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#### **FOREWORD**

#### **Dear Authors and Esteemed Readers**

It is with deep satisfaction that I write this Foreword to the Proceedings of the 2<sup>nd</sup> International Conference on the Future of Tourism (ICFT) held in Arusha, Tanzania, April 16 - 17, 2019.

ICFT continues a tradition of bringing together researchers, academics and professionals from all over the world, experts in tourism and hospitality.

The conference particularly encouraged the interaction of research students and developing academics with the more established academic community in an informal setting to present and to discuss new and current work. Their contributions helped to make the Conference as outstanding as it has been. The papers contributed the most recent scientific knowledge known in the field of Sustainability of Tourism; Domestic Tourism and SMEs Development; Tourism and Economic Development; Culture and Tourism; Innovation in Tourism; Customer Care in Tourism; Methods of Measuring Tourism; and National Tourism Policy.

In addition to the contributed papers, two invited keynote presentations were given: by Mr. Richald Rugimbana, the Executive Secretary of Tourism Confederation of Tanzania who spoke about the Issues for future tourism development with special focus of Tanzania; and Prof. Zororo Muranda, Pro-Vice Chancellor, Chinhoyi University of Technology in Zimbabwe who gave presentation on the Future of tourism: Tourism of the future.

The Conference was preceded by a tailor made training in *e-Tourism and Management of World Heritage sites*. The facilitators of training were: Prof. George Oreku, a professor of ICT from the Open University of Tanzania and Mr. Erick Kajiru, an expert of Management of UNESCO World Sites from the UNESCO Commission in Tanzania.

These Proceedings will furnish the scientists of the world with an excellent reference book. I trust also that this will be an impetus to stimulate further study and research in all these areas.

We thank all authors and participants for their contributions.

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## ORGANIZATIONAL FACTORS THAT CONTRIBUTE TO EMPLOYEE TURNOVER IN TANZANIA

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#### **Abstract**

This study examined the organizational factors that contribute to employee turnover at National College of Tourism (NCT) in Tanzania. The study was guided by two theories; the causal model intent to leave by Martin (1979) and Two-Factor Theory by Hertzberg (1959). The theories explain different factors contributing to employee turnover in an organization including; low pay, little promotion opportunity, salary, job security, working conditions, company policy and interpersonal relations. The research applied descriptive research design. Samples of 80 employees were interviewed and filled questionnaires from various departments of the college. The sample was obtained through simple random sampling technique involving the management, tutors and nonteaching staff as well as employees who have already quitted the job. The collected data were analyzed using content analysis. The results of the study revealed that, in adequate compensation package and lack of opportunity for promotion were identified to be the front factors influencing turnover and unclear procedures for promotion.

**Keywords**: Employees; Turnover; Retention.

#### Introduction

Tourism industry in Tanzania plays a pivotal role in fostering direct foreign earnings and generating direct and indirect employment opportunities (UNCTAD, 2008). In 2013, its contribution to the country's GDP stood at \$1.85 billion (MNRT, 2013). This contribution makes it necessary for the industry to retain its human resources.

The importance of employees to an organisation has been acknowledged for a long time, as they play a pivotal role in creating and maintaining a competitive advantage for their organisations (Albaqami, 2016).

According to Herzberg (2005), the issue of attracting and retaining highly qualified employees stems from a managerial perspective that is more important than ever previously. Furthermore, the issue of motivating, keeping, and sustaining employees is considered to be a smart strategy for maintaining organisational performance and carving out a place in the market in the long term, as it invests in the valuable resource of human capital (Albaqami, 2016).

In recent times, different scholars, researchers and human practitioners have directed much of their attention to the issue of employee turnover. This concern is evidenced by numerous turnover studies that exist in the literature. These include studies by (Kalotina, 2010) and (Terjen, 2010). All these scholars have agreed on one point that employee turnover may result in negative consequences. As employees are so vital for the functionality of performance, employee turnover is a subject matter that is considered to be one of the most serious obstacles that face organisations. The educational institution is one such organisation that comes under threat from this danger, when its employees are leaving their jobs.

This is evidenced from the statistics obtained from National College of Tourism which shows high rates of employee turnover as it is revealed by the turnover trend obtained from the Human Resources Office in 2018; which shows that, an average of 5 employees out of 83 voluntarily leaves the college every year as it is shown on the table below for the thirteen (13) consecutive years starting from 2005 to 2017. The rate of employee turnover in 2005 was 3.7% which remained the same 3.7% in 2006 but increased to 7.4% in 2007. In 2008 the college experienced the rate of 11.1% which decreased to 7.4% in 2009 and went higher to 12.3% in 2010. In 2011 the college experienced 7.4% which increased to 8.6% in 2012 and remained 8.6% in 2013. In 2014 the college experienced 6.1% which decreased to 3.7% in 2015 and went higher to 11.1% in 2016 and 7.4% decreased in 2017. to

Table 1. Turnovers Trend from 2005-2017 at the National College of Tourism

Reason of turnover	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Retirement							02	01			02	02	
Voluntary quit	03	03	06	09	05	10	04	06	07	04	01	04	02
Death					01					01		02	01
Termination												01	03
Total	03	03	06	09	06	10	06	07	07	05	03	09	06
Percentage (%)	3.7%	3.7%	7.4%	11.1%	7.4%	12.3%	7.4%	8.6%	8.6%	66.1%	33.7%	11.1%	7.4%

Source: Human Resources office National College of Tourism, (2018).

