

**FACTORS CONTRIBUTING TO LABOUR TURNOVER IN AFRICAN  
BANKING CORPORATION (BancABC) TANZANIA**

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

**2017**

**CERTIFICATION**

The undersigned certifies that he has read and hereby recommends for acceptance by the Open University of Tanzania a Dissertation titled “*Factors Contributing to Labour Turnover in African Banking Corporation (BancABC) Tanzania*” in partial fulfilment of the requirement for the award of the degree of Master in Human Resources Management of the Open University of Tanzania.

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.....

Date

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Signature

.....

Date

## **DEDICATION**

I am grateful to the Lord God Almighty for enabling me to put this work together and bring impact through the results it brings forth. I sincerely dedicate this work to; My Late father Mr. Philemon Gaspar Mabiki, the greatest dad and the foremost mentor in my life. You taught me to be sincere, to stay grounded, to believe in myself and to work hard and smartly with honesty and devotion. I wish you were here to bless and enjoy this achievement.

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## **ABSTRACT**

The objective of this study is to elicit factors which contribute to Labour Turnover in African Banking Corporation (BancABC) Tanzania. To bring about these factors, the study used the quantitative and qualitative methodology where qualitative was used to facilitate patterns in the quantitative analysis. The questionnaires were also used as tools to get the primary data through purposive sampling where a number of representatives from specific units, levels and employment status were selected to represent the area of study. The findings observed that, the concerns regarding issues which lead to labour turnover are Job description, working environment, training which was agreed by 78% and a sense of job security by 56% of all staff showed they are not secured. In analysing the internal factors which contribute to turnover in BancABC the 12 ex-employees were interviewed where 8 of them suggested Salaries and career growth to require more attention. They suggested the organization to widen chance for career growth and provision of competitive compensations. On the examination of staff perception towards labour turnover objective staff are positive that the management was open and honest and this was agreed by 67% and its ability to solve administrative problems by 78% this means management is trusted. However, 87% of staff will be shifting to other organizations if they get chances. The reasons for this are motivation and Rewards 64% and career growth 28%, job security 19%, work environment 17 while exposure and Teamwork getting the least at 4% and 3% respectively

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**LIST OF ABBREVIATIONS/ACRONYMS AND SYMBOLS**

BancABC	Brand name for African Banking Cooperation
HC	Human Capital
HR	Human Resources
IFC	International Finance Corporation
NBC	National Bank of Commerce
TDFL	Tanzania Development Finance Limited
UDC	Union Dominions Corporation
ULC	United Leasing Company

## **CHAPTER ONE**

### **INTRODUCTION AND BACKGROUND**

#### **1.1 Labour Turnover**

The great competition among banks in Tanzania has led to staff movement from one bank to another. Banks have long desiring to win the competition through acquiring competitive and ready- made staff who can add value and profit to their banks, hence most of the banks have experienced the impact left behind by the turnover which brings up a labour turn over subject among the commercial banks in Tanzania to which BancABC is not spared.

Ton and Huckman, (2008) define labour turnover as the ratio of a firm's human resources that leaves during the course of a year. It brings a discussion on how many employees in an organization leave their positions in a certain period. Labour turnover is measured in a percentage of total employees, and is a popular standard method of evaluating the of an organization's workforce stability.

Ramlal, (2003) proposes that labour Turnover can have both positive and negative consequences in the organization. The consequences can include increasing recruitment and training costs as well as reflecting poor morale in human resources that leads to low productivity levels while new worker struggling to settle in. Positively, a firm experiencing labour turnover can likely be giving the chance for new staff to bring fresh ideas and up to date the market knowledge together with other staff with specialist knowledge or expertise rather than having to train up existing



lower skilled staff. Since the researcher didn't find any research done from BancABC perspective towards this subject, this research can reveal how BancABC Tanzania has been impacted by its staff movement to other banks and organization.

## **1.2 Background of the Study**

African Banking Corporation Tanzania Limited trading as BancABC is a subsidiary of African Banking Corporation Holdings Limited (ABCH), which has its head office in South Africa. The amalgamation of regional and international businesses that had been active in the sub-Saharan financial markets for the past 50 years led to the creation of this group. This achievement came through a series of successful share swaps to the shareholders in the former United Leasing Company (ULC) regional companies, First Merchant Bank Holdings (FMB), Union Dominions Corporation (UDC) Holdings and Bard Group of Companies (BancABC, 2015, ABCH, 2003).

In Tanzania, BancABC started its operations in 1996 as an asset finance institution known as ULC Tanzania Limited under the joint ownership of CDC Capital Partners (CDC), International Finance Corporation (IFC), Tanzania Development Finance Limited (TDFL) and the Union Dominions Corporation (UDC). To date BancABC has more than 140 staff and the annual turnover of about Tanzania Shillings 27 billion (BancABC 2016).

BancABC is one among the recognised and Bank of Tanzania (BOT) licensed banks. According to the BOT Directory of Banks Operating in Tanzania (2015) on the list of licensed banks, Tanzania has a total of thirty four licensed banks with different

capacities and in country coverage. Staff who work with these banks have a tendency to move from one bank to another this makes labour turnover one of the challenges to most of the banks in Tanzania, BancABC being one of them.

Before 2013, the staff resignation pace at BancABC Tanzania was normal as it was not a concern, however after mid 2013 it started to be alarming as the bank started to lose certain professional skills and other support staff (BancABC, 2013 & 2014) which made retention of skilled staff to be of solemn concern to management in the face of ever increasing high rate of employee turnover.

Due to the fact that contemporary banking business environment has become very competitive thus making skilled staff the major factor for most organizations' differentiation, it has brought a great challenge to the bank because filling the gap of the staff who have left is a very involving process which take a lot of time and high financial implications. Mokaya (2008) emphasizes that some professions need a long training time with enormous organizational resources and loss of such professionals most of the times has profound negative effect on the organization.

In order to compete favourably, BancABC like other financial institutions in Tanzania depends on the expertise of their staff and indeed gain competitive advantage in the international market. To complement that Papania and Papania (2010) recommend that employees are among important and scarce resources whereby their knowledge and experience lead to sustainability of organization and determine the organization's

position in labour market, though many managers lack a clear understanding of how to set sustainability in their day-to-day decisions and processes.

In their studies however, Samuel and Chipunza (2009) have shown that retention of highly skilled employees has become a difficult task for managers as this category of employees are being attracted by more than one organization at a time with various kinds of incentives.

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

Seibert *et al.*, (2011:986) put emphasis on turnover by defining it as one of the most important employment relations outcomes for both employees and organizations. Employees exiting an organization to face the uncertainties of job search and potential unemployment while organizations confront uncertain costs such as the costs of operational disruption and replacement of human capital against the benefits of lower-cost labour or of fresh skills with which to compete on innovation and the benefits thereon.

BancABC's intention and target is to be the preferred banking partner in Africa by offering world class financial solutions. This is achieved by building profitable, lifelong customer relationships through the provision of a wide range of innovative financial products and services to the benefit of all stakeholders (BancABC 2016). To achieve this goal one needs qualified, motivated and experienced employees who are retained for some time to perform effectively and efficiently. However, despite the wishes and the goal for the bank to be successful, staff turnover have been a stumbling

block to these efforts as the concentration is changing the focus from production to recruitment. Labour turnover at BancABC has caused staff gaps in departments as it can many times take longer time to get the right staff to fill these gaps. Also, the remained staff experience it hard in terms of the workload which tends to compromise the quality of the services offered to customers hence can automatically have big impact in the bank's performance and income.

When the workload is bigger than the number of staff, it tends to cause stress which almost results to negative individual performance results due to absenteeism and negative attitude. On the other hand the turnover experienced, makes BancABC spend its budget on recruitments in order to be able to get people who will support the business and its continuity. Ingersoll and Smith (2003) show that high levels of employee turnover lead to low performance and ineffectiveness in organizations, and result in a huge number of costs and negative outcomes.

Currently BancABC is facing a challenge of retaining personnel. The attrition rate is noted from 2014 where 20 staff which was equal to 17% of all staff left BancABC, of which reasons were never systematically elucidated. This has been having negative impact in different aspects within the company like poor production due to shortages, non-attendance to trainings hence the increase of obsolescence, increase in recruitment costs, low staff morale etc. So, BancABC's experience on the turnover and the impacts that are coming as a result of such increased the researchers desire to conduct this study.

## **1.4 Research Objectives**

### **1.4.1 Main Objective**

The main objective of this study is to elicit factors which contribute to labour turnover in BancABC Tanzania.

### **1.4.2 Specific Objectives**

The specific objectives of research are:

1. To identify issues which lead to labour turnover in BancABC Tanzania
2. To analyse internal factors which contribute to labour turnover at BancABC Tanzania
3. To examine how employee perceive labour turnover in BancABC Tanzania

## **1.5 Research Questions**

### **1.5.1 Main Research Question**

The main research question is “What are the factors which contribute to labour turnover in BancABC Tanzania?”

### **1.5.2 Specific Research Questions**

In the context of this study, the researcher was seeking to answer the following questions;

1. What are the main issues which contribute to Labour Turnover in BancABC Tanzania?
2. What are the internal factors which contribute to labour turnover at BancABC Tanzania

3. What is BancABC Tanzania employees' perception towards Labour turnover in BancABC Tanzania?

### **1.6 Significance of Study**

A need to retain employees is important to any company which intends to stay competitive and successful. The labour market is very dynamic and competitive thus examining reason for excessive staff turnover is important. This study will provide knowledge and awareness of the labour Turnover and the factors contributed by it to BancABC Tanzania.

It will also alert the institution of the reasons that make people leave so as to overcome the problem. Also by uncovering the sources of turnover, the institution will create and maintain its practice to make BancABC a place where people want to work and stay. Since this study will systematically explore factors that contribute to the staff turnover with the focus to those who have voluntarily decided to resign (voluntary exit), it will look on total turnover more generally, neglecting involuntary turnover in the form of dismissals. In the context of this study, dismissals is defined as employer's decisions to fire individual employees, rather than decisions to cut costs through mass layoffs, downsizing, early retirement buyouts, or organizational restructuring (Arokiasamy, 2013).

This study will help the researcher gain sound knowledge and understanding of the issues and problems associated with staff turnover. Nevertheless, it will help the researcher to develop her career and broaden thinking around the subject.

### **1.7 Scope of the Study**

The study is limited as it looks at the factors which contribute to the staff turnover within BancABC Tanzania. BancABC is one among many banks in the banking industry in Tanzania, hence it holds enough employees for it to be understudy. Accordingly, the analysis and conclusions are based on the period of BancABC since its came into existence.

