

**THE RELATIONSHIP BETWEEN EMPLOYEE RETENTION STRATEGIES  
AND EMPLOYEE TURNOVER, A CASE STUDY OF COCA COLA COMPANY  
KWANZA LTD, DAR ES SALAAM**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTER OF HUMAN RESOURCE  
MANAGEMENT OF THE OPEN UNIVERSITY OF TANZANIA**

**2016**

**CERTIFICATION**

The undersigned certifies that he has read and hereby recommends for acceptance of dissertation titled: *The Relationship between Employee Retention Strategies and Employee Turnover, A Case Study of Coca Cola Company Kwanza Ltd, Dar Es Salaam* submitted in Partial fulfillment of the requirements for the degree of Master of Human Resource Management of the Open University of Tanzania.

.....

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Signature

.....

Date

**DEDICATION**

I dedicate this research work to my beloved parents, my father Mr. Remigius Pesambili and my mother Mrs. Calistastella Pesambili. In addition to my young brother Bernard Pesambili, to my beloved uncle Mr. Fidelis Paul and his wife to my beloved aunt Ajuta Mwakalinga, to my grandfather Mr. Ibrahim Pesambili and his Late wife my grandmother Felicia Pesambili (RIP), and all my friends and to all my cousins.

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**ABSTRACT**

Relationship between employee retention and turnover in private sectors is important process for attaining organization objectives. Any organization prefer skilled person for organizational performance and productivity. An organization get into cost once it loose skilled person due to staffing process. The study objectives are to examine on relationship between employee retention and employees turnover in private sectors. The relationship of employee retention and turnover supposed to be standard. The number of retention should be higher than a turnover in short period of time as it likely vise verse, most of private sectors are the profit oriented they basically focus on cheap and productive labor rather than professionals. The methodologies used to address the problem are questioners, interviews, and focus group discussion to get a primary data from the respondent towards the problem; In addition, the study reviewed important literature review for the secondary data. The study suggested area for the further study that will be investigating by other researchers and academicians for better solution of labour problem.

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**LIST OF ABBREVIATIONS**

CCK	Coca Cola Kwanza Limited
Ltd	Limited
MHRM	Masters of Human Resources Management
TCCC	Tanzania Coca Cola Company

## **CHAPTER ONE**

### **BACKGROUND OF THE PROBLEM**

#### **1.1 Introduction**

Employee retention and turnover are two concepts having relationship in the working environment and practiced together by Human Resources Department. The relationship occurs as formal institutions and organizations struggle to obtain good performance of workers, implementation of rights of employee and law, and to meet their goals. In addition standard employee retention and turnover in organization or institutions omit violation of laws, rules, and rights of employees in working areas.

In the current world of capitalism, majority of employer are hiring employees for the purpose and aim of making profit for their organization or institution. This emerges as the societies observe and start to respect the value of money in the society. Therefore, for most of organizations and institutions to achieve good development of their goals, good practice of the concept of relationship between employee retention and turnover must implement. Implementation of this concept will help both organization or institution and employees to work in a safe environment.

Employee retention refers to the techniques employed by the management through Human Resources Department to help the employed stay with the organization for a longer period without affecting organization or institution production and development. Employee retention strategies go a long way in motivating the employees so that they stick to the organization for the maximum time and contribute effectively. Sincere effort

must take to ensure growth and leaving for the employees in the current assignment and for them they enjoy their work.

Employee retention involves various steps taken to retain and employee who wishes to move on. An employee must find his job challenging and as per his interesting to excel at work and stay with the organization for a long period. The management plays important role in retaining the talented employees who are familiar with the working condition of the organization and thus perform better than the employees who just come and go. To retain employees their basic needs must ensured, in the context of the employer or employee, these basic needs could be pay and job securities at allow the employees to meet their personal and social obligations, in organization context. Human Recourses policies that treat people in a basically accepted manner and working conditions that allows employees to do their jobs in a reasonable manner can be a motivation for employees to remain.

Turnover in simple words is the ration of the employees' leaves the workforce and they replaced. Turnover can be voluntary and involuntary. Voluntary happen when employees decide to quite the job or retire but involuntary an employee forced to quiet the job due to some reasons, which are bad to him or her.

In our current world employee retention and turnover in private sectors is the most critical work management challenges. It affects the organization or company and employees themselves. The work of replacement one expert employee in organization is difficult and hard task.

From the above meaning that explain meaning and relationship of employees retention and turnover show that hiring and firing in any private sectors or organization must follow the policies, aims and goals of the organization. This study conducted to seek and investigate if there is standard relationship between employee retention and employee turnover in private sectors.

### **1.2 Background Information of Employee Retention and Turnover**

In background information, the study started by explaining the meaning of employee retention and employee turnover. According to Allen D. G. (2008), state, “employee retention refers to the ability of an organization to retain its employees. Employee retention can represent by a simple statistic (for example, a retention rate of 80% usually indicates that an organization kept 80% 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.”

According to Mayhew R. (2013), state, “Employee turnover refers to the number or percentage of workers who leave an organization and are replaced by new employees. Measuring employee turnover can be helpful to employers that want to examine reasons for turnover or estimate the cost-to-hire for budget purposes.”

In addition, employee turnover is basically calculated to understand the number of p[people leave the organization. Mayhew R. (2013), continue to state, “If your company employs 100 employees and 15 employees are fired or quit, your turnover is 15 percent.

Assume five employees leave in January, one employee leaves in May, and four employees leave in November. Your annual turnover rate is 10 percent, and your average monthly turnover is 8.3 percent.”

Introduction of private sectors to Tanzania to participate in providing social and economic services and develop Tanzania economy goes back up to 1986s’. According to, IMF, 2009, Economy of Tanzania, state that “significant measure have taken to liberalize the Tanzania economy along market lines and encourage both foreign and domestic private investment. Beginning in 1986, the Government of Tanzania embarked on an adjustment program dismantles the socialist (Ujamaa) economic controls and encourage active participation of the private sector in the economy. The program includes a comprehensive package of policies which reduced the budget deficit and improved monetary control, substantially depreciated the overvalued exchange rate, liberalized the trade regime, removed most price controls, eased restrictions of the marketing of food crops, freed interest rate, and initiated a restructuring of the financial sectors.”

The government of Tanzania introduces Private sectors to support and develop the economy by investing in economic opportunities available inside the country. Private sectors in Tanzania today deliver social services like health, education, and religion services. Private sectors in Tanzania expand economic opportunity like creating inclusive business models, developing human capital, building institutional capacity, and shaping public policy.

The government of Tanzania realizes and accepts the contribution of private sectors in delivering services to its citizens. According to Tambwe M., 2014, said that, “The Government recognizes the role of private sector in bringing about socio-economic development through investments. It is for this reason that in 2009 it set up Public-Private Partnership (PPP) frameworks that provides important instrument for attracting investments. Indeed, Public-Private Partnerships (PPPs) have been identified as viable means to effectively address constraints of financing, management, and maintenance of public goods and services.”

However, from the above development and successful of private sectors in Tanzania, the government of Tanzania is still poor especial in per capital income. According to Index Mundi, 2014, “Tanzania is one of the world's poorest economies in terms of per capita income; however, it has achieved high overall growth rates based on gold production and tourism. Tanzania has largely completed its transition to a liberalized market economy, though the government retains a presence in sectors such as telecommunications, banking, energy, and mining. The economy depends on agriculture, which accounts for more than one-quarter of GDP, provides 85% of exports, and employs about 80% of the work force.” From this statement above, prove that, Tanzania Government will still need private in the progress of developing economy. Therefore, these private sectors will hire employees from Tanzania mainland and outside the country. The study wanted to understand the ways private sectors treat the relationship between employee retention and turnover in private sectors.

### **1.3 Statement of the Problem**

The study investigated the relationship between employee retention and employee turnover in private sectors in Tanzania. The aim of the study was to understand the meaning of relationship between employee retention and turnover in private sectors in Tanzania. In addition, the study would like to seek and examine if private sectors were well practice and respect the essence of relationship of employee retention and turnover.

According to National Bureau of Statistics Tanzania, 2014, state that “the total youth population aged 15-35 years is comprised of 14.8 million persons of whom 12.5 million (84.5 percent) are economically active and 2.3 million (15.5 percent) are economically inactive. Out of the economically active youth population, 11.0 million (88.3 percent) persons are employed and 1.5 million (11.7 percent) are unemployed. The proportion of the employed females (85.5 percent) is less than that of males (91.1 percent). Conversely, the proportion of the unemployed females (14.5 percent) is larger than that of males (8.9 percent). Furthermore, 12.0 percent of the employed youth are underemployed.” The statistics shows although there is a problem of unemployment but there is a majority of youth employed in different sectors. Agriculture is a first sector employ big number of people followed by private sectors.

According to National Bureau of Statistics Tanzania, 2014, state that, “Number of currently employed persons by sectors and sex mainland, 2014:

**Table 1.1 : Number of Currently Employed Persons by Sectors and Sex Mainland 2014**

Sector	Employed		Total
	Male	Female	
Government	356,568	260,844	626,412
Parastatals	59,360	12,899	72,205
Agricultures	6,402,954	6,888,189	13,285,144
Informal Sector	2,126,349	2,218,230	4,344,580
Other Private Sectors	1,130,688	442,641	1,573,329
Household Act	58,534	69,935	128,468
Total			20,030,139

As shown in the table number 1.1 above, agricultural sector has the highest share of total employment with 13.3 million persons (66.3 percent) followed by informal sector (21.7 percent) and other private (7.9 percent).” The statistics above show that private sectors are hiring big number of citizens than government sectors. As a fact that private sectors employee big number of people, the study had the intention to understand if, there is correct relationship between employee retention and turnover in private sectors.

In developed countries especially USA, the relationship between employee retention and turnover in private sectors that expressed in rates show that it is not equally. According to Kelchner, 2015, The Average employee Retention rate, , state that “the U.S. Bureau of labour turnover rates according to industry and shows a 6.9 percent turnover for employee working in the construction industry in June 2011, which expected the highest level of employee turnover. .Government agencies and employee experienced



the lowest level of employee turnover, a 1.4 percent labour turnover rate. Employers in the arts, recreation, and internet industry show a 5.4 percent turnover of the labour during the same month. However, USA is developed country in the world, but there is problem in relationship between employee retention and turnover in private sectors.

In Tanzania people likes to be employed in Government Sectors rather private sectors although there private sectors paid large amount of salary than government sectors. The study intended to show if there is standard relationship between employee retention and turnover in private sectors in Tanzania.

#### **1.4 Objectives of the Study**

The study had general objective and specific as follow:

##### **1.4.1 General Objective**

The general of the study was to investigate the relationship between employee retention and turnover in private sectors in Tanzania.

##### **1.4.2 Specific Objectives**

The specific objectives of the study were:

1. To examined factors for the employee retention rate of workers in the private sectors
2. To investigate effects of employee retention and turnover in private sectors in Tanzania

3. To examine strategies and policy taken by Tanzanian government in reducing employee retention and turnover in Private sectors
4. To suggest possible measures to overcome or reduce employee retention and turnover private sectors in Tanzania

### **1.5 Research Questions**

The applicable research questions that provided light of the study and further studies were:

1. What were the factors for the relationship between employee retention and turnover in private sector in Tanzania?
2. What were the factors for the employee retention and turnover in private sectors in Tanzania?
3. What were effects of employee retention and turnover in private sectors in Tanzania?
4. Does government strategies and policy support to overcome or reduce employee retention and turnover in private sectors in Tanzania
5. What were measures to overcome or reduce the problem of employee retention and turnover in private sectors in Tanzania?

### **1.6 Underlying Assumption of the Study**

Employees are valuable and important people in workforce. Employee contributes a lot in workforce and of the development of the society. This study believed that from the support of the respondents, which were employees, was able to draw a good conclusion about employee retention and turnover. The problem of employee retention

and turnover will end today but the employers must respect the contribution of employees and understand that employees' retention and turnover in other side contribute loss to the organization. The study believed that employees are valued people in workforce and important in delivering services to the society, in 80% of employee retention and turnover contributed by managerial or administration of organization or company.