#### **Literature Review**

#### **Theoretical Foundation**

This study was guided by two theories. These are the causal model intent to leave by Martin (1979) and Two – Factor Theory by Hertzberg (1959).

#### The causal model intent to leave

Martin (1979) developed a causal model of intent to leave when investigating employees' intention to stay or to leave an organization. According to the model; low pay, few close friends, little formal and job related information, high centralization, routine work and little promotion opportunity produce a decrease in a job satisfaction which in turn produce an increase intent to leave. It further portrays other six demographic variables including the length of service, age, education, occupation, marital status and sex to have motivation consequences for job satisfaction as well as intention to leave. The model has major advantage that it identifies organizational variables that affect decision making.

#### Two – Factor Theory

This theory was propounded by Hertzberg (1959) two factor theory. According to this theory, there are two sets of factors affecting motivation and work. The first set of factors is related to job context (hygiene factors). The factors in this set are referred to as dissatisfactions. The absence of these factors results in dissatisfaction among employees. These factors include; salary, job security, working conditions, levels and quality of supervision, company policy and administration, and interpersonal relations. Therefore, they are essential in avoiding unfair and unequal treatment among workers. The second set of factors is related to job content (motivators). These factors include the nature of work, personal growth and advancement, responsibility, recognition and a scene of achievement. These factors arouse the feeling of satisfaction in addition to motivating individual to work hard. The theory also explains the significance of job design and the quality of work force which is needed to make jobs more motivating.

The theories reviewed have evidenced that there are numerous factors contributing to employee turnover in an organization.

#### **Empirical Review**

Kalotina (2010) conducted a research to investigate the occurrence and implications of staff turnover in the Greek tourism industry. The aim of this study was to explore the occurrence and implications of staff turnover in the Greek tourism industry. The sample data was obtained through online from Greek tourism enterprises over a period of four weeks by survey method. This process yielded 63 usable responses. The findings revealed that the Greek tourism industry faces similar staff turnover effects that are also found in other sectors. Enterprises reported to experience similar staff turnover levels

irrespective of their tourism sector, i.e. travel agents, hotels etc.; staff turnover levels were not found to be homogeneous across organizational hierarchical levels. Respondents claimed that staff turnover is mainly instigated by factors that are beyond management control. The study provides primary data about the level, the type and the consequences of staff turnover in the Greek tourism industry. Although this study was conducted in tourism industry but the aim was to explore the implications of turnover to the tourism industry while our study focused on the causes of employee turnover in the tourism sector and that's why there was a need to conduct another research.

Terjen (2010) conducted a study about service quality and turnover intentions as perceived by employees in service originations in Norway. The objective of this study was to test a selection of hypothesized relationships between: employees' perceived service quality, employees' turnover intentions, role clarity, empowerment and coaching. The data collection was based on a survey with a sample of 1,076 frontline employees in service organizations. This study used a structured questionnaires that included questions derived from previous studies. The findings from this study revealed that managerial coaching is closely related to employees' perception of their job performance. Managers who manage to establish that kind of coaching style are able to help employees recognize opportunities. Consequently, the coaching practices become catalysts for continuous learning processes about how to enhance performance. Managers in service firms who establish a positive coaching-style, and combine this with freedom that is inherent in managerial empowering practices, will have employees who evaluate their job performance positively, and that in turn contributes to retaining the employees. Moreover the study showed that there are indications that employees' perceived service quality has a direct negative effect on employees' turnover intentions. This study is limited to a selection of variables related to employees' turnover intentions including only frontline employees in service organizations in Norway. Moreover Norway is quite different in environment and cultural aspects compared to Tanzania.

The literature reviewed has evidence that there are numerous factors which have been investigated in their relationship to job satisfaction/dissatisfaction in both government and private organizations as well as developed and developing countries. However none has been found to focus on organisational factors contributing to employee turnover in the National College of Tourism.

#### **Employment Policies and Laws**

There are various laws and policies guiding the issues of human resources in both public and private owned organisations. These laws and policies have identified the rights and responsibilities of both employees and employers. The laws and policies reviewed in this study, include Employment and Labour Relations Act, 2004 and Standing Orders for the Public Service, 2009.