### **1.8 Limitation and Delimitations**

To fulfil the purpose of this study, the following limitations were consideration;

- (i) This study didn't include all staff leaving the institution or those who were still in. Few purposely selected employees and few x-employees were considered for inclusion due to time frame and financial constrain.
- (ii) Representative of staff from all four BancABC branches regardless of geographical location were included so as to generalize the situation in a bank as a whole in relation to research objectives.
- (iii) The study is limited by time and finance hence sample was limited to represent a number of staff within BancABC

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction to Literature Review**

This chapter discusses on the theoretical and empirical review of literature about staff turnover and its effects in the organization. Park and Shaw (2013:268) state that if one is to start pointing for future studies, it is worthwhile to consider and summarize what is empirically available in the literature which tells us about turnover rates and organizational performance.

According to Arokiasamy (2013:1532), employee's turnover can be defined as a ratio between the number of members who have left the organizational during the period being considered and the average number of members in that organization during the period or the entrance of new staff into an organization and departure of existing staff from particular organization respectively. Managers refer turnover as an ongoing process of filling a vacant position where a new employee must be hired and trained each time a vacancy is vacated. The literature found have written about labour turn over and have given a picture of turnover in different ways.

Park and Shaw, (2013) and Ton and Huckman, (2008) comment that employee turnover has recently been a great concern of many organizations, both academics and managers as it contributes much in deceasing operational performance. The turnover rate varies from one organization to another where the private sectors normally found with highest level than in the public sectors. It also vary from region to region such that most of regions where unemployment rate is lower and where it is easy for people



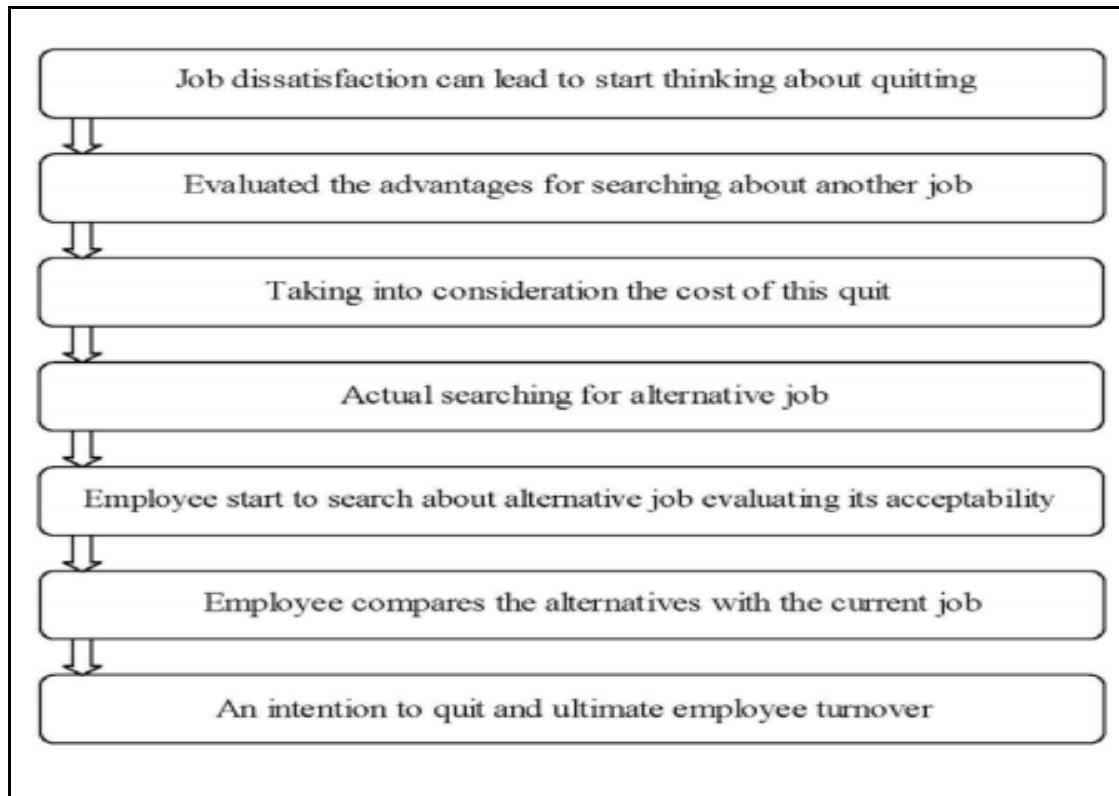
to get alternative employment, the turnover rate was found to be higher than regions with higher employment level.

Ongori, (2007) emphasizes that organizations invest much on employees' induction and training, developing, maintaining and retaining them, thus majority of managers think it is very unfair for an employee to just leave an organization without considering the investment made on them. Due to this, managers are obliged to find ways which ensure good recruiting system, training and retraining, improve working condition, establishing accountability and organizational rapport and put in place retention strategies in their organization.

Dube *et al.*, (2010) and Gordon, (2008) disclose some of the negative implication of turnover such as administrative costs of recruitment, cost of filling a vacant post before recruitment, and training cost for the new employee and that turnover affects organizational performance negatively, sometimes employee turnover can affect organizations positively, for instance when a more skilled personnel replaces a poor performer and when a retired employee replaced by a younger and energetic one.

Turnover may happen for many reasons. Many times employees are attracted to new jobs which force them to leave the old jobs. Also employees are pushed to leave jobs due because they are not dissatisfied in their present workplace, family reasons such as when someone move to another place with the spouse or partner, or a poor relationship with the management. It is relatively rare for people to leave jobs in which they are happy even offered by higher salary elsewhere (Medina, 2012).

Around the same subject, Mobley proposes the following model of employee dissatisfaction steps to turn over as adapted shown in following figure.



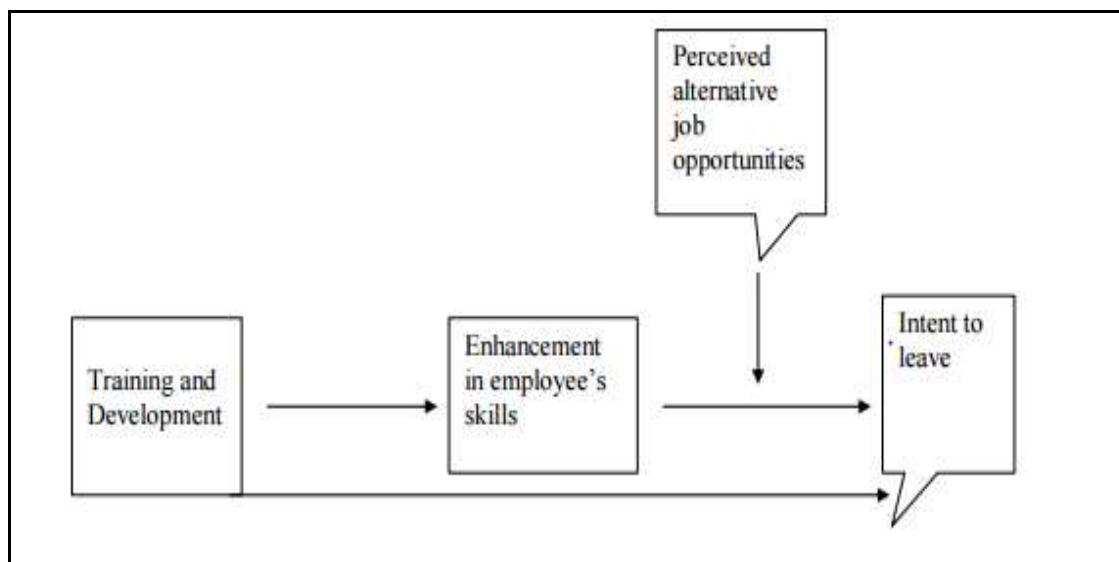
**Figure 1: Mobley 1982 Model of Employee Dissatisfaction Steps to Turn Over**

(Albattat and Som, 2013:65)

Another major cause for voluntary turnover is lack of proper training and development plan. Employees have a selected priorities for security of their jobs and their carrier excellence as the set employee's goals will be done based on knowledge and competence. Management can consider preventive measures that could minimize turnovers including providing training to the line managers for an effective supervision prior to appointing or upgrading them, providing security of jobs with good working environment and formulating friendly working atmosphere. Training

and development enhance employee's performance by facilitating understanding to employees. This makes tasks simpler and reduces the chances of turnover caused by job difficulties (Jehanzeb and Bashir, 2013).

Saeed and Shabir (2013) have shown this in their turn over model based on Training and development as shown in figure 2 below.



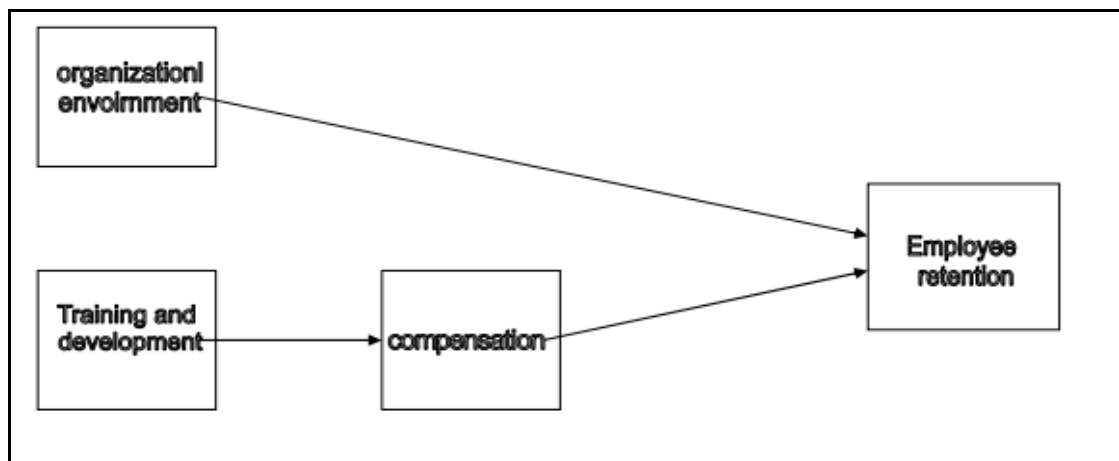
**Figure 2: Turn over Model Based on Training and Development**

Source: Saeed and Shabir, 2013:1033

Mabindisa (2013) and Shamsuzzoha and Shumon (n: 64-65) show that there may be an offer for re-training the existing managers who struggle to keep their staff happy with their jobs thus being accountable for employee turnover in their teams. Managers should be creative enough to maximize opportunities for their teams such as accommodating individual preferences on working hours, regular appraisals, providing as much job security as possible can be helping in turnover reduction strategies. Employee turnover can terribly destroy any company as it makes the

employers difficult to maintain a steady and successful operation. Management should then reinforce their rating on employee turnover and measurement on how this affects organizations performance.

The retention by training model which was presented by Anis *et al.*, (2011) depicts the importance of organization involvement, training and development and compensation to employee retention. The model is as shown below in figure 3.