### **1.7 Significant of the Study**

The significance of the study arouse by considering the importance of employee in organization or company in delivering services to the society. The study had five significances, these significance were:

- I. To provide the current situation on relationship between employee retention and turnover in private sectors in private sectors in Tanzania
- II. To examined relationship between employee retention and turnover in private sectors in Tanzania
- III. To provide positive influence for the employers and human resources department on maintaining standard relationship between employee retention and turnover in their organization or company
- IV. To suggest measures that will overcome or reduce the unequal relationship between employee retention and turnover in private sectors
- V. To suggested further areas of the studies to other researchers by showing that relationship between employee retention and turnover need many studies.

### **1.8 Scope and Limitation of the Study**

In this party, the study referred two things at the same time. The first one is scope and second one is limitation of the study.

The scope of this study was to investigate the relationship between employee retention and turnover in public sectors. In addition, the study aimed to examined strategies and policy of Tanzanian government about employee retention and turnover in private sectors.

The limitation of the study was the problem facing by the study during the period of conducting the study. The study faced some problems during the time of conducted the study, these problems were:

- i. The first one was shortage of literature review materials especially those materials containing current information about research problem. Due to shortage of literature review materials most of the information in the study collected from the internet and not from books, journeys, and magazines. There were little reviewing materials in libraries about the topic especially the statistics of the research problem.
- ii. The second one was shortage of budget especially the money to sent questionnaires to respondents. In addition, some respondents wanted money as compensation of filled the questionnaires. They wants money for motivation, this may contribute respondents to fill false information or uncompleted information.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The study in this chapter explained the meaning of terms found in research problem. The study reviewed different literature review, which are relevant to the research problem to get the light of further finding for better conclusion. The literature review in this chapter will support to understand that extent of the problem in the world, Africa and in Tanzania. The information will support to draw a correct conclusion about the study.

#### **2.2 Definitions of Terminologies from Research Problem**

The research problem was the “relationship between employee retention and turnover in private sectors in Tanzania.” The key terms from the research problem were relationship, employee, employee retention, employee turnover, and private sectors. The study explained the meaning of these words as follow:

##### **2.2.1 Meaning of Relationship**

According to Collins English Dictionary, 2014, state, “relationship is “the condition or fact of being related, connected, or associated.” In other definition state that, Relationship is “the state of being connected or related to each other,” The study investigated the condition or fact of being together, or connection between employee retention and turnover in private sectors.

### **2.2.2 Meaning of Employee**

Stephen Dakin and J.Scott.1989, what is an Employee said, “An employee is a person who works in the service of another person under an express or implied contract of hire, under which the employer has the right to control the details of work performance. An employee hired to do specific job, to provide labor and service to employer. The IRS classifies a worker as an employee as follows: In general, anyone who performs services for an organization is an employee if the organization can control what done and how it did it.”

According to Allen D.G. 2008, state that, An Employee is “a person who hired to provide services to a company on a regular basis in exchange for compensation and who does not provide these services as part of an independent business. In addition, an employee contributes labor and expertise to an endeavor of an employer and is usually hired to perform specific duties, which packaged into a job.”

### **2.2.3 Meaning of Employee Retention**

According to Dakin S. and Armstrong J.S. 1989, state that, “employee retention is “the ability of an organization to retain its employees. Employee retention can represent by a simple statistic (for example, a retention rate of 80% usually indicates that an organization kept 80% 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.”

### **2.2.4 Meaning of Employee Turnover**

According to Ross T., 2014, Turnover (Employment), state the Employee retention “in human resources context, turnover is the act of replacing an employee with a new employee. Partings between organizations and employees consist of retirements, deaths, interagency transfers, and resignations. An organization’s turnover measured as a percentage rate, which called, Turnover Rate. Turnover rate is the percentage of employees in a workforce that leave during a certain period. Organizations and industries as a whole measure their turnover rate during a fiscal year or calendar year.”

In addition, employee retention divided into four parties as it happen in organization. The study explained these four types of employee turnover as follow:

#### **2.2.4.1 Voluntary Type**

According to Ross T., 2014, state that, Voluntary Type is “the first type of turnover, this is when an employee self- willingly makes the decision to leave the organization. Voluntary turnover could be a result of a better job offering, staff conflict, and lack of opportunities in career advancement.”

#### **2.2.4.2 Involuntary Type**

Involuntary is the second type of employee turnover. According Ross T., 2014, Turnover (Employment), state that, Involuntary “occurs when the employer makes the decision to discharge an employee and the employee unwillingly leaves his or her position. Involuntary turnover could be a result of poor performance or staff conflict.”

#### **2.2.4.3 Functional Type**

This is a third type of employee turnover. Functional, according to Ross T., 2014, explain that, Functional, “which occurs when a low performing employee leaves the organization. Functional turnover reduces the amount of paperwork a company must prepare in order to get rid of an inadequate employee. Instead of having to go through difficulty of proving the fact that an employee is useless to the organization, the company simply respects his or her own decision to leave.”

#### **2.2.4.4 Dysfunctional Type**

Dysfunctional is the fourth and last type of employee turnover. According to explain that, Ross T., 2014, Dysfunctional is “when a high performing employee leaves the organization. Dysfunctional turnover can really cost an organization, and could be because of a better job offering or no opportunities in career advancement. Too much turnover is not only costly, but it can also give an organization a bad reputation. Although there is good turnover, and happens when an organization has found a better fit with a new employee in a certain position. Good turnover could also transpire when an employee has outgrown opportunities in a certain organization and must move on in his or her career in a new organization.”

#### **2.2.5 Meaning of Private Sector**

Haufler, and Virginia, 2013, express that Private sector “is that part of the economy, sometimes referred to as the citizen sector, which is run by private individuals or groups, usually as a means of enterprise for profit, and is not controlled by the state (areas of the economy controlled by the state being referred to as the public sector). The private



sector employs most of the workforce in some countries. In private sector, activities guided by the motive to earn money.”

There are Formal Private Sectors and Informal private sectors in Tanzania. All these sectors established for the aim of developing economy. The study define these Formal Private Sectors and Informal Private Sectors.

#### **2.2.5.1 Formal Private Sectors**

Formal Private Sectors are those encompass all jobs with normal hours and regular wages, and recognized as income sources on which income taxes must be paid.

#### **2.2.5.2 Informal Private Sector**

According to Department of Infrastructure and Economic Cooperation, 2011, state that, Informal Private Sector is the part of an economy that is neither taxed, nor monitored by any form of government. Activities of the informal economy are not included in the gross national product (GNP) and gross domestic product (GDP) of a country.

According to McLaughlin (1990) claims that the informal sector characterized by the following characteristics. “Use of family and unpaid labour (apprentices) and reliance on manual labour rather than on sophisticated machinery and equipment, and flexibility, allowing people to enter and exit economic activities in response to market demand. In addition, other characteristics are simple and sometimes precarious facilities, the ability to improvise products from scrap materials, a willingness to operate businesses at times, and locations convenient to customers, and a tendency to locate smaller markets, out of the reach of the larger firms.”

The study was focused on Formal Private Sectors to examine the relationship between employee retention and turnover.

### **2.3 Theoretical Framework of Retention of Employees**

There are many theories concerning employee retention and turnover in private sectors. The study focused and explained three theories about employee retention and turnover in private sectors. These theories are Hierarchy of Needs Theory, Factor of Herzberg Theory, and Equity Theory.

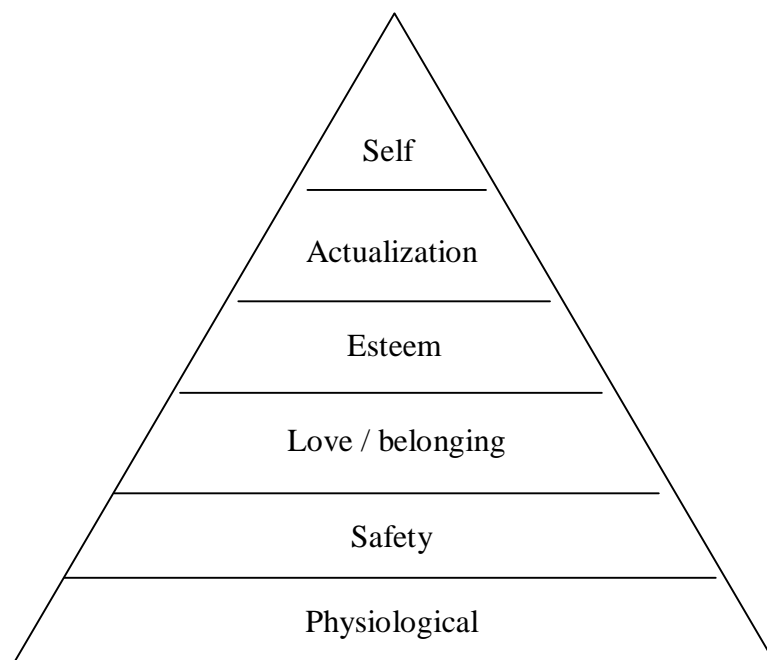
#### **2.3.1 Hierarchy of Needs Theory**

This theory explains about the ways to motivate a person in working areas. According to, David I, 2000, explain “Abraham Maslow's hierarchy of needs theory places employees' needs into five progressive categories, beginning with basic physical needs and progressing up to needs for personal growth and career development. Maslow claims that employers must meet each level of employees' needs for employees to commit themselves to workplace goals.”

Failing to meet employees' needs at any level in the hierarchy can create a lack of fulfillment in employees' professional lives, causing them to eventually try to fulfill these needs on their own, possibly by finding a new employer who provides better opportunities”

According to Maslow A.H. 1943, Maslow's Hierarchy of Needs, explain that, Maslow's Hierarchy of needs is a “theory in psychology proposed by Abraham Maslow in his 1943 paper A Theory of Human Motivation in Psychological Review. Maslow subsequently

extended the idea to include his observations of humans' innate curiosity. His theories parallel many other theories of human developmental psychology, some of which focus on describing the stages of growth in humans. Maslow used the terms physiological, safety, belongingness and love, esteem, self-actualization, and self-transcendence to describe the pattern that human motivations generally move through and Maslow's theory was fully expressing in his 1954 book *Motivation and Personality*. The hierarchy remains a very popular framework in sociology research, management training, and secondary and higher psychology instruction.”



**Figure 1.1 : A Maslow’s Hierarchy of Needs representing Pyramid with the more Basic Needs at the Bottom**

### **2.3.1.1 Physiological needs**

According to Maslow A.H. 1943, Maslow's Hierarchy of Needs, explain that, “Physiological needs are the physical requirements for human survival. If these requirements do not met, the human body cannot function properly and will ultimately

fail. Physiological needs are most important though to meet; they should meet first. Air, water, and food are metabolic requirements for survival in all animals, including humans.” Employee should work in conducive environment that will give him or her moral for working hard.

### **2.3.1.2 Safety needs**

According to Maslow A.H. 1943, Maslow's Hierarchy of Needs, explain that, “with their physical needs relatively satisfied, the individual's safety needs take precedence and dominate behavior. In the absence of physical safety due to war, natural disaster, family violence, childhood abuse, etc. People may (re-)experience post-traumatic stress disorder or Trans generational trauma. Safety and Security needs include personal security, financial security, Health, well-being, Safety net against accidents/illness, and their adverse impacts.” Job satisfaction is important thing to employee instead of increasing morale but it support health of the employee.

### **2.3.1.3 Love and belonging**

According to Maslow A.H. 1943, Maslow’s Hierarchy of Needs, explain that, “according to Maslow, humans need to feel a sense of belonging and acceptance among their social groups, regardless whether these groups are large or small. For example, some large social groups may include clubs, co-workers, religious groups, professional organizations, sports teams, and gangs. Some examples of small social connections include family members, intimate partners, mentors, colleagues, and confidants. Humans need to love and be loved – both sexually and non-sexually – by others.