Employment and Labour Relations Act, 2004 identifies workers rights and employers responsibilities. It also analyses different issues like remuneration, workers leave and prohibition of discrimination in the work place as it is stated in section 7(1) that, every employer shall ensure that he promotes an equal opportunity in employment and strives to eliminate discrimination in any employment policy or practice. Remuneration, right to have annual leave and prohibition of discrimination are used as retention strategies to organizations.

Also Standing Orders for the Public Service, 2009 identify the rights, responsibilities and different circulars that guide the public servants. It also gives guidelines in workplace communications and to other public offices. However, despite these strategies, the rate of employee turnover has been increasing as it was shown in the table 1.

#### Methodology of the Study

The study is exploratory, which used qualitative methods. The study used both primary and secondary data collection methods. The primary data collection method involved interviewing and administering questionnaires to a sample of individuals obtained through simple random sampling technique which involves the management, heads of departments, tutors and non-teaching staff as well as employees who have already quitted the job. The secondary data was obtained from Human Resources office of National College of Tourism and also from internet source. The reason for using documentary records in this study was to enable the researcher to track various information concerning turnover and retention strategies from different documents including yearly reports and strategic plan. Moreover, the case study approach was used for the purpose of conducting an empirical investigation on the causes of employee turnover, using National College of Tourism as the case. The data was analyzed using content analysis.

The study was conducted at National College of Tourism in Dar es Salaam, which is one of the government owned education institutions basing in tourism and it has three campuses based in Arusha and the other two campuses are in Dar es Salaam. Dar es Salaam was chosen as the study site due to its accessibility to the researcher and it also has two campuses with enough number of workers compared to Arusha campus. Moreover most employees who have already quitted the job are working in Dar es Salaam so it was easy for data collection.

#### **Discussion and Implication**

The study sought to explore the organisational factors accounted for employee turnover in NCT. The factors include: in adequate compensation package, strong racial segregation and biasness, long working hours and heavy work load, lack of opportunity for promotion, job stress due to lack of resources to perform a task and unclear job description.

The researched results were obtained from employees from different departments in NCT. Majority of the respondents revealed that, there is lack of clarity in procedures and opportunities for promotion. This is also revealed from majority of the respondents who claimed on not being promoted or not getting promotions on time despite being qualified for promotion as it is stated in the Standing Orders, "that the effective date of promotion of a public servant shall be determined by the appropriate appointing authority by considering the date upon which the vacancy occurred; the date upon which the officer became qualified for promotion and the date upon which the officer assumed the duties of the new post". Most people whose right for promotion was denied are the ones who have quitted the job or having intention to leave the job. Hertzberg (1950) identified that the hygiene factors produce dissatisfaction and are more related to working condition, salary and inadequate training. This is also clearly presented by Martin (1979) in his causal model of intent to leave. According to model "low pay, few close friends, little formal and information, high centralization, routine work, low distributive Justice and little promotional opportunity produce a decrease in job satisfaction which in turn increase intent to leave.

Compensation formed another factor for employees to quit the organization. Majority of the respondents especially the non teaching staff are not satisfied with the compensation package as they are using Tanzanian Government Scale (TGS) while the tutors are using PTSS scale which seems higher compared to the previous.

Racial segregation and biasness formed another factor whereby the findings revealed that, there is no strong racial segregation and biasness in NCT. Therefore strong racial segregation and biasness does not contribute to employee turnover in NCT. This is because most people working in NCT are Tanzanians and only few volunteers from other countries like Japan.

The study also explored findings on long working hours and heavy work load, which revealed that, the employees are working on their normal working hours and there is no heavy work load. Therefore long working hours and heavy work load do not contribute to employee turnover in NCT. This shows that HR department abides to the law as stated in Employment and Labour Relations Act (2004) that employees should work for nine hours a day.

Majority of the respondents agreed on job stress due to lack of resources to perform a task and unclear job description which has made the workers not to perform well their duties and having no morale to work in their respective positions which at the end contributes to the turnover.

#### **Conclusion and implication of the findings**

The objective of this study was to examine the contribution of organisational factors to employee turnover in National College of Tourism. On the basis of the findings discussed above, it was concluded that organizational factors have been found to greatly contribute to employee turnover in NCT. These include lack of opportunity for promotion, poor compensation package and lack of resources to perform a job. These factors are supported by Martin (1979) in his causal model of intent to leave when investigating employees' intention to stay or to leave an organization.

The management must understand that employees must be treated as the most liquid assets of the organization which would make the organization to withstand the waves of globalization. This asset needs to be monitored with due care, otherwise the organization would cease to exist. Rewards and Recognition related variables have a great effect on employee turnover. Management should also compensate employees adequately. In addition to that, they should give employees incentives like individual bonus, lump sum bonus, training and development and other benefits. If these are put in place, employee turnover will be minimized.

The study also provides a good guidance to NCT to put in place more effective means of minimizing the problems of turnover as it is important that employers have to understand their rate of employee turnover and how they affect the organization's performance and ability to achieve their strategic goals.

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