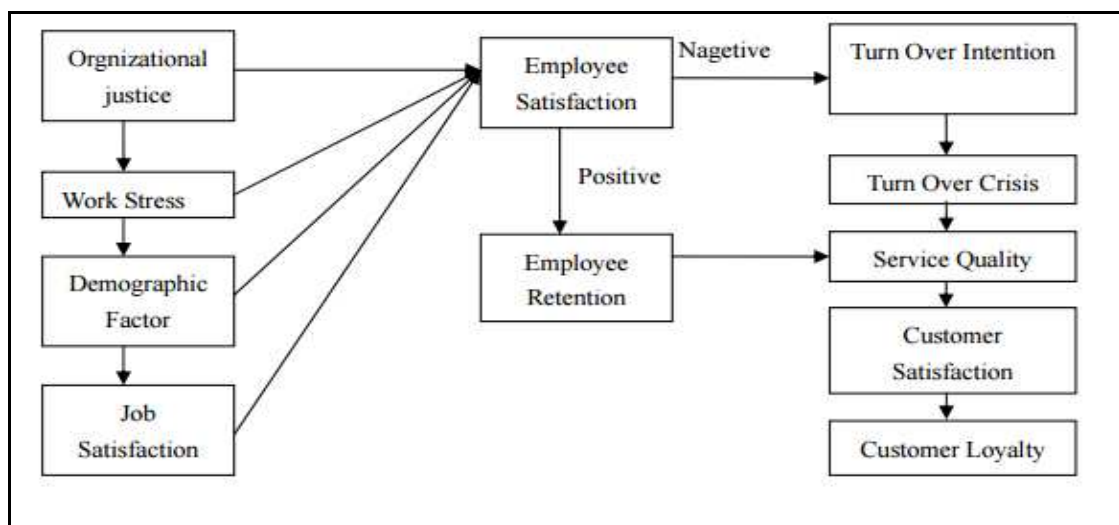
**Figure 3: Retention by Training Model**

Source: Anis *et al.*, 2011:2682

Anis *et al.*, (2011) continue to emphasize that allowing a single key worker to leave an organization can decrease the likelihood of a programme's success and can reduce stakeholders' trust in the firm, this affirm turnover to have a very close correlation with job dissatisfaction and decreased employees commitment to an organization. When the feeling of dissatisfaction in one's job is strong, it is more likely one can think of looking for alternative job. This perspective on turnover emphasizes the role

of emotions and attitudes as a precursor of behaviour. When an employee leaves an organization, various number of effects that not only impact on the organization, but also the individual employee and the community at large can occur. Turnover is a crucial determinant for organization effectiveness, and as such, it needs attention and understanding from all stakeholders in the organization. However information on turnover can be used for planning, prediction and control of resources.

Albattat and Som, (2013) studied the relationship between employee satisfaction and turnover crisis and they came up with the description of the process as indicated in figure 4 below.



**Figure 4: Relationship between Employee Satisfaction and Turnover Crises**

Source : Albattat and Som, 2013:66

## 2.2 Definition of Terms

### 2.2.1 Attrition

According to Naila, (2012:1), Attrition is a normal situation where an organization experience an uncontrollable reduction of a human resources as a result of retirement,

death, sickness, and relocation. It is one way of reducing the size of staff without management taking any noticeable actions. The disadvantage to reduction by attrition is that reductions are often unpredictable and can leave gaps in an organization.

### **2.2.2 Labour Turnover**

According to Ongori (2007), labour turnover is the ratio of the number of members in an organization who have left during the period being considered, divided by the average number of people in that organization during a certain period. Employees may change jobs within organization or decide to leave the organization for another employer. Some people may also decide to change the type of job completely.

### **2.3 Theoretical Framework**

Kuria and Ondigi, (2012) show that although external forces may influence labour turnover, such as short supply of some occupational groups; internal factors usually have more significant effect. Organization internal factors motivate staff and that those reasons can influence staff's behaviour and they can cause turnover. Some employees feel comfortable and increase morale when they see themselves progressing well with their existing managers. They feel a sense of growth when they move to another level or change job description from within, though sometimes they can underperform if they find their expectations not met. They also mention that external factors can also influence staff's decision about their jobs. Things like change in policy, better pay from other organizations, political and economic situation can control the retention rate in a particular organization.

Zeb *et al.*, (2015) emphasise the Maslow's motivation theory which argued that people have a hierarchy of needs ranging from physical needs to self-fulfilment. In this phenomenon need is defined as a deficiency in physiological or psychological state that a person feels the compulsion to satisfy and that need can create tensions that influence employees working attitudes and behaviours. Maslow theory proposes that human beings are motivated by multiple needs and that these needs exist in a hierarchical order where only an unsatisfied need can influence behaviour.

In the other hand, research done by Tek-Hong and Waheed (2011) and Stello (2011) explain how Herzberg distinguished between motivational and hygienic factors. Hygienic factors include organizational policies, job security, salary, working conditions, and quality of technical supervision. These factors do not motivate employees, yet if they are missing, they can cause dissatisfaction. Simple things like adding music to the workplace or a no-smoking policy implementation can make employees less dissatisfied with their work. Motivators or Satisfiers which are the key to job satisfaction and motivation include responsibility, achievement, growing opportunities and feelings of recognition. For instance, employers can understand what people normally do in their jobs and improve working environment such that to increase job satisfaction which can improve performance.

However, other scholars such as Malik and Naeem (2013) who was also cited by Mabindisa (2013) have criticized Herzberg with his motivation-hygiene theory by showing that though motivation-hygiene theory is a popular among organizations but it is a controversial theory of employee satisfaction where is debated that it focuses

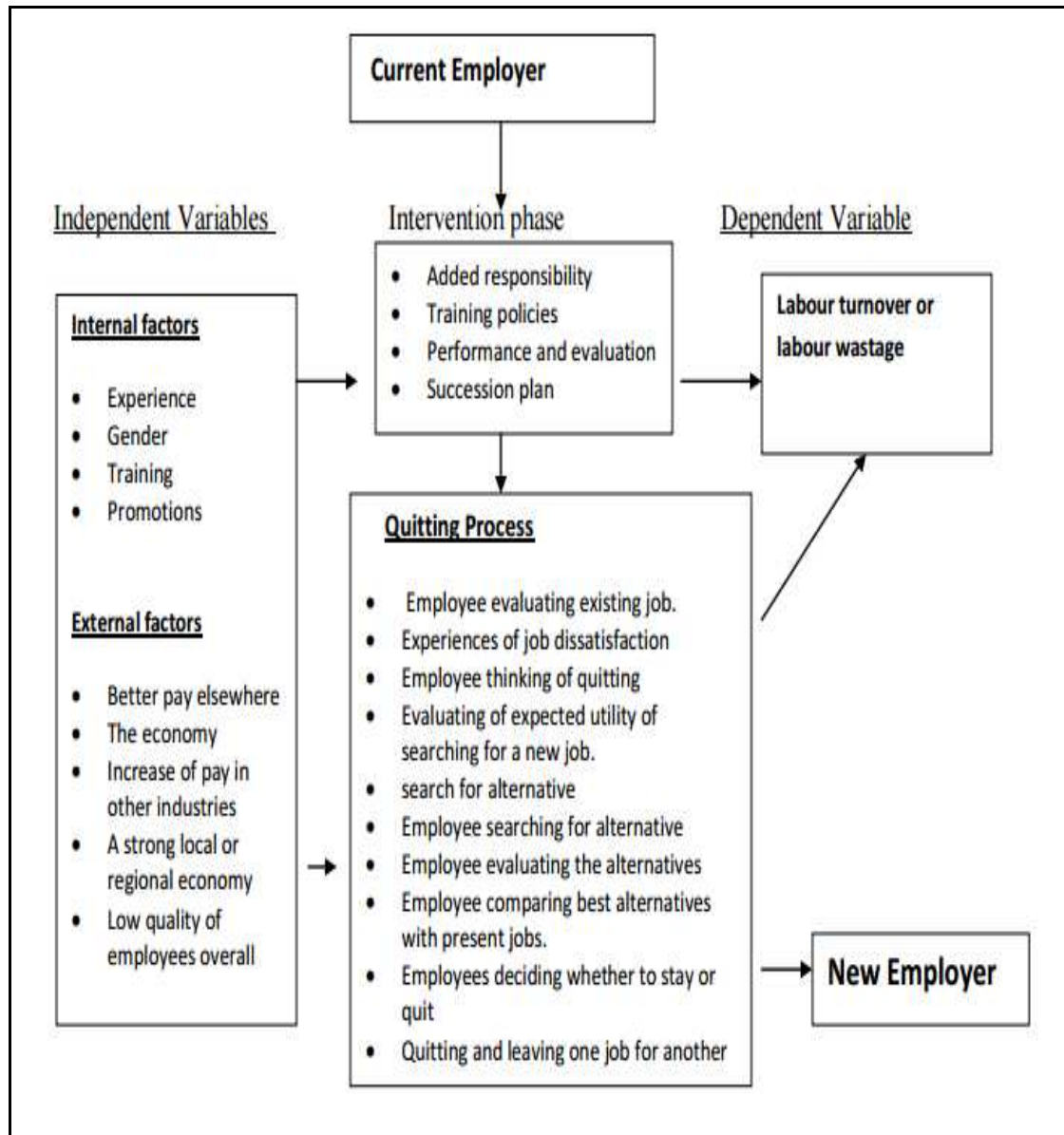
much on conceptual and methodological problems only so researchers claim that Herzberg's theory is dead. They advise that it may be a proper time to apply again the Herzberg's theory.

In Mohamed and Nor (2013) report, McGregor suggested that managers tend to treat subordinates according to their own prejudices such that employees need to be ruled and controlled (Theory X), or all employees can make a significant contribution if encouraged (Theory Y). There may be other important issues in determining staff's attitude towards their employment, however, it is important to study physical or hygiene factors such as pay and working conditions.

Moscarini (2003) revised Boyan Jovanic (1979) job matching theory of turnover and suggested that before developing the model, major hypothesis of the job matching approach to turnover must be summarized such that for each employee a no generate distribution of productivities exists across different jobs. The second hypothesis revised is that employers can contract with workers on an individual basis while the third major hypothesis of the job-matching approach is that unsound information exists on both sides of the market about the exact location of one's assignment to its optimal level.

Adapted employee decision making process model in figure 5 is presented by Kuria and Ondigi (2012) to show the relationship of different factors which lead to labour turnover or labour shortage.





**Figure 5: Employee Decision Making Process Model as Adapted for Modification from Mobley (1977)**

Source: Kuria and Ondigi 2012:313

The human resource management literature has traditionally viewed labour turnover in a negative perspective. Human capital theories of labour turnover point to loss of firm, specifically to human and social capital while organisational theories point to disruptive changes in organisation (Dess and Shaw, 2001, Dahl, 2010).