#### **2.3.1.4 Esteem**

According to Maslow A.H. 1943, Maslow's Hierarchy of Needs, explain that, “all humans have a need to feel respected; this includes the need to have self-esteem and self-respect. Esteem presents the typical human desire to be accepted and valued by others. People often engage in a profession or hobby to gain recognition.” Most of the management in private sectors does not recognize the effort of the employee. They do not recognize the contribution of employee to organization or company rather than using them to make profit. However, there are private sectors, which recognize the contribution of their employee.

#### **2.3.1.5 Self-actualization**

According to Maslow A.H. 1943, Maslow's Hierarchy of Needs, explain that, “what a man can be he must be. This quotation forms the basis of the perceived need for self-actualization. This level of need refers to what a person is full potential is and the realization of that potential. Maslow describes this level as the desire to accomplish everything that one can, to become the most that one can be.” A private sector must help employee to be he or she want and wish to. Most of organizations are only exploit employee without supporting them to meet their wishes.

This theory emphasize on the basic needs which human being needs for better improvement and growth. These basic needs must be available in the places of employees for good morale, which will increase retention and reduce turnover.

### **2.3.2 Herzberg's Theory (Two Factors Theory)**

The second theory examined by the study was Herzberg's Theory (two factors theory). This theory emphasize on motivating employees by creating environment that bring job satisfaction.

According to Fredrick H. Sgndeman M.B. and Barbarba B., 1959, state that, "The two-factor theory (also known as Herzberg's motivation-hygiene theory and dual-factor theory) states that there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction. Psychologist Frederick Herzberg theorized that job satisfaction and job dissatisfaction act independently of each other developed this theory. Attitudes and their connection with industrial mental health related to Abraham Maslow's theory of motivation. His findings have had a considerable theoretical, as well as a practical, influence on attitudes toward administration.

According to Herzberg, Fredrick, 1966, state, "individuals are not content with the satisfaction of lower-order needs at work; for example, those needs associated with minimum salary levels, or safe and pleasant working conditions. Rather, individuals look for the gratification of higher-level psychological needs having to do with achievement, recognition, responsibility, advancement, and the nature of the work itself. This appears to parallel Maslow's theory of a need hierarchy. However, Herzberg added a new dimension to this theory by proposing a two-factor model of motivation, based on the notion that the presence of one set of job characteristics or incentives leads to worker satisfaction at work, while another and separate set of job characteristics leads to dissatisfaction at work. Thus, satisfaction and dissatisfaction are not on a continuum

with one increasing as the other diminishes, but are independent phenomena. This theory suggests that to improve job attitudes and productivity, administrators must recognize and attend to both sets of characteristics and not assume that an increase in satisfaction leads to decrease in un-pleasurable dissatisfaction.”

Hackman J., Richard, Oldham, Grey R., 1976 said that, “two-factor theory distinguishes between:

- Motivators (e.g. challenging work, recognition for one's achievement, responsibility, opportunity to do something meaningful, involvement in decision making, sense of importance to an organization) that give positive satisfaction, arising from intrinsic conditions of the job itself, such as recognition, achievement, or personal growth.”

Herzberg, Frederick, 1968, state that:

- “Hygiene factors (e.g. status, job security, salary, fringe benefits, work conditions, good pay, paid insurance, vacations) that do not give positive satisfaction or lead to higher motivation, though dissatisfaction results from their absence. The term "hygiene" is used in the sense that these are maintenance factors. These are extrinsic to the work itself, and include aspects such as company policies, supervisory practices, or wages/salary. Herzberg often referred to hygiene factors as "KITA" factors, which an acronym is for "kick in the ass," the process of providing incentives or threat of punishment to make someone do something.”

Thus, if management wishes to increase satisfaction on the job, it should be concerned with the nature of the work itself — the opportunities it presents for gaining status,

assuming responsibility, and for achieving self-realization. If, on the other hand, management wishes to reduce dissatisfaction, then it must focus on the job environment — policies, procedures, supervision, and working conditions. If management is equally concerned with both, then managers must give attention to both sets of job factors.

### **2.3.3 Equity Theory in Business (1969)**

J. Stacy Adams who was a workplace and behavioral psychologist first developed equity theory.

Equity theory has been widely applied to working places by industrial psychologists to describe the relationship between the inputs bring the job and the outcome of that input.

According to Guerero, Laura K., Peter A., Andersen and Walid A., and Afifi, 2014, state that, “Equity theory focuses on determining whether the distribution of resources is fair to both relational partners. Proposes that individuals who perceive themselves as either under-rewarded or over-rewarded will experience distress, and that this distress leads to efforts to restore equity within the relationship. It focuses on determining whether the distribution of resources is fair to both relational partners. Equity measured by comparing the ratios of contributions and benefits of each person within the relationship”

Guerero, Laura K., Peter A., Andersen, and Walid A., and Afifi, 2014, continue to state “An individual will consider that he is treated fairly if he perceives the ratio of his inputs to his outcomes to be equivalent to those around him. Thus, all else being equal, it



would be acceptable for a more senior colleague to receive higher compensation, since the value of his experience (and input) is higher. The way people base their experience with satisfaction for their job is to make comparisons with themselves to people they work with. If an employee notices that, another person is getting more recognition and rewards for their contributions, even when both have done the same amount and quality of work, it would persuade the employee to be dissatisfied.”

Guerero, Laura K., Peter A., Andersen, and Walid A., and Afifi, 2014, state that “This is in direct contrast with the idea of equity theory, the idea is to have the rewards (outcomes) be directly related with the quality and quantity of the employees contributions (inputs). If both employees were perhaps rewarded the same, it would help the workforce realize that the organization is fair, observant, and appreciative.”

Guerero, Laura K., Peter A., Andersen, and Walid A., and Afifi, 2014, state that Inputs in this context include the employee’s time, expertise, qualifications, experience, intangible personal qualities such as drive and ambition, and interpersonal skills. Outcomes include monetary compensation, perquisites (“perks”), benefits, and flexible work arrangements.

Therefore, if employees who perceive inequity will seek to reduce it, either by distorting inputs and/or outcomes in their own minds directly altering inputs and/or outcomes, or leaving the organization. These perceptions of inequity are perceptions of organizational justice, or more specifically, injustice. Subsequently, the theory has wide-reaching implications for employee morale, efficiency, productivity, and turnover.

## **2.4 Relationship between Employee Retention and Turnover in Private Sectors in Tanzania**

In Tanzania, there were many numbers of studies carried out to determine factors for employee turnover in private sectors. However, there were no studies and statistics showing the relationship between employee retention and turnover in private sectors. The relationship between employee retention and turnover in private sectors is suppose to be mean or standard or balanced. The organization should maintain the number of hiring workers without causing high firing or voluntary or involuntary turnover of the employees.

A lot of effort of Government, policies and strategies of government are emphasize on creating new employment opportunity to reduce unemployment and underemployment problem among citizens.

According to, it believed that, “Attracting and retaining high-skilled employees is a primary goal for businesses. Losing high-skilled workers is a two-fold loss: In addition to the company losing expertise, the result is often a competitor gaining this valuable skill set.”

The relationship between employee retention and turnover in private sectors in private sectors in Tanzania show that, the government of Tanzania and Private Sectors focusing on creating good and conducive working environment for employment by insisting on:

### **2.4.1 Hiring Skilled Workers**

Training of people and provide education to the people aims to get qualified and skilled workers. Private sectors should employ qualified and skilled employee to maintain retention in organization or company.

The most effective way to reduce turnover in the workplace is to ensure that the people you hire not only have the skills needed for the job, but also fit into the company culture, advises "The Wall Street Journal." Employees who have personalities that mesh well with their colleagues' are less likely to leave for greener pastures, these will reduce turnover.

### **2.4.2 Private Sectors should employ by respecting International Employment**

#### **Standards**

Tanzania adopted law of employment from International Labour Organization, and United Nations for employment standard. The aim was create good relationship between employer and employee. The laws provide rights to the employee and employer and this will reduce turnover in organization. Below is small explanation of what the laws express about employment.

According to Dr. Kapinga W., and Mkono, (2004), state "Tanzania overhauled its employment and labour laws in 2004 when it enacted the Employment and Labour Relations Act, Act No. 6 of 2004 ("the Employment Act") and the Labour Institutions Act, Act No. 7 of 2004 ("Labour Institutions Act"). Whereas the Employment Act

provides for labour standards, rights and duties, the Labour Institutions Act constitutes the governmental organs charged with the task of administering the labour laws.”

According to Dr. Kapinga W., and Mkono, (2004) state, The Employment Act comprehensively regulates the hours of work of an employee. The ordinary days of work are set at six days in a week. Further, the ordinary hours of work are set at 45 hours in a week, and 9 hours in a workday, inclusive of a 1-hour meal break per workday. An employee can be required to work for overtime hours only where the parties have concluded an agreement to that effect.

In addition, Dr. Kapinga W., and Mkono, (2004), state that, “In any event, the law provides a ceiling of 12 working hours per day inclusive of ordinary and overtime working hours. The Employment Act further enacts detailed guidelines for the calculation of wages of an employee who is entitled to hourly, daily, weekly, and monthly wage rates. The payment of remuneration to an employee must be in the form of money, not in kind. As a rule, an employer is not entitled to make any deductions from an employee’s remuneration.”

The above laws do not explain direct about relationship between employees’ retention and turnover in private sectors. However, correct implementation of law in hiring employee will support maintaining good retention in organization and reduce unnecessary turnover.

### **2.4.3 Private Sectors should create Job Satisfaction**

Every private sector should create job satisfaction to their employees, through increase their wage and salary as well as improving their working conditions. This could help the employees to stay longer in the organization, and this could help them to satisfy their needs. This will help to avoid voluntary turnover to employees. Through job satisfaction, it became easy to every employee to stay in his or her position and not decrease the profit of the organization.

### **2.4.4 Respecting Equality in Employment in working areas**

The constitution polices and laws of the government state the rights of employees. Example the constitution of Tanzania state the following on the right of work. According to United republic of Tanzania Constitution state, that, “every person has the right to work. 18 Act No.15 of 1984 Art.6 (2) Every citizen is entitled to equal opportunity and right to equal terms to hold any office or discharge any function under the state authority. Right to just remuneration Act No.15 of 1984 Art.6 23.-(1) Every person, without discrimination of any kind, is entitled to remuneration commensurate with his work, and all persons working according to their ability shall be remunerated according to the measure and qualification for the work. (2) Every person who works is entitled to just remuneration”.

Therefore, private sectors should respect employee in the working areas. This brings standard relationship between employee retention and turnover in private sectors.

#### **2.4.5 Setting Right Compensations and benefits to employees**

Private Sectors offer employees competitive salaries and benefits. If the company will be unable to offer a competitive salary, offer other attractive perks such as flextime and performance bonuses. Put together an attractive package that employee will be hard-pressed to find anywhere else. All these will maintain retention in organization.

However, private sectors should set right compensation and benefits to employees. Private sectors are running for aim of earning profit. Sometimes when employees got in danger like injuring or hurt in organization, the organization should give the employee compensation. In addition, it is the duty of organization to provide treatment to the employee.

All these will support to have standard relationship between employee retention and turnover in private sectors.

### **2.5 Government Strategies and Policies on Relationship between Employee**

#### **Retention and Turnover**

The study reviewed the strategies and policies of the United Republic of Tanzania about employment in Tanzania. Until now, there were not strategies and policies of about relationship between employee retention and turnover in private sector. However, the Tanzanian government is struggling to maintain and create policies and strategies on employee's rights and increasing employment opportunities.

