the findings, most of the employees at GPSA complained of poor provision of training. This demoralized the employees as

well because employees always need to update their skills and knowledge in order to match with the existing situation. There are two type of training required by employee's long time training and short time training. At GPSA, training has rarely been provided due to different reasons.

5.1.8 Impact of Acting Allowance on GPSA

The findings showed that managerial level employees were the one who held office for long time but were not provided with acting allowance. As a result, most of acting managers were not dedicated much to their posts due to poor motivation.

5.2 Conclusion

Since the questionnaire is based on the and Hertzberg's Theory (Content theory), which states that motivation is essentially about taking action to satisfy needs and identifying the main needs that influence behavior. This research considered five employees needs. Therefore GPSA faces difficulties in retaining its potential employees because GPSA has not been able to satisfy the most of its employee needs as identified by the Maslow's hierarchy of needs (Self – actualization, esteem, love, safety and psychological needs).

The findings show that 16 (53.3%) respondents were willing to leave GPSA due to different reasons. This shows that almost more than half of employees were willing to leave for better life elsewhere. This means that the Agency should design better ways to retain its potential employees. It can be concluded that as far as this study is concerned many respondents seem not to be happy with the GPSA actions including

provision of different incentives. Due to poor financial position, the Agency has failed to provide different incentives which are so important to everyday lives of its employees. The organization has employed many employees workers it is at the same time loosing many employees. The relationship between motivation and retention is so important to be considered by the Agency because motivated workers are higher performers and committed to the organization

5.3 Recommendation

Based on the research findings from the selected area of the study, it has been noted that there are issues that need to be addressed for the improvement of the Agency. The following are some of the recommendations thought to be of assistance to GPSA management so that the Agency can have proper motivation practice for the sake of retaining its potential employees.

5.3.1 Prepare clear Training Programme

Employees should be given opportunity to participate in decision making of the organization's affairs which directly affect employee performance. Management of GPSA should have proper ways of considering employee needs collectively and of taking care of employee's queries in time, conducting frequent meetings with employees, and addressing demands at management meetings and of implementing their different views in the organization's strategic plan.

5.3.2 Provision of incentives

The management of GPSA should prepare clear training programs which will involve almost all employees and the selection of employees to attend the training

should be transparent and democratic. Employees who need short term and long term course shall be identified; management should allocate enough funds to facilitate long term and short term training and development programmes.

5.3.3 Improve Working Condition

The management of GPSA should consider their employees by providing them with different incentives such as lunch allowance and house allowance to improve the morale of employees because according to this research money is the primary level of motivation to GPSA employees by providing these incentives will help to boost morale of many employees.

5.3.4 Improve Working Conditions

The management also should consider improving the working condition. GPSA is among early offices which were built by the colonial masters but since then most of building had been repaired until now due to this particular reason the working condition are so unhealthy most of buildings are too old and some of working tools are very old most especially regional offices. Also there are insufficient working tools for instance computers, tables, chairs and other necessary facilities.

5.3.5 Conducting Regular Meetings

Meetings between top management and their employees need to be regularly. This will help management employees to address their problems to the management. Management must be aware with different problems facing their employees in order

to them. Employees of GPSA have so many issues which they need to address to top management in order to get support from their leaders.

REFERENCES

- Adam, J. S. (1963). Toward an Understanding of Inequality. *Journal of Abnormal and Social Psychology*, Vol. 21 No 8, 103 – 107.
- Armstrong M. (1992). *Human Resource Management Strategy and Action* Kogan Page Limited, 120 Pentonville Road, London.
- Armstrong, M. (2001). *Ahand book of Human Resource Management* .8th Ed. London: Kogan Page.
- Armstrong, M. (2006). *A Handbook of human resource management practice* .10th ed. London: prentice-hall.
- Britt. T .W. (2003) “Black Hawk Down at Work”. Harvard Business Review, Special Issue on Motivation, Vol. 81 No 1. pp 45.
- Carrington, L. (2002). *At the cutting edge, People management*, Vol. 8, No. 10. 30-31.
- CIPD (2002a). *Recruitment and Retention, Survey Report, Survey Report*: London CIPD.
- Collin, A. (2004) *Research and Writing a Dissertation on essential guide for Business Students*. (3rd Ed) London.
- Derek, T., & Stephen .T. (1987). *Human Resource Management* 5th edition, publisher Prentice Hall.
- Gordon, P. R. (2001). *Motivation is response*. Volume 33.1, pp. 26-28
- Government Procurement Services Agency (2010/2011) “*Annual Evaluation Report.*”
- Government Procurement Services Agency (2011/2012) “*Annual Evaluation Report.*”