Chen *et al.*, (2014) supported this negative view by finding high labour turnover negatively linked to labour productivity in the firms while Park and show (2013) and Baron *et al.*, (2001) found that turnover is disruptive and that it was directly linked with under performance and under productivity in organizations. However, many literatures found have concentrated on quits and have found that a negative impact of quits on firm affects performance, thus, reconciliation of job matching and human capital theories of labour turnover is accommodated by the distinction between quits and hires.

Luchak and Gellatly (2007) show the importance of allowing nonlinearities in the impact of turnover. In the impact of turnover on productivity, a dichotomy was found based on the type of human resource management (HRM) system in the organization. Negative in high-commitment HRM systems characterised by intensive training, performance-based rewards, employee participation, task diversity and job autonomy in control of HRM systems.

Luchak and Gellatly (2007) further show that failure to control differences in management quality among the organizations, which are difficult to observe, yet, which influence both labour productivity and labour turnover may result in part conflict in empirical evidence. Labour productivity and variability of turnover rates across organizations can be affected by the management within narrowly defined sectors of economy and their persistency in a given organization which indicate that management practices in these organizations affect labour turnover.

Enshassi *et al.*, (2007) and Gundecha (2012) assumed that when management cannot be observed, one of the solutions to the management bias problem is to separate it into the fixed effect. It is also argued that some managers are better than others at choosing good matches and so can dissolve the bad ones, and might even thrive on high turnover. Other managers and management practices may need low turnover. It is possible therefore that confounding the impacts of turnover itself and management partly mediated through turnover conceals the true role of labour turnover in firm performance.

## **2.4 Empirical Literature**

Khan and Aleem (2014) mentioned about reasons to why competent employees quit and join to other companies, of which some are even the competitors. Most of these reasons are management based and can be avoided as employees do not want to be at the other end of the bombardment of negativity.

According to Khan and Aleem (2014), employees' negativity may be due to the following reasons:-

- Management demands that one person do the jobs of two or more people, resulting in longer days and weekend work.
- Management doesn't allow the rank and file to make decisions about their work
- Management constantly reorganizes, shuffles people around and changes direction constantly
- Management doesn't take the time to clarify their decisions

- Management alienates staff by promoting someone who lacks training and /or the necessary experience to supervise

Khan and Aleem (2014) and Dobre, (2013) further suggest that good employees don't leave good companies, they rather leave poor managers. For organizations to retain valued or high performing staff, managers must employ strategic ways of maintaining employees working for their organization. Investing more money at employees is not the answer to turnover issue and can be so costly. The more effective way to retain talent employees is to deal with their important needs and expectations.

Ongori (2007) also noted that managers' attitude can affect employees' behaviour towards job depends on how they treat their employees. People in this case can easily leave managers, not companies they work for. Employees who are empowered, and participate in delegation and decision making are likely to have high degree of attachment to the organization than employees under an orderly manager.

Gentry *et al.* (2013) insist that organizations need to pay attention in retaining the best and brightest employees, and understand what causes them to want to leave their jobs. They also comment that 'People don't quit jobs, they quit their bosses'. No matter how sad this may sounds, is a true statement. Organizations need to identify and get rid of all the bad bosses if one need to retain best employees. Organizations' productivity becomes higher when staff are comfortable and have sense of belonging to the organization than where staff don't feel to be part of an organization.

Mudor and Tooksoon (2011) suggest that key factors influencing the rate of staff turnover in organizations are pay and working conditions. Moreover, most of the positive evaluation about working conditions and career opportunities for personnel in the enterprises comes from employers than what comes from employees. Xaba (2003) suggests that an organization survival depends on the employees who are serious about the organization and its missions, and are not more concerned about their personal interests. Some employees have very great commitment to the organization such that their consideration to leaving their job becomes very costly, especially when they take their roles as central to the definition of their personality and self-identity. Based on this argument, an organization with committed employees is likely to be productive than an organization whose employees are not committed.

Muhoho, (2014:486) recommend that managers should enhance their decision making and leadership styles to ensure that work climate is improved so as to foster employee loyalty and engagement at work and to the organization's goals, vision and mission. Contrarily, Amah (2009) argued that some employees have a tendency to quit regardless of having a work environment designed to raise their job satisfaction, whereas other employees may be more likely to stay even under less than ideal circumstance. Managers should recognize that something different from the whole work environment must be operating in the employee turnover pathways.

Roy and Brunet (2005) suggested that personal factors play a very big role in pathways to employee turnover. It is important to understand that reasons for turnover

among different groups of Banking Institutions are not the same, thus, turnover is something to be avoided in organizations at all costs.

In research done in Nigeria by Oluwafemi (2013:44) enlighten that it is supposed that the accomplishment of crucial organizations' objectives can only be met through effective management and retention of human resources. Effective management of human resources of an organisation can be achieved when managers manage to identify and intervene upon factors that could minimize employees' intention to quit and enhance their retention and performance. It is further suggested that maintaining a health organization need managers to be able to detect employee job dissatisfaction and take remedial action after actual turnover had occurred so as to maintain organization standard.

Batt *et al.*, (2014) show that labour turnover and low employee tenure is a global phenomenon in all organizations mostly especially in moderately priced organizations, where different organizations experience substantial move of employees to other disciplines. This research disclose the costs of turnover in a restaurant industries to be very high where the costs of turnover are \$18,200 for an establishment with 30 employees, \$182,000 for a chain of 10 restaurants, \$1.82 million for a chain of 100 restaurants. In addition, establishments with lower turnover have significantly better customer satisfaction, productivity, and revenue growth compared to those with higher turnover.

Minja (2011), Mbwana (2013), Muhoho (2014) and Kweka (2014) have their views around Tanzania where their contribution refer to Tanzania as among the many countries that experiences great turnover effect and shortage of employees for both public and private sectors in recent years. On top of that employees want to work with organizations which support personal success and where they feel their contribution is valued; so when employees lack needs for motivation, they may find no reason to keep working.

Based on government budget report 2011/2012, it was mentioned that banking and telecom companies in Tanzania got the highest advancements over last few years and they are among of highly disputable sectors. However, banking sector in Tanzania has recently exposed to basic changes following banking and other financial institutions reforms which started in early 1990s.

Mbwana (2013) reports the case of National Bank of Commerce (NBC) from NBC 2011 annual report where the trend of employees' turnover show clearly that NBC have very low retention where turnover rate has been increasing by 14.4% in 2009, 16% in 2010, and 17.8% in 2011 and 18.5% in 2012 as shown in a table below. Unless management can explore the reasons to why majority of staff leave and find ways to mitigate it, bank performance and productivity might be compromised.

**Table 1 Trend of Staff Turnover at NBC LTD**

Year	Deceased		Resignation		Compulsory retirement		Voluntary retirement		Termination		Absconding		End of contract		Total
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
2009	2	1	38	41	2	2	2	2	8	6	3	1	4	3	113
2010	3	2	47	52	3	1	3	1	15	9	2	0	5	1	144
2011	3	2	63	55	1	1	3	1	17	13	1	2	3	2	167
2012	3	0	67	46	2	2	1	1	12	7	1	0	18	14	174
<b>Total</b>	11	7	215	194	8	6	9	5	52	35	7	3	30	20	602

Source : Mbwana, 2013:3

According to Gonzaga (2003), the labour turnover in Brazil is revealed to be one of the world highest where generally 3.4% of the formal employees are admitted, however these employees leave their jobs every month making an annual turnover of 40.8%. This high turnover rates is a big problem to productivity as it might be causing under-investment in human capital and be signal for a low commitment between employers and employees. Very similar situation is reported by Samuel and Chipunza (2009) in South Africa and Mokaya (2008) in Kenya.

Kayuni and Tambulasi (2007) show a report from Malawi which is clearly experiencing ridiculous employee turnover in teaching sector. Among many reasons identified being pay, stress, envy for status, poor infrastructure, unfair performance



appraisal and loss of motivation. As a result of this turnover, Malawi education is in shamble and relate it to a patient laid on a stretcher in a resuscitation room in hospital due to the fact that schools no longer have enough quality teachers as majority leave the industry for jobs that pay and give pride.

## **2.5 Conceptual Framework**

One of the aims of this study is to elicit factors which contribute to labour turnover at BancABC Tanzania. While studying this there was an involvement of different theories which were explored through different literatures within and outside the area of study in order to experience what others comment on issues which have direct impact on the same. Therefore, the first goal of this became to create a framework that gives a description of the subject of the study which included various concepts encountered during the literature review relating to labour turnover. (Mark, 2010). In this study the conceptual framework comprises of the two categories of views in terms of Labour turnover and labour retention, where they both result from the presence or absence of the same variables. There is a contribution of different theorists towards this.

Abraham Maslow presume that human beings desire to self-actualized environment. Due to this he pinpoints five basic needs that motivate employees. These needs include psychological, safety, love or belongingness, esteem, and self-actualization where human needs display themselves in hierarchies of ascendance. This equals saying, the impression of one need usually depends on the satisfaction of another

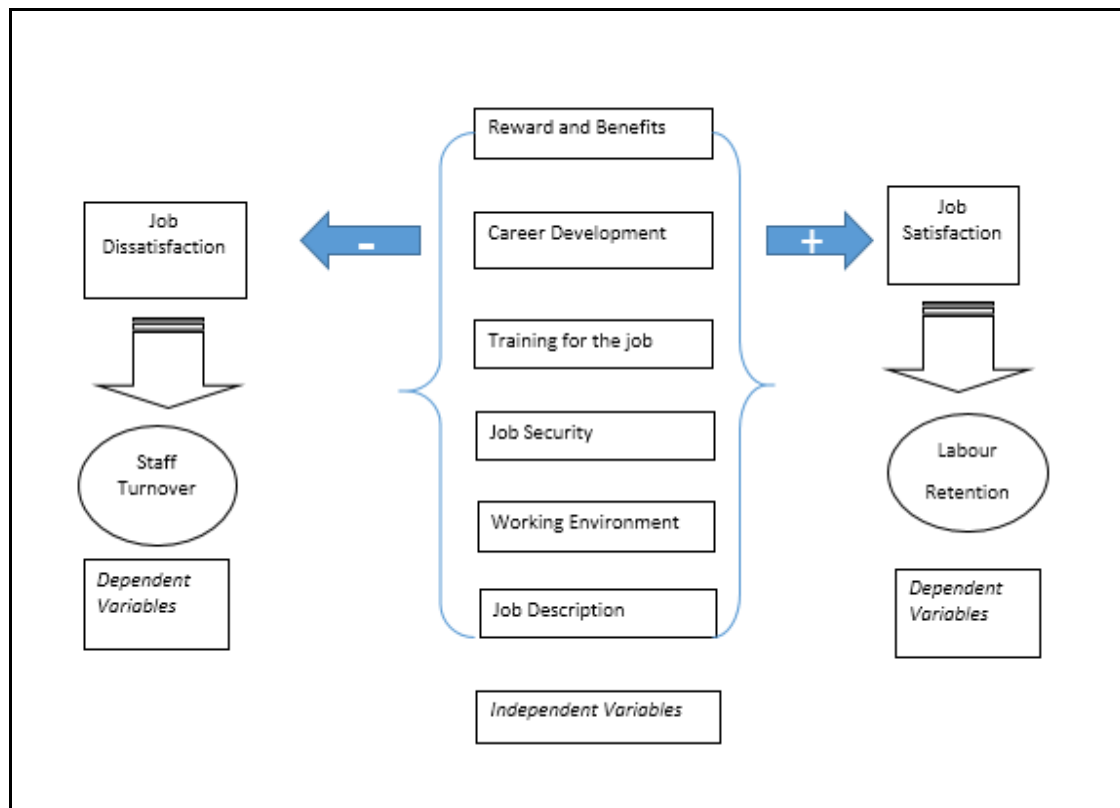
more proponent need. This is important to be bore in mind because man is a perpetually wanting animal (Zeb *et al.*, 2015).