In addition, correct practices of laws, policies, and regulation about employment and employee's rights will create a ground for maintaining standard relationship between

employee's retention and turnover in private sectors. Few laws, policies, and regulations about employment that support to maintain standard relationship between employee retention and turnover created by Tanzanian government were:

### **2.5.1 Government of Tanzania Adopts, Sign, and Introduce Labour Laws in**

#### **Tanzania**

The government of Tanzania adopts signs and introduces laws to employment sectors. Introduction of law will support having good and strong retention and reduce high turnover in working areas. Example of law adopted by the government was labor law. Labour deals with the right of employer and employee in working areas and in organization or company.

According to Mwakaleja, (2011), state that Labour law (employment law) is the body of laws, administration ruling, and precedents, which address the legal rights of, and restrictions and working people and their organizations. As such, it mediates many aspects of the relationship between trade unions, employers, and employees. It the body of law that governs the employer employee relationship including individual employment contracts the application of tort and contract doctrines and a larger group of statutory regulation on issues such as the right to organize and negotiate collective bargaining agreement, protection from discrimination wages and hours and health and safety. In Asia and Africa, labour legislation did not emerge until the 1940s and 50's. Employment laws cover matters such as hiring, training, advancement, and unemployment compensation.”

However, the law above does not explain direct on maintain standard relationship between employee retention and turnover, but it support and bring ground of having good rights to employer and employee which will bring good hiring and reduce unnecessary firing of employee.

### **2.5.2 Creating and Maintaining Conducive Working Environment**

The government formulates and creates policy on conducive working environment. The policy insists employer to create good working environment as on input so that employee can deliver good services and get high performance.

According to the Ministry of Labour, Employment and Youth Development, (2008), state that, “The Government in collaboration with other stakeholders shall create conducive environment to facilitate employment growth in which the Private Sector shall play a key role. 3. The creation of decent employment opportunities will be made a priority agenda in the formulation and implementation of the county’s development programmes undertaken by the government, private sector, CSOs, and other stakeholders.”

Having conducive working environment will support standard relationship between employee retention and turnover. Conducive working environment bring satisfaction to employee.



### **2.5.3 Training and Educating Citizens to be Skilled and Qualified Employee**

The government provides training courses and education to citizens so that can be qualified employee in labour market. The training and education support to have skilled and competent workers. Employing skilled and competent worker in organization bring good retention of employee in organization.

According to the Ministry of Labour, Employment and Youth Development, (2008), state “enabling environment shall be put in place whereby important inputs to enhance youth employment, such as infrastructure, skills training, vocational guidance and counseling, capacity building, business development and financial services for business startup. Improvement will be made available by the Government, Private sector, CSOs and other employment stakeholders”

According to the Ministry of Labour, Employment and Youth Development, (2008), state that, “The government in collaboration with academic, training and research institutions, employers and workers associations shall, from time to time establish mechanism for skills development in the country. To be used as guidelines for formal and informal skills training programmes to enhance employability of the national labour force both for formal and self employment.”

In 2008, Tanzania government has 26 universities (10 public and 16 private) and 16 Universities Colleges (4 public and 11 private). The government has Vocational Educational Training Center (VETA) and Folk Development Community colleges

#### **2.5.4 Introduction of human resources course as well as public relations in difference universities**

The government of Tanzania introduces a course of Human Resources Management in Certificate level, diploma level, Advanced Diploma, Degree and in Masters Level. This course provided in public universities and colleges as well as in private universities and colleges.

The aim of this course is to produce number of professional human resources officers that will help to do hiring and firing employee professionally. In additions, the government does reformation by increasing number of enrolling student in universities to study this course. This course in provide in public universities like University of Dar es Salaam, Mzumbe University and Open University of Tanzania.

#### **2.6 Suggested Measures to Maintain Standard Relationship between Employee Retention and Turnover in Private Sectors in Tanzania**

From many other researchers written documents, they suggested measure on how to increase better employee retention and other on how to reduce employee's turnover in organization. This study review literature and suggest few measures to maintain standard relationship between employee retention and employee turnover in private sectors.

Maintaining standard relationship of employee retention and turnover in private sectors increase high production and high performance of organization. For the Private sectors

to have standard relationship between employee retention and turnover, its organization should have laws, policy, and strategies that favor the following measures:

### **2.6.1 Hiring the Right Employee in the Right Position**

The organization should hire a right employee who has skills, knowledge, and experience about the job. According to Mark T. (2004), state that, hiring the right people from the start, most experts agree, is the single best way to reduce employee turnover. Interview and vet candidates carefully, not just to ensure they have the right skills but also that they fit well with the company culture, managers, and co-workers.

### **2.6.2 Clear setting and Implemented Salary and Compensation**

The private sectors should set clear and good salary and compensation that paid on right time without having long and bad system of requesting the salary and compensation. According to Mark T. (2004), state that Having salary and compensation paid at right time increase conducive environment to work. Setting the right compensation and benefits is important too. Work with human resources to get current data on industry pay packages, and get creative when necessary with benefits, flexible work schedules, and bonus structures.

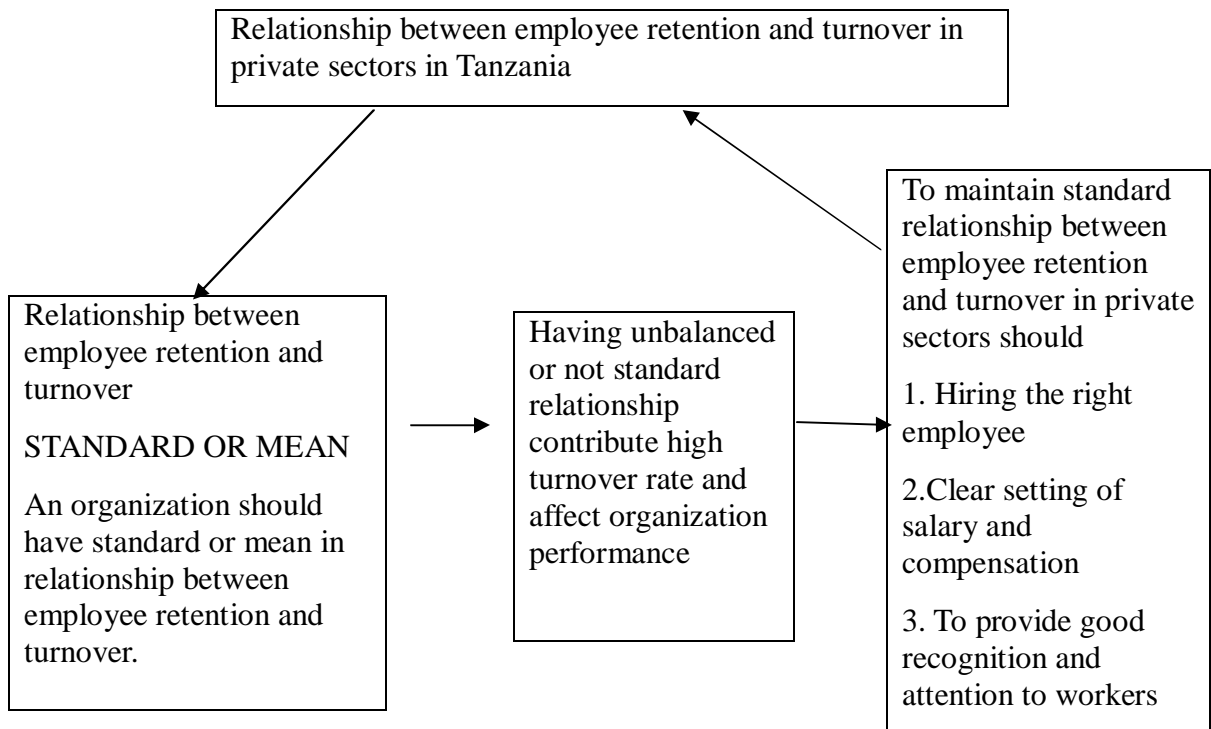
### **2.6.3 Provide Good Recognition and Attention to Employee**

The habit of assigning many work to the employee and work under pressure without consideration is very bad. According to Mark T. (2004), state that, “The managerial of private sector should avoid this habit and start recognizing the effort of their employees.

According to Mark T. (2004), state that, Management of organization should pay attention to employees' personal needs and offer more flexibility where they can. Consider offering telecommuting, compressed schedules, or on-site or back-up day care. Employees need social interaction and a rewarding work environment.

According to Mark T. (2004), state that, they need respect and recognition from managers, and a challenging position with room to learn and move up. Managers often overlook how important a positive work environment is for staffers, and how far meaningful recognition and praise from managers can go to achieve that. Awards, recognition, and praise might just be the single most cost-effective way to maintain a happy, productive work force.

## 2.7 Conceptual Framework



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the methodology that the researcher used in the study. It sets out the procedures for carrying out the study. The chapter contains the Area of the study, Population, Sample, and Sampling techniques. Other parts contained in this chapter are Research Instruments, administration of the instruments and Data analysis plan together with appendices.

#### **3.2 Research Design**

According to Kothari C.R. (2004), state that, “This is a detailed plan of the work to done to achieve the research objectives. Research objective is the conceptual structure within which research is conduct. It constitutes a blue print for collections, measurement, and analysis of data.”

According to Kothari C.R. (2004), state that “for the purpose of this research case study was useful because it facilitates intensive study of the social units, enable constructions of the appropriate questionnaires, enables researcher to understand fully behavior pattern of the concerned units, application of one or more of the several research methods depending on prevalent circumstances.” This study based upon mixed quantitative and qualitative research.

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

The researcher expects to conduct the study in Dar es Salaam Region specifically The Coca Cola Company. The Company situated in the Eastern part of the city and the company established by small and min depots all over the town, from here the Company has several depots almost in each region of the country Tanzania.

#### **3.2.1 Description of the Area of the Study**

The study described important characteristics of the area of the study. These few characteristics will support in selected of sample of population and methods of conducting the research. These important characteristics are Location of the area of the study, Size of the area of the study and topography of the area of the study.

##### **3.2.1.1 Location, Size, and Topography of the area of the study**

The study conducted in Coca Cola Kwanza Limited located in Mikocheni ward, found in Kinondoni District in Dar es Salaam. Kinondoni Municipality is one of three wards found in Dar es Salaam. According to the Tanzania National Bureau of Statistics, (2012), state that, “Kinondoni Municipality is the northernmost of three municipalities in Dar es Salaam, Tanzania, the others being Temeke in to the far Southeast, and Ilala in downtown Dar es Salaam. To the east is the Indian Ocean, to the north and west the Pwani Region of Tanzania.”

According to the Tanzania National Bureau of Statistics, (2012), state that, “The 2002 Tanzanian National Census showed that the population of Kinondoni was 1,083,913. The area of Kinondoni is 531 km<sup>2</sup>.the latest population census of 2012

showed that population of Kinondoni was 1,775,049, 914,247 were female and 860,802 were male and the density ratio was 3,302.8inh/km<sup>2</sup>. There are 446,504 households in Kinondoni with the average of four people per household.”

According to the Tanzania National Bureau of Statistics, (2012), “The topography of Kinondoni is composed of plateaus with altitudes from 40m high to 200m high and flatlands in the seashore area. The City divided into three ecological zones, namely the upland zone comprising the hilly areas to the west and north of the Dar es Salaam City, the middle plateau, and the low lands including Msimbazi valley, Jangwani, Mtoni, Africana, and Ununio areas. Surface soil is composed of sand, gravel, mud, and clay of the alluvial epoch. The Climate of Kinondoni experiences a modified type of equatorial climate. It is generally hot and humid throughout the year with an average temperature of 29°C. The hottest season is from October to March while it is relatively cool between May and August with temperature around 25°C.

### **3.2.1.2 Population and Social-Economic Activities**

According to the Tanzania National Bureau of Statistics, (2012), state Kinondoni District, state that, the latest population census of 2012 showed that population of Kinondoni was 1,775,049: 914,247 female and 860,802 male. The original inhabitants of Kinondoni were the Zaramo and Ndengereko, but due to urbanization, the district has become multi-ethnic. The economic activities of Kinondoni are small business, large business firms, employment, and entrepreneurship.