Government Procurement Services Agency (2012/2013) “*Annual Evaluation Report.*”

Government Procurement Services Agency (2013/2014) “*Annual Evaluation Report.*”

Government Procurement Services Agency (2014/2015) “*Annual Evaluation Report.*”

Government Procurement Services Agency (2014/2015) “*Annual Evaluation Report.*”

Government Procurement Services Agency (2015/2016) “*Annual Evaluation Report.*”

Gupta, C.B. (2006), *Human Resource Management 7th Edition*. Sultan Chand and Sons Publisher, New Delh.

Hendry, C. (1995). *Human Resource Management: A Strategic Approach to Employment*. Oxford: Butterworth – Heinemann.

Hertzberg F. W. Mausner, B and Synderman. B (1957), *the motivation to Work*, Wiley New York.

IRS (2002f). Focus of attention, IRS

Kandola, B. (1995). *Firms must rework race bias policies Personnel Today*, 25 October, p.20.

Kothari, C. R. (1994). *Research Methodology* 2nd Edition. New Age International, New Delhi, p 10.

Kothari, C. R. (2004) *Research Methodology and techniques*. 2nd Ed, New Delhi

Lain, L. D. (2002). *Leadership and organization development*. Volume 231.pp 40-44

- Landy, F. and Becker, W.S. (1987) “ Motivation theory reconsidered” in Commins, L. L. and Staw, B. L. (eds) *Research in Organization Behavior*, JAI Press, Greenwich, Conn, pp 27-41.
- Linder, J. R. (1998). Understanding employees motivation. *Journal of extension*, Vol. 36 No 3- 14.
- McClelland, D. C. and Burnham, D.H (2003) “*Power is the Great Motivator.*” Harvard Business Review, Special Issue on Motivation, Vol. 81 No.1
- Mobley, W. (1982) *Employee turnover: causes, consequences, and control*. Wesley publishing company.
- Mongi, R.N; Marchant, T.C and Bygbjer, IC *improving motivating among primary healthcare workers in Tanzania: A health worker perspective*. Human Resources for health 2006; 4:6
- Mugenda and Mugenda (2003), *Research Methods, Quantitative and Qualitative approach*. University of Nairobi, Kenya.
- Nancy, R. (2005), Talent Management overview. *Talent Management series part 1* SPHR, GPHR, society for Human Resource Management.
- Ngirwa, C. (2005), *Human resource management practice* in New York organizations; student manuscript unpublished.
- Prasad, L. M (2000) *Human Resource Management*. Sultan Chand and Sons, New Delhi.
- Saunders, M. N. K and Thornhill, A. (2000) *Research Methods for Business Student* 2nd Edition. Prentice – Hall of India, New Delhi, pp 36- 47.
- Sirota, D Mischkind, L. A and Meltzer, M.I (2006) “*Stop Demotivating you’re your Employees*”. Harvard Management Update, Vol. 11 No 1, pp 89 -102.