Ramlall, (2003) recommended that since staff turnover is the circulation of workers around the labour market; between firms, jobs and occupations, and between employment and unemployment conditions, there is a clear support to the fact that staff tend to hunt for what will put them to the better level. This makes voluntary staff turnover to be a subject understudy in many aspects.

Mabindisa (2013) and Nel *et al.*, (2004:185) add that when new employees join an organization, both the employment contract and the psychological contract is instituted between employer and employee with a regard to what each should expect of the other. This contract can create a dependency between these two parties, where the most likely to suffer in this relationship is the employer as there is always an alternative for the employee, hence turnover.

Nel *et al.*, (2004) states that apart from expectations explained in the theory of hierarchy of need by Maslow, there are other items which are key to make a staff satisfied. These include training and development, recognition, and working environment. Continuous training is aimed at assisting the employee to keep up-to-date with the current issues, increasing employee knowledge and competence as part of the staff development programme.

The description of this speaks to the issues of reward and benefits, career development, job security, working environment and job description as shown and depicted in the framework in figure 6.



**Figure 6: Conceptual Framework to Turnover**

Source: Partly Adopted from Nel *et al.*, 2004

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction to Research Methodology**

This chapter will outline the methodological framework used by the researcher as well as the research strategy. It describes the various approaches that have been used in the study including the description of the study area, the research design, population, sample, sampling techniques, ethical considerations, types of data and collection methods for undertaking the study. Measures taken to ensure validity and reliability of this study is also discussed.

This research was conducted by using the questionnaires as a tool to the top, middle and lower level staff of BancABC to find out the causes of turnover in terms of salaries, working environment and security of jobs.

#### **3.2 Research Design Methods**

The study was exploratory as it aimed at giving insight into basic details, settings and concerns in a well-established picture of the situation being developed.

Saunders *et al.*, (2012) commented that exploratory research intends to inquire into the research questions and does not intend to give final and conclusive solutions to existing problems so as to determine the nature of the problem. This type of research is not intended to give evident conclusion, but to help the researcher and BancABC at large to have a better understanding of the problem.

The researcher used exploratory research because it is flexible and easy to adapt to change, and its efficiency in setting the groundwork that will lead to future studies as well as the desire to save time and other resources.

### **3.3 Research Approach**

This study incorporated the qualitative and quantitative methods so that appropriate and accurate information could be obtained. According to Pannucci and Wilkins (2011) and Sekaran (2003:87), qualitative research is administered in a natural environment and involves a process of building a complex and holistic picture of the phenomenon of interest while quantitative research is an exploration into an identified problem based on testing a theory, measured with numbers and analysed using statistical approaches. For this reason the quantitative method is employed such that it involves the use of numerical measurements and statistical analysis of measurements to examine social phenomena. Both qualitative and quantitative data were analysed quantitatively.

### **3.4 Population and Sample**

The population of the study included some of BancABC staff and some of those who left BancABC from 2014 until this study period. Therefore, only a small convenience sample from the population was used. Non probability purposive sampling was used because it was not important to generalize the entire population since there was readiness in response to both existing and ex staff (Brink, Van der Walt and Van Rensburg, 2006).

The sufficient number of responses was 36 and all questionnaires were responded and returned. So, the response sample is 100%. The unit of analysis was the individual who responded to the survey.

Per BancABC Human Capital policy the job grades categorization is done as per the Job band clusters and levels as shown in the table below. The sample was taken from each group.

**Table 2: BancABC Tanzania Job Bands Classifications**

<b>HAY</b>	<b>BANCABC Broad Band Clusters</b>	<b>BANCABC Levels</b>
Grade 22-20	MD'S	Senior Level
Grade 19-18	Senior and Middle Management	
Grade 17-16	Experienced Specialist	
Grade 15-14	Junior Management	Middle Level
Grade 13-12	Supervisory & Technically Qualified	Junior Level
Grade 11-10	Administrative	
Grade 9-8	Clerical	
Grade 7	Skilled Support	
Grade 6	Support	

### **3.5 Sampling Strategy**

Sampling is part of statistical practice which deals with the selection of a few individuals from within a population to yield some knowledge about the whole population, especially for the purposes of making predictions based on statistical reasoning.

Hancock *et al.*, (2009) explain the main advantages of sampling is that the study cost is low, data collection is faster and since the data set is smaller, it is possible to guarantee homogeneity and improve the accuracy and quality of the data. In this study, a non-probability purposive sampling was used with the idea of including respondents among staff within BancABC Tanzania in the sample. It also intended to include staffs who are working with BancABC in all 4 branches in order to get the full picture of how staff members view BancABC practice. The researcher thought there is a need to hear directly from them and the managers who are involved at different levels of decision making.

### **3.6 Sample Size**

Saunders *et al.*, (2009) define population as the complete set of cases or group members. Thus, in this study, the population was chosen from the BancABC where the researcher collected the data. The researcher specifies the sample based on the geographical location and the temporal boundaries of population.

Strategically, the number of employees who completed the questionnaire reflected the sampling strategy. Senior level staffs being 4 out of 20 employees, 10 Middle level staff out of 50 and 10 junior level staff out of 50 were included. The representation stands for the ratio of 1:5 that makes 24 participants out of 120 employees and 12 ex-employees who were placed in the sample as per their job grades before leaving BancABC. Therefore, the total number of participants in this study were 36.

Apart from categorization as per the levels, in order to get the right staff purposely the researcher went through the departmental representation to get the widespread vote within BancABC. The table below describes the sample size which was captured during this assessment.

**Table 3: Sample Size Distribution**

	Wholesale Banking (Corporate, Treasury and Business Development)	<b>Retail Banking</b> (Head Office & Branches)	Support (Credit, Legal, HC, Finance, Marketing, Audit & Operations)
Ex- employees	4	4	4
Senior level staff	1	1	2
Middle level staff	3	3	4
Junior level staff	3	3	4
<b>TOTAL</b>	<b>11</b>	<b>11</b>	<b>14</b>

### 3.7 Data Collection Tools

Self-developed Structured questionnaire with two sections for exit employees and existing employees (appendix 1) which comprises of 15 and 14 questions respectively



were used as the key data collection tool and were administered by the researcher. The questionnaires comprised of demographic information as well as questions that are directly linked to probe reason for employees' turnover. Majority of question were open ended such that to give participants freedom and openness to express their views against what is sought by the researcher. To meet the objectives of this study, data from both secondary and primary sources was used with human capital documentation, policy documents and bank reports being the main sources of information.

### **3.7.1 Secondary Data Sources**

According to Hussey and Collis (2007:198), data collected by the researcher in the field of study is known as secondary data. Secondary data is beneficial because much of the background work needed has already been carried out including literature reviews, case studies, published texts, the internet and accredited journals hence saving time that would otherwise be used in data collection.

Yingyi, (1994) emphasises that Secondary data includes both raw and the data which have been published in different media like books, newspapers, magazines and journals.

In this study, the secondary data used constitutes the source of data gathered from the BancABC Tanzania's records on HR reports and annual reports on staffing regarding the Human Resource Management.

### **3.7.2 Primary Data Sources**

Yingyi, (1994) define primary data as the actual data that is collected for the first time for the purpose of present studies and can also be used for future studies. Questionnaire which was used in this study is one of the tools used to get primary data, thus, data was collected from all sampled staff making sure that inclusion of all cadres and other staff from BancABC and ex-employees is considered. This was accommodated by using questionnaire for the purpose of finding out information which was not in BancABC records.

### **3.8 Data Collection and Logistics**

Researcher communicated to the BancABC head office and in the respective branches about the study, also with former employees through their mobile phones to request them to participate in the study by responding to the questionnaires which were provided to them.

The researcher gave the questionnaire by hand to all participants and waited for them to complete the questionnaire and ask them to bring it back on sport. This was helpful as the researcher had an opportunity to clarify with participants areas that seemed not to be understood as well as ensured high compliance level in the study.

### **3.9 Data Analysis plan**

#### **3.9.1 Data Organizing**

Kombo and Tromp, (2006) refer data organization in research as a process of putting research data in order where data can be organized into a systematic form. In this

study therefore, data organization includes identification where the required data was gotten from the questionnaires used to the respondent. The data was well kept in a secured place in order not to misplace any of them. They were then put in a digital form where they were entered in a consistent format to make them easy to identify and use. For security purposes data was saved in a personal computer and backed up in the external drive. Corrections were done where there were errors and the same was stored in a place where can be accessed easily for reference and other future purposes.

### **3.9.2 Data Analysis**

The descriptive statistical analysis was conducted using data and information collected from primary and secondary sources. In order to guarantee logical completeness and consistency of responses, the researcher administered the data editing during data set presentation where identified mistakes and data gaps were corrected. When editing was complete, data was analysed by a statistician, all qualitative data were first analysed using content analysis techniques (Gongera and Okoth, 2012).

Quantitative analysis was then administered using SPSS version 16 software using mainly Friedman's test non parametric analysis, log linear modelling and analysis of residuals.

### **3.10 Data Presentation**

Data was presented by using a combination of descriptions, statistical and graphical techniques which included frequency distributions, pie charts, histograms and dispersion.

### **3.11 Validity and Reliability**

According to Amin *et al.*, (2011) and Pannucci and Wilkins (2011), validity is the extent to which the instruments used for collecting data have managed to measure the issues intended to be measured and that the researcher's biasness or subjective judgment in the data collection process can affect the conclusion of the study. To ensure validity, the questionnaires were self-developed and checked (on editing) for correctness that can be used to guide the process and be able to get administered. Also, the questionnaires were administered to relevant respondents by the researcher so that subjectivity in the data collection process and bias is avoided.

On the other hand, reliability is the main concern to social researchers because the measuring instruments used in their studies are rarely completely valid. Bialocerkowski and Bragge (2008) refers reliability as the degree to which a data collection tool contains variable errors which appear to be inconsistent during measurement attempt or that vary each time a given unit is measured by the same instrument. Sampling of participant was purposely done in order to boost the reliability in the existing staff regarding the labour turnover within BancABC.