### **3.3 Sampling Design**

Kothari C.R. (2004) expresses that, “sampling design is a plan for obtaining a sample from a given population. It refers to the techniques or procedures the researcher would adopt in selecting items for sample.” The sample design must be reliable and appropriate for the research. Due to the reason that the study is for academic awards, the study select 100 respondents.

### **3.3 Sampling Frame**

Leady, (1998), defines population as the aggregate of all the cases that confirm to designate set of specifications. A population is group of elements or cases, whether individuals, objects, or events; that conform to specific criteria and to which we intended to generalize the results of the research or Population are persons to whom results can be generalized (McMillan, J.H., 1996, page number 85). In this study, the sampling frame will be 100 respondents. They all selected randomly in case of sex, age, marital status, level of education and the residence. In addition, the study will select automatically in respondents position hold in the office so that to get correct information.

### **3.4 Sampling Unit of the Study**

According to McMillan, J.H, (1996), states, “Sample is the group of elements or a single element, from which data are obtain or is a group of subjects from whom data are collected.”



Kothari C.R. (2004) state “sampling unity is a decision has been taken concerning unit before selecting sample. Sampling unity may be a geographical one such as state, district, village etc, or construction unit such as house, flat, etc, or it may be a social unit such as family, club, school, etc, or it may be individual.” The main sample of this study focused on social unity of people, which are the employee of Coca Cola Kwanza Limited.

### 3.5 Sample Size and Distribution

Kothari C.R. (2004) said, “Sample size is the number of items to select from the universe to constitute a sample. The size of should be optimum. The size of population variance needs to consider, as in case of large variance usually a bigger sample needed.

**Table 3.1 : Distribution of Respondents by Sample Size, and Its Composition**

<b>Sample Description</b>	<b>Number of Respondents</b>	<b>Percentage (%)</b>
Administrators	5	10
Staffs members	10	10
Permanent Employees	40	20
Temporary Employees	45	60
Total	100	100%

### 3.6 Methods of Data Collection

Kothari C.R., (2004) defines research methodology as the way of systematically solve the research problems; it is the science where research is done scientifically. Questionnaires, interviews, and documentary review used to collect were information in

this study. According to Castillo, (2009), state research instruments are strategic tools used by researchers in data gathering. There are different types of research instruments, namely, questionnaires, interview, and observations.

In this study, the researcher used will collect data through questionnaire and interview. Informal discussion and interview used to collect primary because questionnaires is most widely used tool, common for respondents to produce good results.

### **3.6.1 Interview**

According to Kothari C.R., (2004), states that interview involves presentation of oral verbal stimuli and reply in terms of oral verbal responses. Semi-structured interview was used by the researcher whereby by the respondents were able to provide direct answers to the researcher. Interview methods it is flexibility and interactive and easy to get reliable and accurate information. As the researcher I was able administer the interview staff from coca cola company.

### **3.6.2 Questionnaire**

According to White R. (2002), these are series of questions each one providing a number of alternative answers from which the respondent can choose. Questionnaires used to collect data from the selected respondents using structured questions. Both closed and openhanded questions were prepared in English and translation in Swahili language. The questionnaire aimed to collect firsthand information from respondents on the incidence of the relationship between employees retention strategies and employees turnover in their working area.

### **3.7 Data Analysis, Processing and Presentations**

The study will collect, edit, and analyze data by using Statistical Package for Social Scientists (SPSS). Analysis output included; Descriptive statistics (means, standard deviation, frequencies, percentages and factor analysis), and inferential statistics (correlations, and regressions). By used SPSS, the researcher was able to summarize and interpret the data.

#### **3.7.1 Data Processing**

This involved getting information from respondents and ensuring that it was accurate, reliable and meets the standards. All the field questionnaires were properly, scrutinized carefully, and codes in tabular and numerical terms for easy analysis.

Data processing implies classification, editing, coding, and tabulation of collected data so that they are amenable to analysis.

Classification is the process of putting responses of the same characteristics into the same group or class. Data having common traits grouped together and therefore whole responses divided into a number of classes. The aim of classifying data is to reduce the size of collected raw data to facilitate easy tabulation.

Editing of data will involve examination of collected raw data to detect errors and omissions and to correction of the same. This process it need a careful scrutiny of the completed questionnaires. This was done to ensure that the data obtained are accurate, consistent with other facts gathered, uniformly entered as complete as possible and the same arranged to facilitate coding and tabulation.

Coding refers to the process of signing numerals or other symbols to answers so that responses can put into a limited number of categories or classes. Responses from respondents will code accordingly, which simplified its analysis.

Tabulation is the process of summarizing collected data in a table to facilitate computation of various measures during data analysis. Data collected arranged in the form of rows and columns by presenting the number of frequencies falling into each of the several classes. Tabulation of data facilitated statistical computation. It also helps to make comparison possible and identification of errors easy.

### **3.7.2 Data Analysis**

According to Kothari, (2004), state Data Analysis refers to the computation of certain measures along with searching for patterns of relationship that exist among data groups. The main methods of data analysis adopted in this study were the creation of codes and patterns of corresponding data, which allowed development of meaning out of the selected texts. The data processing and analysis were done by using the developed codes, tabulation and computer graphics creation as detailed in the forthcoming chapter.

### **3.7.3 Data Presentation**

Saunders, Lewis, Thornhill, (2009), state that, data presentation “is analysis data are presentation of data in the form of tables and charts so that it would be clearly understood by any reader of the report.” The study used SPSS program method to analyze data and presents in chart and clear explanation. The study was intention to explain about the reasons contribute employee retention and turnover in private sector.

## **CHAPTER FOUR**

### **PRESENTATION OF FINDINGS AND PRESENTATIONS**

#### **4.1 Introduction**

The study presents analysis of data, data interpretation, and discussion of respondents from the field areas. Discussion of findings based on designed research objectives and research questions, which include overview of relationship between employees retention strategies and employees turnover in private sector. The study conducted in Coca Cola Company Limited as one private sector in Tanzania, which is bigger and old company in Tanzania. Coca Cola Company limited has branches in different regions in Tanzania. The study selected Coca Cola Kwanza Limited branch found in Dar es Salaam. Coca Cola Kwanza Limited is located in Coca Cola Road, Mikocheni Light Industrial Area in Dar es Salaam.

The short history of Coca Cola Company Limited according to The Coca Cola Brands, (2012), state “the Coca-Cola Company is an American multinational beverage corporation and manufacturer, retailer, and marketer of nonalcoholic beverage concentrates and syrups, which is headquartered in Atlanta, Georgia. The company is best for its flagship product Coca-Cola, invented in 1886 by pharmacist John Stith Pemberton in Columbus, Georgia. The Coca-Cola Company Limited operates in more than 200 countries and markets nearly 500 brands and 3000 beverages.” This is history of company around the world.

In Tanzania Coca Cola Company Limited according to Global Health Leadership Institute, (2014), state that, “Coca Cola Company established its first bottling plant in Tanzania in 1952. Currently, TCCC has three Tanzanian bottling partners, Coca-Cola Kwanza (CCK), Nyanza Bottling Co. Ltd., and Bonite Bottlers Limited, among which Coca-Cola Kwanza have played an instrumental role as TCCC’s local partners in the current supply chain initiative.”

## **4.2 Characteristics of Respondents**

The study starts to analyze the data of respondents by looking on characteristics of the respondents in different categories. These categories are which include streets names of respondents, age of respondents, sex of respondents, level of education of respondents, occupation of respondents, and marital status of the respondents.

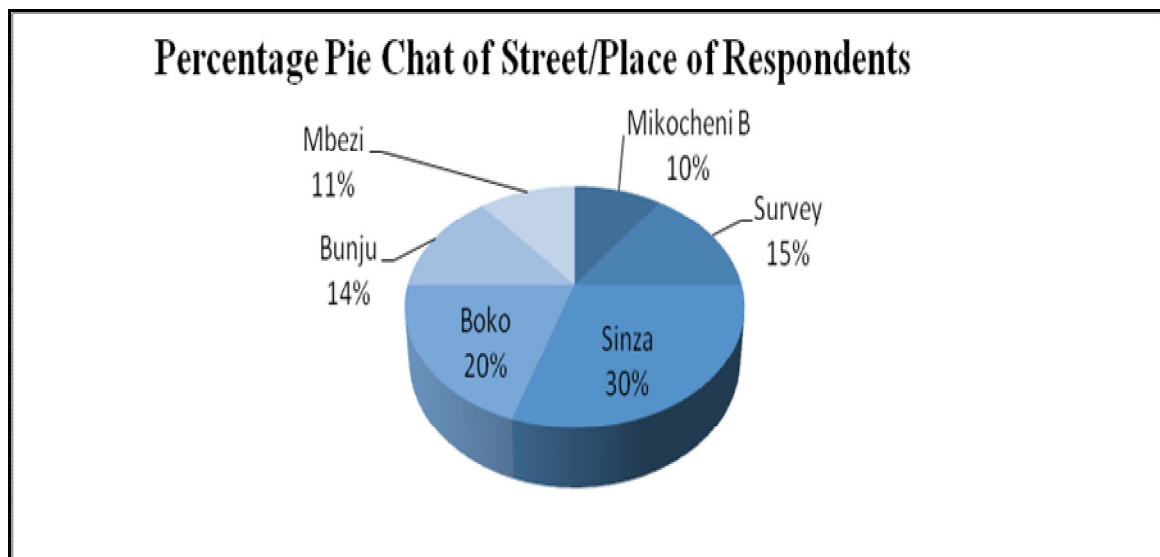
### **4.2.1 Street/Place of Respondents**

The results of street or place of respondents’ shows respondents came from different places or street around Dar es Salaam city. Coca Cola Kwanza Limited is located in Mikocheni Street but some of the respondents (which are employees) live out of the city. The results of street/place of respondents were, Mikocheni B, 10 respondents which is 10%, Survey were 15 which was 15%, Sinza were 30 respondents which were 30%, Boko were 20 which were 20%, Bunju were 14 which is 14% and Mbezi were 11 which were 11%. Refers to the table and figure number 2 below

**Table 4.1 : Distribution of Respondents by Places or Streets**

Place or Streets of Respondents	Frequency	Percentage
Mikocheni B	10	10
Survey	15	15
Sinza	30	30
Boko	20	20
Bunju	14	14
Mbezi	11	11
Total	100	100

Source: Field Research 2015

**Figure 4.1 : Distribution of Respondents by Place/Street of Respondents (n=100)**

#### 4.2.2 Age of Respondents

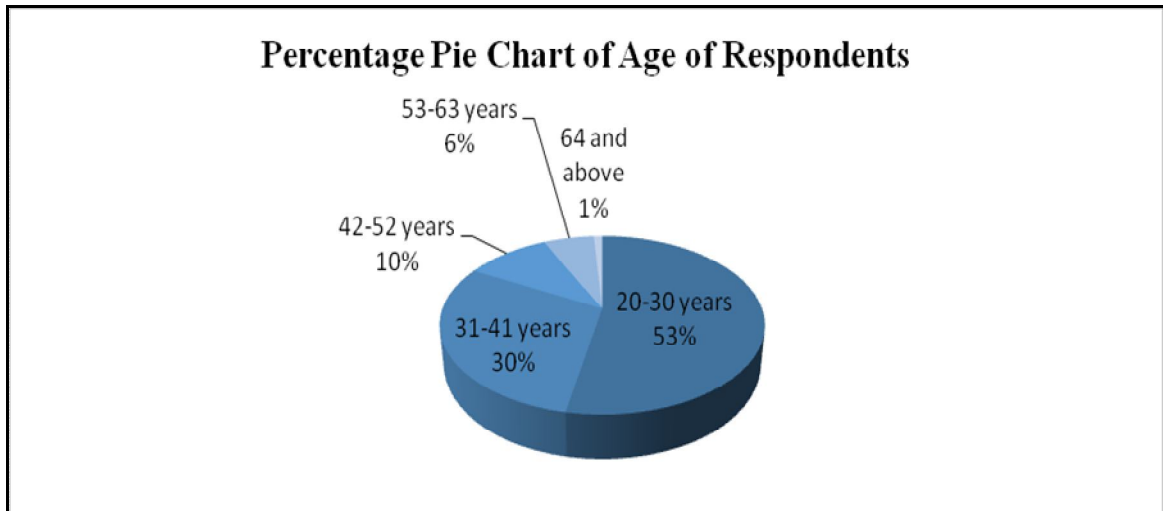
The study shows that most of respondents fall in 20-30 years which youth and energetic people. Most of these youth are doing labor activities in the company. This might shows they do not have skills and knowledge especially about machines. The results were 64 and above are only one, 42-52 years were 10%, 31-41 years were 30, and 20-30 years were 53. In administration, most of the respondents were above 30 years, this shows that

experience need time especially in theoretical education provided in schools. Refers to table and figure number 3:

**Table 4.2 : Distribution of Respondents by Age**

Age of respondents	Frequency	Percentage
20-30 years	53	53
31-41 years	30	30
42-52 years	10	10
64 and above	1	1
Total	100	100

Source: Field Research 2015



**Figure 4.2 : Distribution of Respondents by Age of Respondents, (n=100)**

#### 4.2.3 Sex of the Respondents

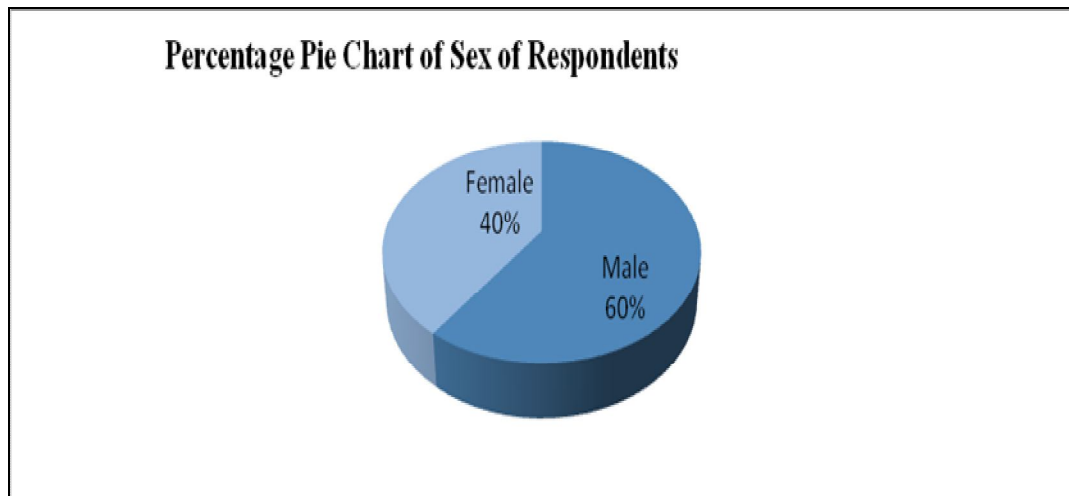
This study employed total number 100 respondent as the main respondents of the study. The respondents picked randomly from different position in the company. The sex of respondent were two, these are male which were 60 respondents which is equally to 60% and female were 40% which were 40%. Refers to table and figure number 4 below:



**Table 4.3 : Distribution of Respondents by Sex**

<b>Sex of Respondent</b>	<b>Frequency</b>	<b>Percentage</b>
Male	60	60
Female	40	40
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Field Research 2015

**Figure 4.3 : Distribution of Respondents by Sex of Respondents, (n=100)**

#### **4.2.4 Level of Education of Respondents**

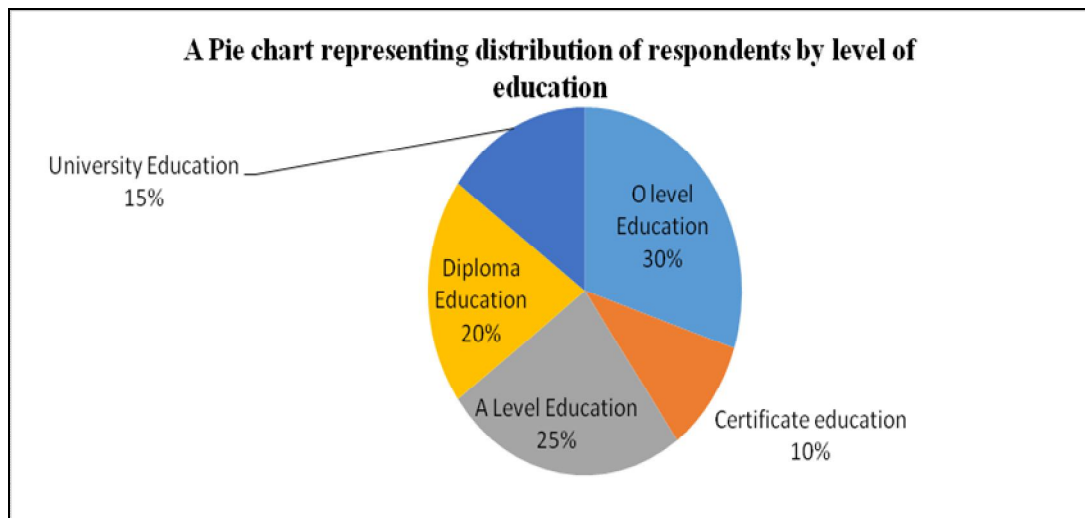
Most of the employees in Coca Cola Kwanza Limited were 30 respondents, which was 30% of all respondents. This group was the best of having a big number. It seems that most of the employees in this are company is doing manual work, which use power and little skills like distributing of products to the customer. The result on level of education of the respondents show that 40 respondents have Ordinary level education which was 30%, university education level were 20 respondents which were 20%, diploma level of education were 20 respondents which were 10%, advanced certificate level were 10

respondents which 10% and certificate were 6 which 6% of the respondents. Refers to the table and figure 5:

**Table 4.4 : Distribution of Respondents by Level of Education**

<b>Level of Education of Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
O level Education	30	30
Certificate education	10	10
A Level Education	25	25
Diploma Education	20	20
University Education	15	15
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Field Research 2015



**Figure 4.4 : Distribution of Respondents by Level of Education of Respondents (n= 100)**

#### **4.2.5 Occupation of Respondents**

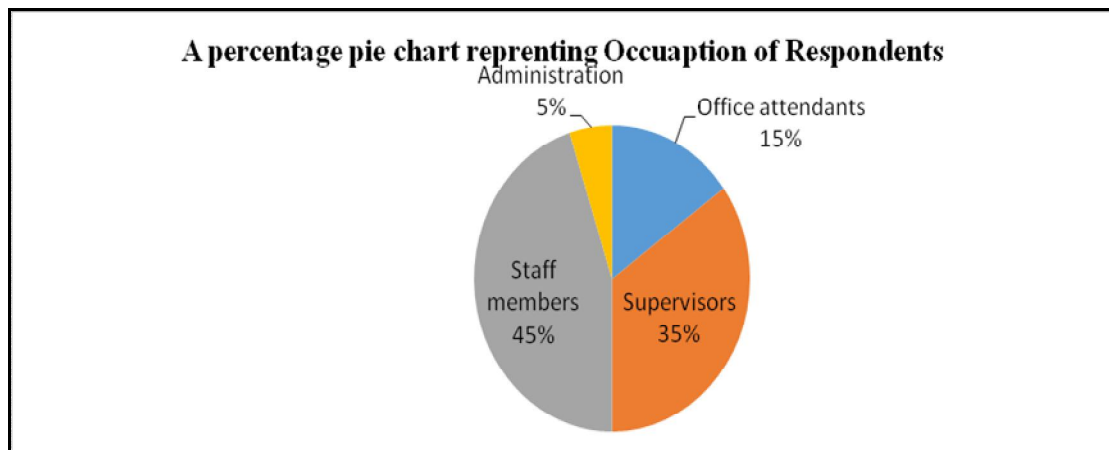
The occupation of the respondents selected by looking the position they hold in office as employees. The respondents picked randomly, so the study got many labors than other groups. In addition the study noted that labors are many than other groups in the

company and they are not permanently employed. The results were Office Attendants were 15 respondents, administrators were five respondents, staff member were 45 respondents and supervisors were 35 respondents. Refers to the table and figure number 6:

**Table 4.5 : Distribution of Respondents by Occupation**

Occupation Of Respondents	Frequency	Percentage
Office attendants	15	15
Supervisors	35	35
Staff members	45	45
Administration	5	5
Total	100	100

Source: Field Research 2015



**Figure 4.5 : Distribution of Respondents by Occupation of Respondents, (n=100)**

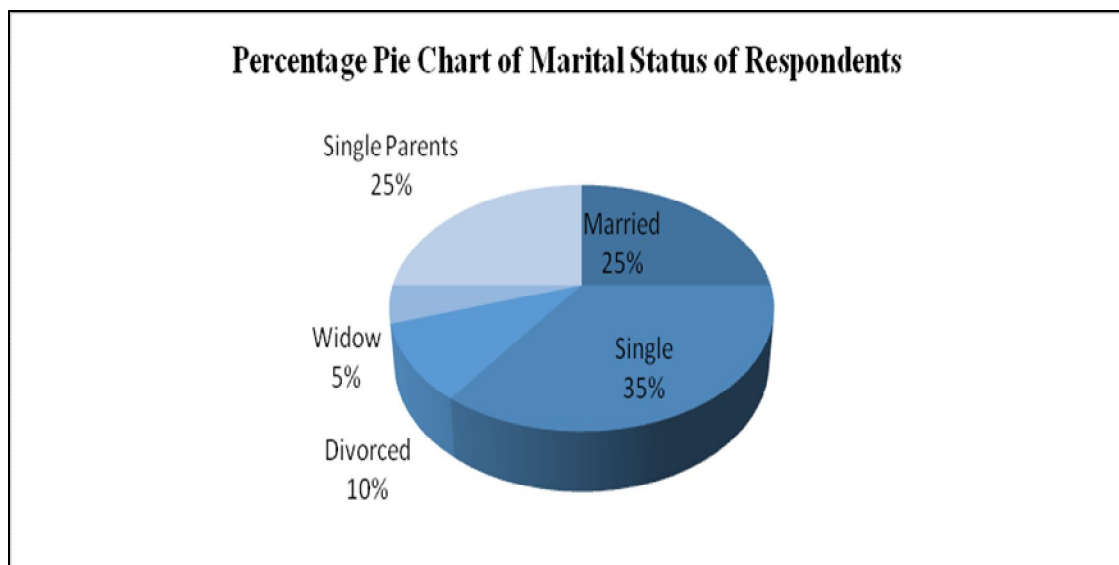
#### 4.2.6 Marital Status of Respondents

The study looks on the marital status of the respondents. Most of them are single; this may be due to income because most were age of 20-30 years. The results were Single parents were 25 respondents, married were 25 respondents, divorced were 10 respondents, widow were 5 respondents and single were 35 respondents. Refers to table and figure number 7:

**Table 4.6 : Distribution of Respondents by Marital Status**

<b>Marital Status</b>	<b>Frequency</b>	<b>Percentage</b>
Single	25	25
Widow	5	5
Married	25	25
Divorced	10	10
Single parents	35	35
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Field Research 2015



**Figure 4.6 : Distribution of Respondents by Marital Status of Respondents (n=100)**

#### **4.3 Relationship between Employee Retention and Turnover of Employees in Coca-Cola Kwanza Company as follows:**

The general objective of the study was to show or to understand relationship between employee's retention and turnover in private sectors. From the beginning, the study reveal that relationship between employee retention and turnover in private sectors should be mean, standard, or balanced.