- Smeemk, S. G. A., Eisinga R. N., Teelken J.C and Doorewaard J. A. C. M. (2006),
“The effects of HRM practices and antecedents on organization commitment among university employees”. Internation Journal of Human Resource Management Vol. 17, No. 12, pp. 2035 –
[2http://ics.uda.ub.rug.nl/FILES/root/](http://ics.uda.ub.rug.nl/FILES/root/).
- Smith, G. P. (1994). Motivation. In W. Tracey (ed.), *Human resources management and development handbook* (2nd ed.).
- Soomro R. B, Gilal R. G, Jatoi M. M (2011) *“Examining the impact of human resources Management (HRM) practices on employee’s performance. A case study Pakistani commercial banking sector*. Interdisciplinary Journal of Contemporary Research in Business, Vol.3, No.1, pp 865 – 878.
- Torrington, D., Hall, L. and Taylor, S. (2002). *Human Resource Management* (5th Ed.) New Delhi: Glorious Printers.
- Tripathy Laxman and Tripathy Kumuda (2008), *“Human Resource Management practices in IT Industry: A Complex Adaptive Systems Perspective”*. AIMS International Journal of Management, Vol. 2, No. 1, pp. 1-15.
- United Republic of Tanzania (1999). *Public Service Benefits Act No.2*. Dar es Salaam: Government Printer.

APPENDIX

This questionnaire is guide on research on “The study of the impact of motivation in retention of employees.”

The purpose of this questionnaire is for academic purposes. It is for collecting data that will be used for the research.

Honest answers are kindly advised to be produced in this questionnaire. I assure you that the data given will be treated as confidential and as such will be used for academic purposes only. Please do not write your name. I thank you for your cooperation and your valuable time which will be spent filling this questionnaire.

Part A: Personal profile

1. Respondent's gender tick one
 - (a) Male ()
 - (b) Female ()
2. Age
 - a) 18 – 25 ()
 - b) 26 – 35 ()
 - c) 36 – 45 ()
 - d) 46 - 60 ()
3. Highest level of education you have attained?
 - (a) Masters ()
 - (b) University degree ()
 - (c) Diploma ()
 - (d) Certificate ()

4. Working experience with the Agency.

- (a) 1 - 3 year ()
- (b) 4 – 6 year ()
- (c) 7 – 10 year ()
- (d) more than 10years ()

5. Which department or Unit are you working with?

Business Support Services	
Operations	
Procurement and Advisory Services	
Internal Audit	
Planning, Monitoring and Evaluation	
Legal	

6. In which class does your designation fall?

Lower cadre staff (Security guard, Drivers, Office attendant)	
Middle level cadre (All junior and senior officer)	
Management staff (Directors and Head of Units)	

Part B: Factors leading to employee retention

1. Are you satisfied with your work?

Very much satisfied	
Satisfied	
Neutral	
Not satisfied	
Completely not satisfied	

2. What are factors you think contributes to employee retention?

Key: 1= very much satisfied, 2= satisfied, 3= Neutral 4= not satisfied, 5= completely not satisfied, (Tick where relevant).

	1	2	3	4	5
Adequate salary					
Good working condition					
Compensation method					
Promotion and training system					
Career development					
Security of the job					
Team working					
Good incentive packages					
Participation in decision making					

3. Does the motivation practice applied by GPSA attract you to stay committed?

Yes.....

No.....

4. Is there any Motivation practices applied by GPSA to you?

Yes.....

No.....

Do not Know.....

5. If yes or no in Question No 4, explain how.

.....

.....

.....

.....

.....

.....

6. What kind of motivation practices is applied by GPSA to you?

(Tick where relevant)

1	Pay out salary and wages	
2	Job Security	
3	Career Growth Opportunity	
4	Professional Advancement	
5	Interpersonal relation with other employee	
6	Good working conditions	
7	Participation in decision making	
8	Holiday allowance	
9	Transport allowance	
10	Acting allowance	
11	Travelling Allowance	
12	Training Allowance	
13	Termination Benefits	
14	Pension Benefits	
15	Health/Medical care Benefits	
16	Loan Benefits	
17	Childcare Benefits	
18	Good Company policy and administration	
19	Insurance	
20	Others (Specify).....	

7. What do you think should be done by GPSA management /Human Resources directorate in term of motivation to retain its employees?

.....

.....

.....