## CHAPTER FOUR

### FINDINGS

#### 4.1 Introduction

This chapter explores and describes data assembled from respondents. Information found is expected to fulfil the objectives of this research which is to determine the factors contributing to labour turn over in African Banking Corporation (BancABC) Tanzania. Graphs, Tables and Texts are used to present the results quantitatively.

The results are as per the cross sectional inclusion where different levels, departments and business focus have been taken into consideration and associated with the research objectives.

All questionnaires distributed were submitted to the researcher as per the instruction given to the respondents, close follow up and support was given to the respondents where they required assistance.

**Table 4: Returned Questionnaires**

<b>Returned Questionnaires</b>	
<b>Support Departments</b>	28%
<b>Ex – Employees</b>	33%
<b>Wholesale Banking</b>	20%
<b>Retail Banking</b>	19%
<b>Total</b>	100%

## 4.2 Demographic Characteristics of the Respondents

**Table 5: Demographic Information**

<b>Variables</b>	<b>Categories</b>	<b>Percent</b>	<b>Number</b>
Gender	Male	67%	24
	Female	33%	12
	Total	100%	36
Age	20 – 29	28%	10
	30 – 39	67%	24
	40 – 49	3%	1
	Above 50	3%	1
	Total	100%	36
Level of Education	Diploma	6%	2
	Undergraduates	69%	25
	Postgraduates	25%	9
	Total	100%	36
Department	Wholesale Banking	39%	14
	Retail	42%	15
	Support	20%	7
	Total	100%	36
Working Years	Below 1 year	6%	2
	Between 1 and 4 years	47%	17
	Between 5 and 8 years	33%	12
	Above 9 years	14%	5
	Total	100%	36

### Graphical Presentation of the Respondents' Particulars

**Table 6: Respondents by their Gender**

	<b>Number of People</b>	<b>Percentage</b>
<b>Male</b>	24	67%
<b>Female</b>	12	33%
<b>Total</b>	36	100%

The representation in the above graph shows that most of the BancABC respondents were male with above 60% while women's percentage was above 30%.

**Table 7: Respondents by their Department**

<b>Department</b>	<b>Number of staff</b>	<b>Percentage</b>
<b>Wholesale Banking</b>	14	39%
<b>Retail</b>	15	42%
<b>Support</b>	7	20%
<b>Total</b>	36	100%

The questionnaires and interviews were done to the representatives of all departments, the retail department had more representation as it had more staff compared to wholesale and support. Questionnaires were also distributed with proportionality to the number of staff in that specific department.



**Figure 7: Respondents by Working Experience**

There is a great number of staff in the period of 1 to 4 years by 47%; followed by 34% of staff who are having between 5 and 8 years of experience, 14% is having more than 9 years of experience and 6% is having less than year. This result assures us of the presence of the majority number of staff who are experienced and have stayed longer with the organization. So, BancABC will be losing staff who are experienced as per the composition one can see that majority are experienced and have been with the organization for some time.

Most of the staffs in BancABC are graduates, which took 70% of the percentage of the respondents, 3% are having diploma and about 25% of staff with postgraduate education. This can indicate that staff are well educated and the organization can benefit from staff knowledge and contribution.



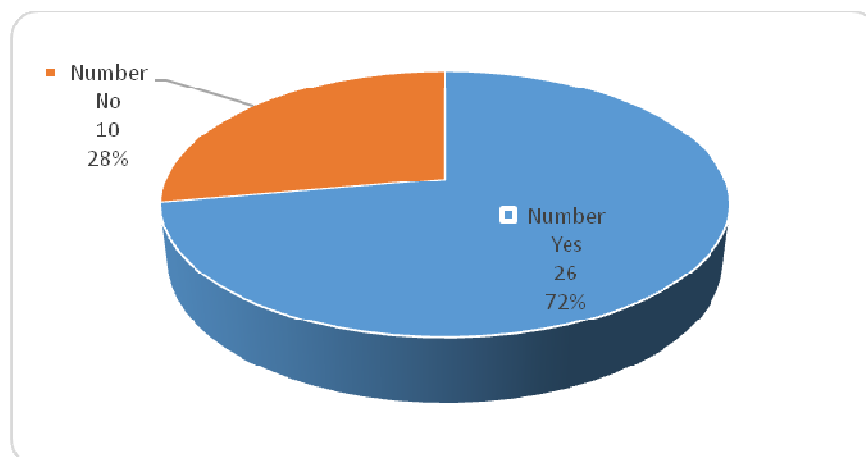
### 4.3 Analysis Based on the Research Objectives

This part of the study presents findings based on the research objectives using descriptive methods of analysis where all positive and negative responses were considered. The specific research objectives will be used in the arrangement of the responses by considering the correlation between the two.

#### 4.3.1 To identify issues which lead to labour turnover at BancABC Tanzania

##### 4.3.1.1 Job Description for the Labour

The findings concerned give more clarification or description on the job when joining the organization and for their current roles, the representation is as shown below.



**Figure 8: Job Description for the Labour**

Source : Field survey 2015

As a basic tool to performance the researcher wanted to find out if the Job description is among the issues which make BancABC staff not comfortable of what they are doing hence leaving the organization. The above figure shows that 72% of the

respondents agree that job was well described to them and only 28% of the respondents job was not well described to them. This implies that large number of staff at BancABC had their jobs well described to them. They knew what they are supposed to deliver and contribute to the organization. A few whom the job wasn't well described, can experience problems and feel the job is a burden and appraisals a problem.

#### **4.3.1.2. Sufficient Training for the performance at BancABC**

Training is key and if staff miss trainings they will become obsolete and not able to perform which can demoralize them. The researcher wanted to see if training is considered an issue which make employee leave for other organizations.

#### **Figure 9: Sufficient Training for the Performance**

The responses on this show that 78% of the respondents agree that the orientation and other trainings are sufficient for them to perform their duties and only 22% of the respondents said that training is not sufficient for them to perform their day to day duties. This implies that the training provided facilitated the work of large number of staff who worked at BancABC.

#### **4.3.1.3 Working Relationship with Management**

Relationship between staff and management can lead to staff not being able to perform, the question around this was asked by the researcher to see if this is considered an issue which make staff leave BancABC. The results are as per the below presentation.

**Table 8: Working relationship with management**

<b>Working relationship with management.</b>					
<b>Scale</b>	<b>Very Good</b>	<b>Good</b>	<b>Satisfactory</b>	<b>Poor</b>	<b>Total</b>
<b>Number of responses</b>	2	11	21	2	36

Source: Field survey 2016

The chart above shows that large number of respondents said that there were satisfactory and good working relationship between junior workers and management/senior workers by 21 and 11 respectively while only 2 who showed was very good and other 2 said was poor. As per ideas given by other researchers, if employee have very good relationship with their leaders will be able to appreciate the environment and stay longer.

#### **4.3.1.4 Sense of Job Security to the Employee**

Job security assures staff of their position within an organization and their future ability to meet their future life obligations through what they do. The researcher did a purposeful inquiry to see if this is an issue which causes turnover of BancABC staff.

**Table 9: Sense of job security to the employee**

<b>Sense of Job Security to the employee</b>			
<b>Yes</b>	36	20	56%
<b>No</b>		16	44%

Source : Field survey 2015)

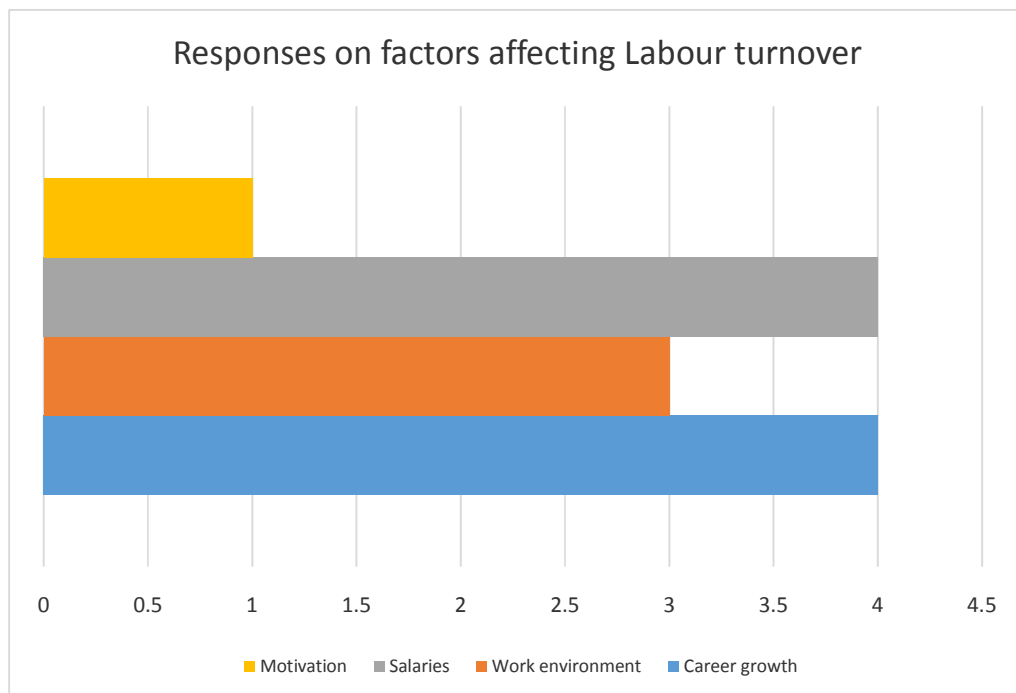
In the above case implies that many workers of BancABC ,don't feel that BancABC offers a sense of job security by almost 56% while 44% have no problem with job security they had been offered by BancABC.

### 4.3.2 To analyse internal factors which contribute to Labour turnover at BancABC Tanzania

Since all respondents worked for BancABC, the researcher aimed at getting a glimpse to analyse about their view towards Labour turnover in relation to internal factors

#### 4.3.2.1 Factors that Lead to the Labour Turnover on BancABC

The findings deals with the major factor that led to the shifting of labour from BancABC to other institutions.