There are ways of calculating employee retention and turnover rate in organization or company. According to Dakin S. and Armstrong J.S. 1989, state that, Employee retention can represent by a simple statistic (for example, a retention rate of 80% usually indicates that an organization kept 80% of its employees in a given period).” In addition, in case of turnover, Ross T., 2014, Turnover (Employment), state that, an organization’s turnover measured as a percentage rate, which called, Turnover Rate. Turnover rate is the percentage of employees in a workforce that leave during a certain period. Organizations and industries as a whole measure their turnover rate during a fiscal year or calendar year.”

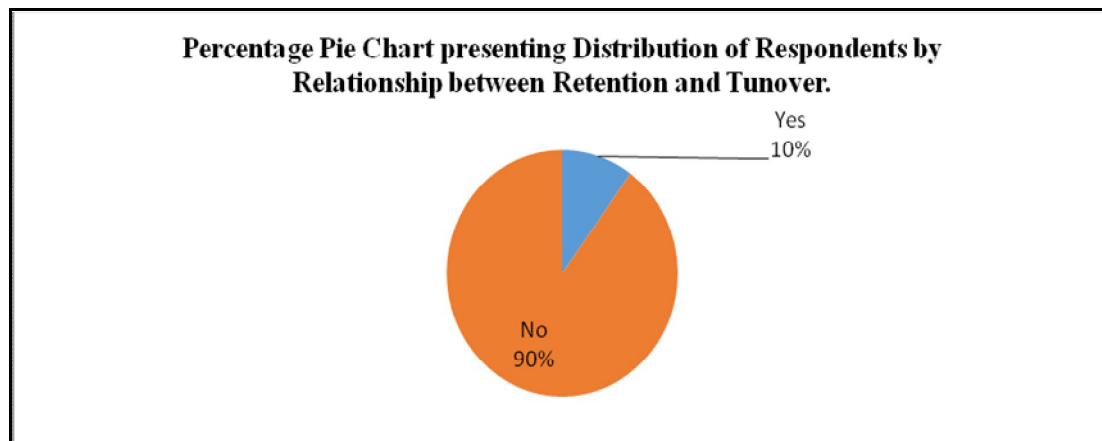
From field area and according to respondents, the study note that the relationship between employee retention and turnover in Coca cola Kwanza Limited. The study notes that after asking the respondents if there is relationship between employee retention and turnover in their organization. The results was, 90% of respondents said NO, meaning that turnover rate is high than retention rate in Organization, and 10% said YES, meaning that there is relationship between employee retention and turnover in their organization.

The respondent’s states that, Coca Cola Kwanza Limited is running for making profit, therefore, in production department if an employee is injured or get accident, the company employs other member so that production can continue. After treatment an employee note that he or she will automatically loose his or he position. Below are the results of findings as follow:

**Table 4.7 : Distribution of Respondents by Distribution of Respondents by Relationship between Employee Retention and Turnover in Coca Cola Kwanza Company**

QUESTION:	Frequency	Percentage
Is There Relationship Between Employee Retention and Turnover in Your Company?		
Yes	10	10
No	90	90
Total	100	100

Source: Field Research 2015



**Figure 4.7 : Distribution of Respondents by Distribution of Respondents by Relationship between Employee Retention and Turnover in Coca Cola Kwanza Company, (n=100)**

#### **4.4 The Standard or Mean on Relationship between Employee Retention and Turnover in a Coca Cola Kwanza Company**

After the study obtaining the findings on relationship between employee retention and turnover in a Company, the study went far and tried to know if there is standard in relationship between employee retention and turnover in the company. According to the

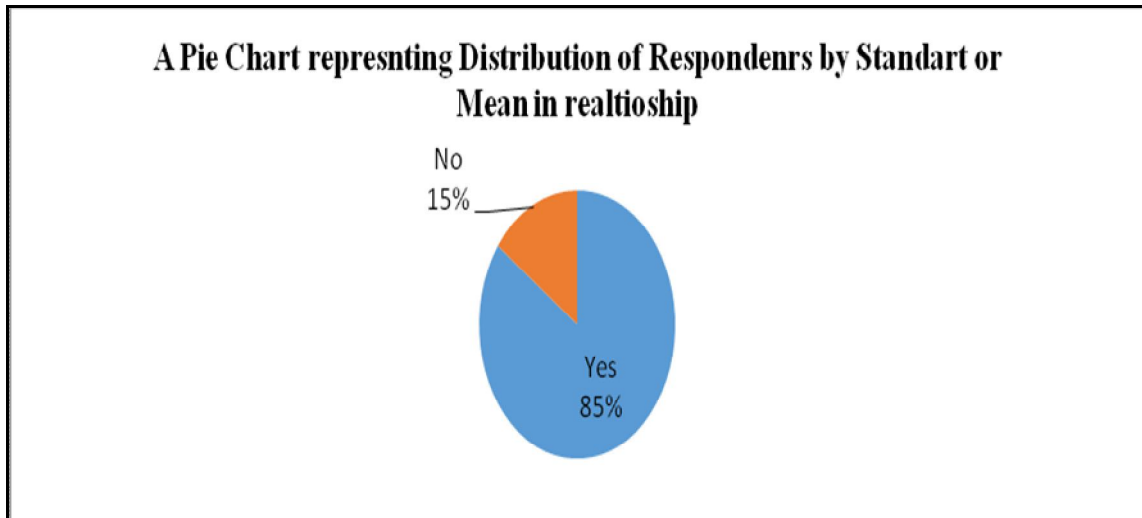
respondents, the study notes that there is no standard or mean in relationship between employee retention and turnover in the company. According to the respondents, the study note that even contract provided to high skilled and educated employees but not in ordinary employee, especially those sometimes uses energy in production. In addition, sometimes the contract is provide in short terms like six month or 1 year while high skilled employee have long term contract starting two years.

Therefore, there is mean and standard on relationship between employee retention and turnover for high skilled employees but not to ordinary employees. The results of findings where as follow, 85% of respondents state that there is NO mean or standard in relationship between employee retention and turnover and these are ordinary employee. In addition, 15% of respondents said YES, there is mean or standard between employee retention and turnover, these are high skilled employees.

**Table 4.8 : Distribution of Respondents by Distribution of Respondents by Mean or Standard in Relationship between Employee Retention and Turnover in Coca Cola Kwanza Company**

QUESTION: Is there Standard or Mean in relationship between employee retention and turnover in the Company?	Frequency				Percent
	Occupation of Respondents				
	Office Attendants & Laborers	Supervisors	Staff Members	Administratio n	
Yes	0	5	7	3	15
No	59	15	10	1	85
Total	59	20	17	4	100

Source: Field Research 2015



**Figure 4.8 : Distribution of Respondents by Distribution of Respondents by Mean or Standard in Relationship between Employee Retention and Turnover in Coca Cola Kwanza Company (n=100)**

#### **4.5 Reasons for Poor Relationship between employee retention and turnover in Coca Cola Kwanza Limited**

The study got five reasons for poor relationship between employee's retention and turnover in Coca Cola Kwanza Limited. The meaning of poor relationship means that the respondents state that employee turnover in Coca Cola Kwanza Limited is high than employee retention. The following are the reasons for poor relationship between employees' retention and turnover according to the respondents:

##### **4.5.1 Job Satisfaction**

Job satisfaction is a wide knowledge in employment. It has many things that employees should get so that a person can be satisfied. According to Spector P .E. (1997), Job Satisfaction, state that, "Job satisfaction or employee satisfaction has defined in many different ways. Some believe it is simply how content an individual is with his or her job, in other words, whether or not they like the job or individual aspects or facets of



jobs, such as nature of work or supervision. One of the most widely used definitions in organizational research is that of Locke (1976), who defines job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences" (p. 1304)."

About 30% of respondents complain that there are not satisfied with the wage and salary and job conditions. On Job Condition, most of them said that, they face accidents but the company does not support them in treatment, and sometimes to get compensation is very hard. The result show about 30 respondents, which was 30% of the respondents, expressed job satisfaction salary and job conditions are the reasons for employee retention and turnover of employees in the company. Refers to the table and figure number 8.

#### **4.5.2 They Poorly Managed**

According to Miller J., (2013), state that, "A bad boss can make any employee miserable. Even if your staff is completely committed to the business, if their immediate supervisor creates an uncomfortable work environment they may consider leaving."

Employees often voluntarily leave a job due to the relationship they have with their direct managers. As human beings, we crave routine, structure, and consistency. Generally, an employee can settle for average wages and mundane or even highly stressful work if the work relationships are positive and motivating. Without that relationship element, employees will have a wandering eye.

By understanding the common reasons for high employee turnover, you will be better able to protect your business from a similar fate. Those employees, who well compensate, challenged, engaged, and properly managed will likely be loyal, productive members of your workforce for years to come. About five respondents, which are 10% of respondents, stated that poorly managed contributes job retention and turnover. Refers to the table and figure number 8 below:

#### **4.5.3 They Feel Bored**

High-performing workers need to feel that they are being challenge and are moving forward in terms of professional growth and development. Take time to meet with your employees and be proactive in discussing career and succession plans with them. Most of the employees in Coca Cola Kwanza Limited said that they feel bored in work because they do not have any progress in their career. Most they were labors who stated that they did not receive and training from the company rather than order from the administration. In addition, the only do one work for a period, which contributes them to feel bored, and tied of work. The result of respondents was 20 respondents, which are 20%, stated that some employees feel bored, this increase employees retention and turn over. Refers to table and figure number 8 below:

#### **4.5.4 Lack of Motivation**

No matter how much someone loves working for you and believes in your business, if they presented with a better offer, they will likely consider leaving. Monitor what compensation is being offer by your competition and be sure you are offering comparable benefit packages. In addition to traditional “pay and benefit” compensation,

some companies also opt to offer additional perks such as on-site fitness rooms or day care, discounts on services or travel, and employee assistance programs. The results was 20 respondents which are 20% of respondents stated that lack of motivation contribute employees retention and turn over. Refers to the table and figure number 8 below:

#### **4.5.5 Short Contract**

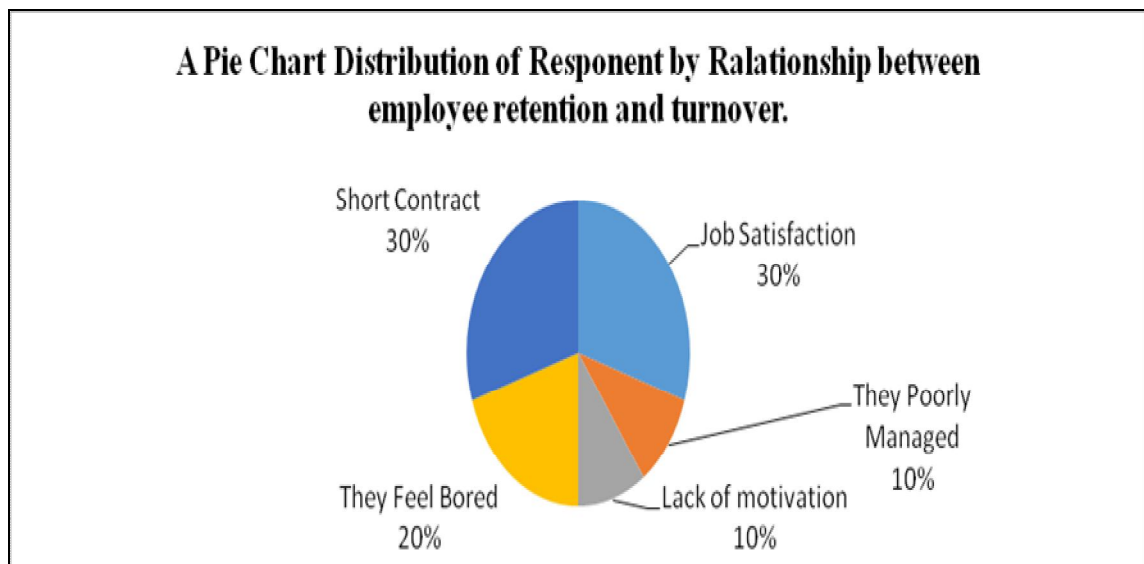
Most of the private sectors do not provide long-term contract or permanent contract. Te respondents from Coca Cola kwanza Limited state that most of them are having short contract terms starting from 3 months up to the two years. The respondents state that short terms contract is stressfully to them because they do not sure if the will remain in work for a long time.