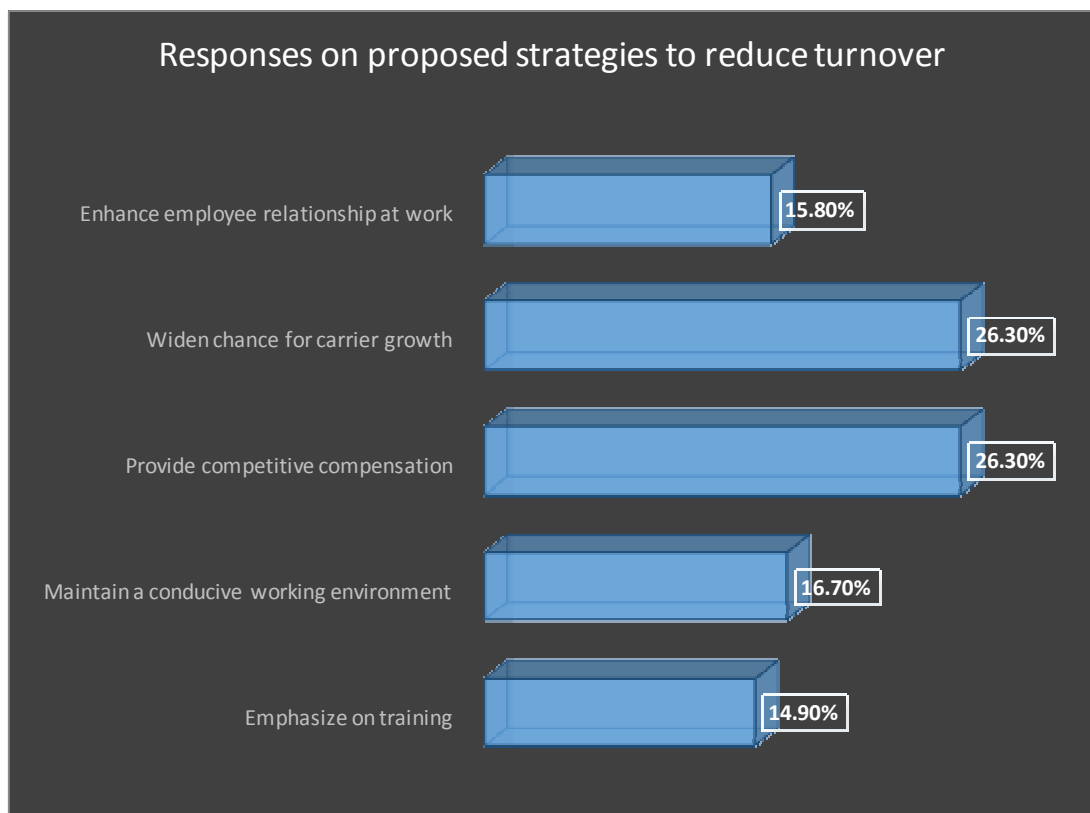
**Figure 10: Factors that lead to labour turnover in BancABC**

Source : Field survey 2015

The above table shows primary reasons for leaving; this question was specifically asked to the staff who left the bank. It seems that career growth and salaries represented by 8 respondents among 12 who were asked of the factors as shown above. The work environment (4) and salaries (4) seem to be factors with great impact on staff movement to other Banks and organizations.

#### 4.3.1.5 Strategies for Reducing Employee Turnover

Based on the internal factors which contribute to Labour Turnover at BancABC, the researcher analysed the responses from respondent on what they think can be considered to reduce internal factors which cause turnover



**Figure 11: Strategies for Reducing Employee Turnover**

Source: Field survey 2015

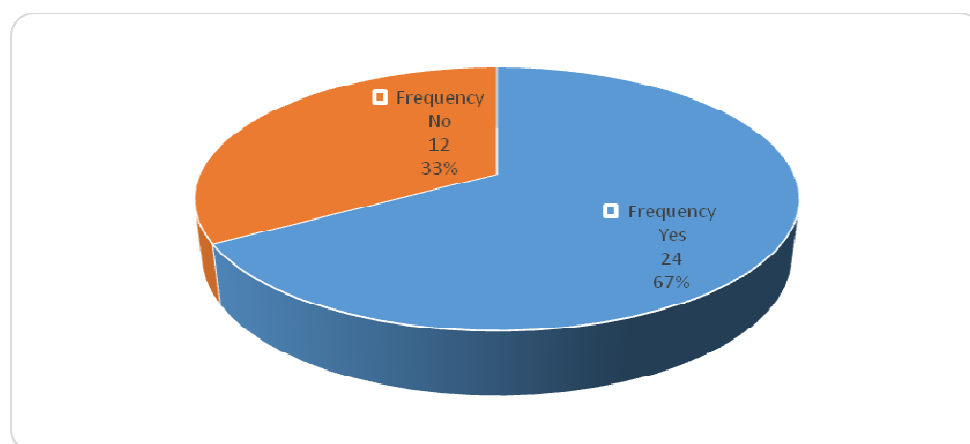
The above table explain the strategies for reducing employee turnover by number of respondents corresponding to percentage but most of them they prefer that BancABC should provide competitive compensation and widen chance for carrier growth by 26.3%, maintain conducive working environment 16.7%, enhance employee relationship 15.8% and emphasis on training 14.9%.

#### **4.3.2 To examine how employees perceive labour turnover at BancABC Tanzania**

This looks at the perception of staff towards different factors which they think they contributo to Labour Turnover at BancABC Tanzania.

##### **4.3.1.5 Open and Honest Management**

The researcher wanted to know how staff at BancABC perceive management in terms of openness and honesty when dealing with their issues.



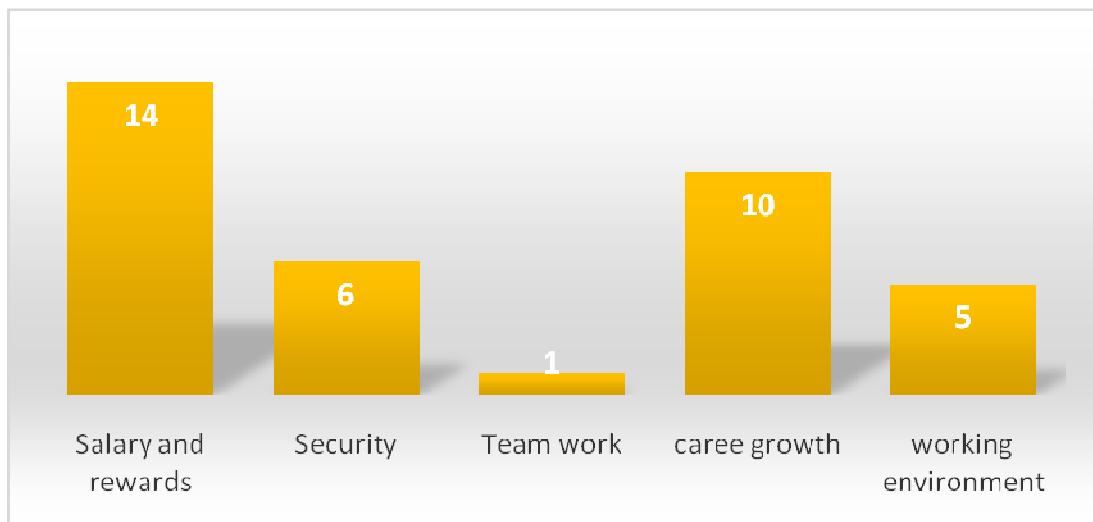
**Figure 12: Open and Honest Management**

Source : Field survey 2015

The figure above represents 67% of the respondents who said that the management was open and honest in dealing with and 33% of the respondents disagree with the fact that management is open and honest. This shows there is a divisive nature in the trust towards management, this is not a good sign to the leadership.

#### 4.3.3.2 Top Three Reasons Looking for the New Job

The table explains the top three factors among those mentioned that influence the employee looking for new job hence labour turnover.

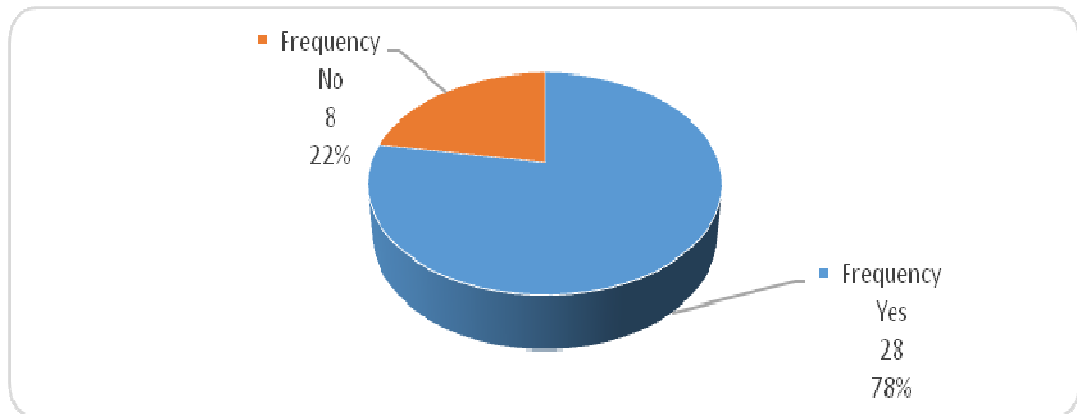


**Figure 13: Top Three Reasons for Looking for New Job**

Source : Field survey 2015

The staff who have been interviewed responded as shown in the above chart of what they perceive the top three things that someone may be looking for new job are Salary and rewards, carrier growth and working environment which took a lead by being perceived as top reason by more than 30 out of 36 staff, while security and team work were perceived low reasons by only 6 staff.

#### 4.3.3.4 Ability of Management to Solve Major Administrative Problems



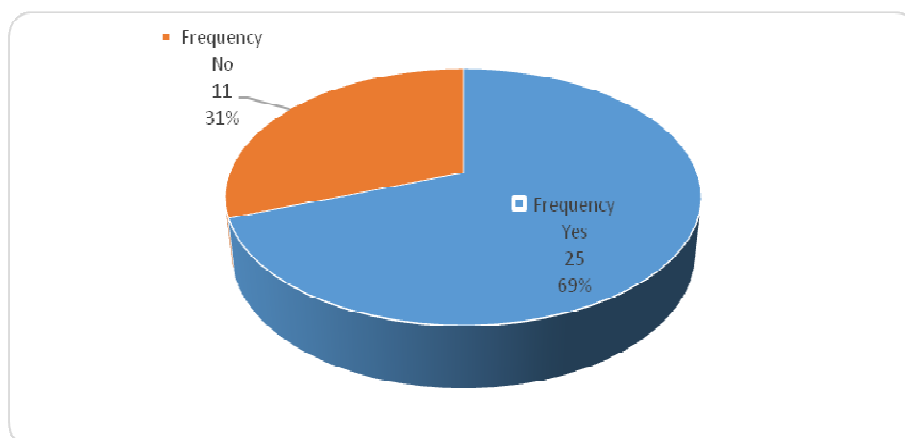
**Figure 14: Ability of management**

Source : Field survey 2015

The figure above represents 78% of respondents who agree that the management is capable to solve major administrative issues and only 22% of the respondents said that the management did not portray ability to solve major administrative problems.

#### 4.3.3.5 Working Environment Satisfaction for Employee

BancABC working environment satisfaction is as presented in the below pie chart.