Most of private sectors are using short-term contact to reduce cost, and to measure the performance of employees. The effects of using shot-term contract are the employees do not have morale in working and the organization is having unscheduled turn over employees. They can fail to show well their performance in organization and it contributes employee's retention and turn over. About 30 respondents, which are, 30% of respondents short contract contributes employees retention and turnover. Refers to table and figure number 8 below:

**Table 4.9 : Distribution of Respondents by Poor Relationship between Employee Retention and Turnover in Coca Cola Kwanza Company**

<b>Relationship between employee retention and turnover</b>	<b>Frequency</b>	<b>Percentage</b>
Job Satisfaction	30	30
They Poorly Managed	10	10
Lack of motivation	10	10
They Feel Bored	20	20
Short Contract	30	30
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Field Research 2015



**Figure 4.9 : Distribution of respondents by reasons for the Employees Retention and Turnover in Coca Cola Kwanza Limited, (n=100)**

## **4.6 Suggested Measures by Respondents to Reduce Employee Turnover in Private Sectors**

The study examines the measure to reduce the problem of retention and turnover in private sectors. The study analyzed data of measure to overcome the problem as respondent provided information. The measure to reduce problems area:

### **4.6.1 Increase Job Satisfactions to Employees**

The employers should build and increase satisfaction of jobs to the employees. This reduces the employees to turn over unscheduled from the organization. According to the , H .Jackson Brown ,J r, Creating Job Satisfaction, state that “ once you have identified the blend of status, power, or intrinsic enjoyment that need to be present in your work for you to feel satisfied, you and then need to work on some of our seven ingredients for a satisfying job. These ingredients are self-awareness, challenge, and variety, positive attitude, knowing your options, balanced lifestyle, and a sense of purpose.” From the explanation above, most of the private sectors should create self-awareness, positive attitude s suggested to their employees. About 60 of respondents state short-term contract should be reduce. Refers to the figure number 9 below:

### **4.6.2 Reduce Short Term Contract to Employees**

Most of private sectors are hired employees by using short-term contract. Some of these employees in private sectors employed with short-term contract because these private sectors are running for profit, so they employ employees in short contract to avoid cost especially in compensation and pension.

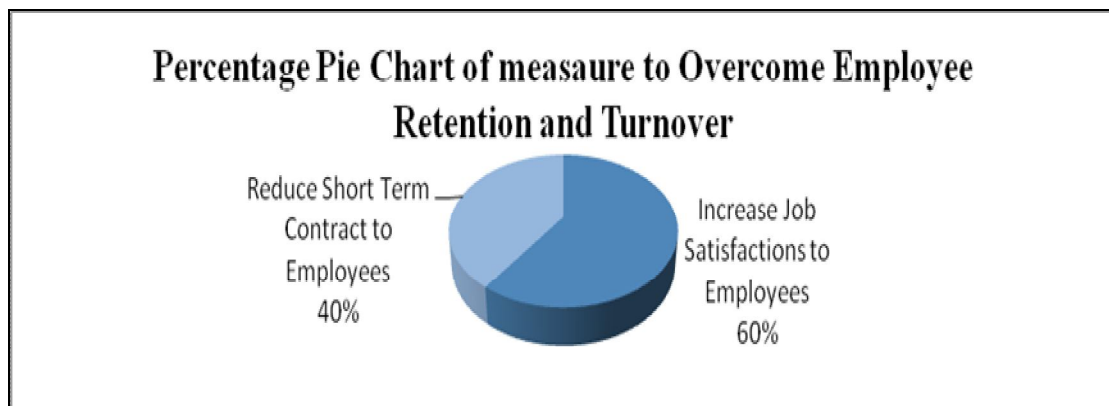
According to Wandera, and HillaryT, (2013), state that, “short term employment results to: unscheduled turnover in an organization, low staff morale, and low productivity. Short-term employment affected productivity of staff in the organization since a lot of time and effort used in training new employees, as their turnover was high. The research also noted that the very nature of temporary employment increases feelings of divided allegiance on the part of temporary workers. This reduces their level of commitment and hence their productivity.”

About 43 of respondents state short-term contract should be reduce. Refers to the table and figure number 9 below:

**Table 4.10 : Distribution of Respondents by Measure to Reduce Employee Turnover in Private Sector**

<b>Measures to overcome Employee retention and turnover</b>	<b>Frequency</b>	<b>Percentage</b>
Reduce short term contract to employee	40	40
Increase job satisfactions to employee	60	60
Total	100	100

Source: Field Research 2015



**Figure 4.10 : Distribution of Respondents by Measure to Reduce Employment Retention and Turn over in Private Sector**

#### **4.7 Discussion and Findings of the Study**

The problem of study was investigation the relationship between employee retention and turnover in private sectors in the Tanzania, A case study of Coca Cola Kwanza Company located Mikocheni Ward in Dare ea salaam City. The study employed 100 respondents from Coca Cola Kwanza Limited. The respondents selected randomly from heir department. The methods used to collect primary data were questionnaire, focus group discussion, and interview.

According to the respondents, the findings of the study were, 90% of respondents said that there is NO relationship between employee retention and turnover in Coca Cola Kwanza Limited. In addition, 10% of respondents said that there is relationship between employee retention and turnover in Coca Cola Kwanza Limited.

In the discussion take place in Coca Cola Kwanza Limited, the study discovered that due to the fact that, private sectors are running for making profit, employee rights are highly ignored by employers. According to respondents said that, in their company when employee get accident or injured especially those work in production department, the company employ new employee so that production can continue. In addition, now an injured employee is well he or she will notice that there is no job any longer and availability of compensation is very hard.

According to the respondents the study discover that employee turnover rate is high than retention and therefore, there is no relationship between employee retention and turnover in Coca Cola Kwanza Limited. The following are the factors for high rate employee turnover.

#### **4.7.1 There is Poor Job Satisfaction**

According to the respondents said that low salaries and wages is a problem that cause turnover in Coca Cola Kwanza Company. The amount of salary and wages does not meet or basic needs like transport fees, rent fee, food and many more.

The finding is similar with the theory of Maslow's Hierarchy of Needs, (1943), which explains the physiological needs are requirements to human survival. A moment employee lack basic needs will quit the job.

#### **4.7.2 They Poorly Managed**

The problem of poor management of the employee contribute employee to feel inferior and useless in working areas. The respondents said that employee especially those have low skill and work in low position does not recognized by the management. Even in company party, those skilled are the one congratulated for better production and performance.

The findings is similar to Herzberg Theory, (1964) explain love and belonging. Every human has sense of belongs whether in simple group.

#### **4.7.3 They Feel Bored**

According to the respondents feels bored because, the company fails to support and recognize their effort in production. In addition, they feel bored because they work in one section for a long time.



The finding is similar with Maslow's Hierarchy of Needs, (1943) explain about "what a man can be must be." If a man want to be rich and somebody block his success will feel bored and inferior.

#### **4.7.4 Lack of Motivation**

According to respondents, private sectors provide short contract like 6 moth to 1 year. The aim of providing these is to avoid things like compensation and other cost but looking for making profit.

The finding is similar with Two Factors Theory motivators are that gives positive satisfactions, arising from intrinsic conditions of job itself such as recognition.

## **CHAPTER FIVE**

### **CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Summary**

The study carried in Coca Cola Kwanza Limited located in Mikocheni in Dar es Salaam. The study was investigation “the Relationship between Employee Retention Strategies and Employee Turnover, A Case Study Of Coca cola Company Kwanza Ltd, Dar Es Salaam. The study employed 100 respondents, and all respondents are the employees from Coca Cola Kwanza Limited. All respondents selected randomly from different position they are working in Coca Cola Kwanza Limited. The data analysis in this study based on the data provided by respondents.

The data collected through interview and questionnaire, which provided to the respondents. Interview conducted in the Coca Cola Company limited and was face-to-face interview for the aim of increasing the data.

#### **5.2 Conclusion**

The objective of the study were to investigate the relationship between employee retention and turnover in private sectors .In addition, the other objectives was to overcome or reduce the problem of relationship between employee retention and turnover especial in private sectors and to add knowledge in academic universe. The last objective was the study aimed to investigate effects of employee retention and turnover in private sectors in Tanzania and to suggest possible measure to overcome or reduce employee retention and turnover private sectors in Tanzania.

The study used three methodologies to collect primary data from field area. The methods used by the study were interview, focus group discussion, and questionnaires. Focus group discussion and interview used to few respondents, which are employee, hold the position as administration and the questionnaires used to all respondents, and the selection of respondents was randomly. All methodologies used to collect correct information, which help to draw correct conclusion. Secondary data the study review different related literature to get different knowledge and information.

The study used tables, figures, and SPSS program to analyze and present the data collected from the field areas.

In the field area, the study notes that, the relationship between employee retention and turnover occurred when employee turnover was high. The study discovered that 80% of the employees in private sectors are not satisfied by the job but they continue to work there because of unemployment problem in the country and the world in general. Poor management of the organization and dissatisfaction of the employees were the most problem facing the respondents. This contribute employee turnover in most of private sectors. In addition, this problem occurs because most of private sectors are they running private sectors aiming to make profit and not to respect humanity.

The study discovers that private sectors are employing a big number of employee rather than government. In the private sectors, there is short-term contract because they running the sectors for aim making profit.

### **5.3 Recommendations**

The findings above have unequivocally shown that the Coca-Cola Company in Dar es Salaam is still facing number of challenges concerning the employee retention strategies and employee turnover that need to be addressed. The challenges vary from one department to another, from one employee to another, but the findings lead to one particular conclusion. This conclusion is that in a government or private owned company, the poor working environment/condition and low wages are the challenges that cause employee turnover and decrease in production and have to be mitigated by concerned stakeholders.

From the findings above, the question of the relationship between the employee retention strategies, the following interventions are proposed:-

- i. The employers should provide good working conditions to their employees to encourage them to stay in their jobs; also, the managers should ensure that they apply their professional freedom and managerial skills to reduce the rate of employee turnover.
- ii. The owners of private companies should provide scholarship opportunities to their employees to motivate them. Also, the new constitution should squarely deal with the issue of poor working conditions and the rights of the employees.
- iii. The private companies should reduce the working hours and increase the wages to motivate their employees and improve the health and financial status of the employees to improve the efficiency and effectiveness in production.

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2) Is there relationship between employee retention and turnover in Coca Cola Kwanza Limited?

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3) Is there mean or standard in employee retention and turnover in coca cola kwanza Limited?

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4) What measure do you suggest measures to reduce poor relationship between employee Retention and Turnover in your company?

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**Appendix 2 : Questionnaire for the Interview of Employees in Coca Cola  
Kwanza Limited**

**INTRODUCTION**

I am a student of Open University of Tanzania pursuing Master Degree of Human Resources Management. In order to accomplish my course I am required to undertake a research on “The Relationship between Employee Retention Strategies and Employee Turnover in Private Sectors, A Case Study Of Coca cola Company Kwanza Ltd, Dar Es Salaam.” Please assist me answering this question paper sincerely and correctly. All information provided here was confidential and used for academic purpose only.

1. How long have you been in this company?
2. What is your overview about employees’ retention and turn over in this company?
3. What do you think are the reasons for the poor employees’ retention and turnover in your company?
4. What are the measure do you suggest to overcome poor relationship between employees retention and turnover in your company?