**Figure 15: Working environment satisfaction for employee**

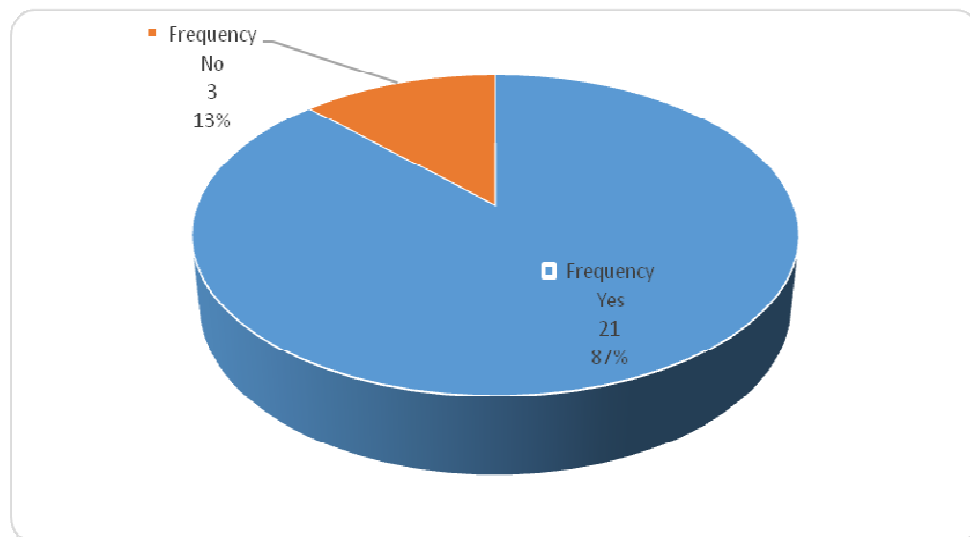
Source : Field survey 2015



The chart above explains whether the working environment was satisfactory or not. Most of the respondent almost 69% are satisfied with the working environment especially those who are still working at BancABC while 31% of the respondent consider working environment not good enough for someone to continue to work in.

#### 4.3.3.6 Shifting Opportunity to other Organizations

The respondents who are still employees at BancABC were asked if there were any opportunity of moving from BancABC to other banks.



**Figure 16: Shifting opportunity to other organizations**

(Field survey 2015)

87% they are ready if they get opportunity and will consider moving to other banks or organisations while only 13% will not.

## **CHAPTER FIVE**

### **DISCUSSION OF THE FINDINGS**

Aiming at identifying the factors which contribute to labour turn over in African Banking Corporation (BancABC) Tanzania, a number of issues are going to be discussed in this chapter as it summarizes the main findings to enable a conclusion to be drawn concerning this study.

The respondents' contribution that has been given in the presented data gives picture of the issues that the African Banking Corporation (BancABC) Tanzania is facing with regard to the Labour Turnover. The issues which lead to labour turnover at Banc ABC include low understand for some staff towards what they are required to as a result of missing clear job description.

Most of the respondents have appreciated the fact that they got to know what their jobs entail through the job description and induction, knowing the organization and your job can make someone comfortable and free to work and enjoy the environment. Through the respondents' responses, one can see that most of them knew what they were required to do and that their contribution to the organization is clear to them and to BancABC. Since some jobs are naturally more attractive than others, the responses towards this are affected by many characteristics such as its repetitiveness, challenges, danger, perceived importance and capacity to extract a sense of accomplishment. So, clear tasks to employees minimize the risk of people running away from an organization as they will be enjoying their jobs.

To the few who didn't see that the description was clear it can cause problems because they could feel that there was no clear fit in the organization and if the skills they possess are highly required, they may be attracted somewhere else by higher pay, better benefits or better job growth potentials. The impact of job not being described well could cause some perceptions to some staff which can include feelings like there is a bad match between their skills and / or can complain substandard equipment, tools or facilities and no one can prove this. Things such as purpose, duties, responsibilities, scope of work and working conditions are said to be important ingredients in job description (Mabindisa, 2013).

The job description is a critical document which guide a staff on what they are required to do. When a person does not understand what is required of him, the person can miss the goals and targets which are expected. This can make staff feeling that the environment is not fair and would like to quit.

Those who did not get proper training represent staff who are obsolete and lack guidance to produce what is required. This make staff spend more time on fighting with what the environment brings out of the projects that are required to be done. This can result to stress which when not well managed can cause employee to quit and move to somewhere, where life is easier and well facilitated. Saeed and Shabir (2013) contributed that training is used to close the gap between current performances and expected future performance. If employee will have the gap which cannot be filled the level of performance will go down both of themselves and the organization.

Respondents appreciated the learning that is provided by the bank as employees need guidance and direction. Trainings are important to organizations and can at a point make the job easy and the environment convenient. New employees may need extra help in learning an unfamiliar job. Similarly, so lack of training program may cause workers to straggle with their level of performance and feel that their abilities are lacking.

In BancABC perspective, the appreciation shows that lack of knowledge is not an issue that can create a feeling that they do not belong because they are facilitated and get updates on things. It can be otherwise to those who have shown that there is no sufficient training for their performance within BancABC. Together with the Training and job description employees have shown that the working relationship with management needs to be improved. This will enhance the employees' involvement and feedback for anything that requires management's attention.

Staff who have the demographic characteristics of the respondents show that most of staff are men and this is shown by the number of respondent and their percentage in the representation. The great numbers of staff are between generation X and Y, the bank has a mixture of people with different ages, though those aged 20 – 39 years are many more that 90% of the population. This speaks to their life needs, family levels and ambitions of the majority staff who have responded. Respondents are mostly graduates from universities few have diploma, this can be interpreted most of them are learned and know what they are doing both those who left and those who are within the organization. The characteristics and the real environment shows job security is

one among the key issues to this large group, this is due to what they are facing and are required to do by the society. The bank has scored low on providing for the job security to its staff and this can lead to turnover.

Zeb *et al.*, (2015), emphasise the argument of the motivation theorists Maslow who commented that people have a hierarchy of needs which range from physical needs to self-fulfilment. Safety and protection needs have elements like job security, order, law, stability, freedom from fear whereby the first four levels are considered deficiency or deprivation needs (D-needs); lack of their satisfaction may cause a deficiency that motivates people to meet those needs. This is what can happen on the side of employees at BancABC where staff has shown lack of job security. They can go out looking for where they can be more secured.

In analysing the internal factors which contribute to labour turnover at BancABC, respondents have shown their great need in the chance for career growth, salaries increases and improvements in the working conditions. Salaries, benefits and compensation speak to the BancABC staff satisfaction as the return of what they have been contributing to the organization and the loyalty of the employer to them. This study shows that employees at BancABC are not happy of what they are paid and this is one of the reasons of them quitting for other organization. With the formality and long-time experience in the Tanzanian market and some of African countries, BancABC has strong internal guides and policies which can be put together to ameliorate the situation in order to deal with this internal factor. Albattat and Som (2013) show that employee dissatisfaction on most of the internal issues including

compensation is attributed with issues like demographic, economic and social responsibilities in the society, work stress and organization justice.

Another internal factor considered by BancABC staff as a concern is career growth. Career growth as a house keeping issue in any organization is among the critical things considered by individual employees when looking at their impact in the future it means one take up more responsibilities today than he did yesterday and continue to do that at regular intervals. Career growth plays a crucial role in the whole process of retaining staff. If the job is basically a dead-end concept, it should be explained to new employees before hiring so that they don't feel misled. This might be a reason of the percentage which have caused labour turnover in BancABC. The job should be described precisely without raising false hopes for growth and advancement in the position.

There is a need for staff at BancABC to be aware of how their career growth maps and how they can be sure of their future. Since the organization is having more youngsters and recent generation blood, to them the future is an agenda and would more likely need to know their position.

Examining the employees' perception to labour Turnover at BancABC, it has been revealed that management of BancABC seem to be trusted with staff above average, both in terms of transparency and ability. When staff do not have trust to the leadership it means that the gap between the two will be very big, this only can be enough reason for staff to think of moving to other institutions. However,

management is required to do more by providing the good working condition to the staff as shown in the previous discussion on the few discussed internal factors which lead to labour turnover at BancABC.

Employees at BancABC also have a perception that to reduce labour turn over at BancABC there should be support from management to staff.

Their perception has been ranked on what they perceive more important for them not to shift to other organizations. As the researcher participated in some organization exit interviews to get this right, it seemed like most of the respondents in those interviews overstated the role of compensations and benefits to career growth which also took equal importance in their ratings though it is true that unequal pay structures or low pay is great contributes much on dissatisfaction and can cause some employees decide to quit. There is a perception that staff will stay with BancABC if they will be more motivated than what happens now. There is a perception that Good salaries paid to employees can reduce staff leaving the bank, career growth, working environment improvement, job security as well as exposure to staff which include job enrichment and rotations.

Despite the facts shown by the respondents and their perceptions towards labour turn over, they have also shown their clear desire to leave the bank if they get opportunities in other banks and organization. This will make Labour turnover persist as majority of the respondents by 87% have put that to light. These results reflect that there are factors specific to individuals that can influence turnover rates in BancABC apart

from the factors mentioned known as personal and trait-based factors. Personal factors include changes in family situation, a desire to learn a new skill or trade, personal conflicts and an unrequested job offers while trait-based factors are personality features that are associated with turnover. All the factors mentioned above have been acknowledged during interviews and off questionnaire situations during the study time.

However, as this research is an exploratory study it can help opening doors for further more studies to take place that the problem can be revealed and concluded in more details.



## **CHAPTER SIX**

### **CONCLUSION AND RECOMMENDATION**

#### **6.1 Introduction**

This chapter presents a conclusion for this study from the findings and draws a conclusion. It also gives recommendation based on the results and giving out areas for further studies.

#### **6.2 Conclusion**

With its intention and target of being a preferred banking partner in Africa by offering world class financial solutions, African Banking Corporation would need to have a pace that will put it where it can do more in terms of human capital both in retaining and developing the same.

As commented by Park and Shaw (2013), productivity in an organization depends on the skills and expertise of its workforce. A skilled worker is an asset for any organization, so if a skilled personnel leaves an organization, the effects will be very high. Unlikely, in case of a semiskilled or un-skilled personnel, the effect will be less. A vacant place of a skill labour may be filled by another new worker, but production may fall due to their differences skills and experience.

Per the findings of this study, BancABC Tanzania needs to take into consideration a new way to control turnover by dealing with factors which contribute to the said problem. This study has put to light the factors as per the research done within the organization.

The results presented in this study support a compelling hypothesis for considering evidence of the factors contributing to labour Turnover in BancABC. The sample was desirable and enough to test the hypothesis considering the scope of what was aimed to be covered with regards to research objectives.

High employee turnover defies organizations bottom line as by estimation, it can costs over double of an employee's salary to find and train a replacement (Medina, 2012). Similar case applies to BancABC as per the demographic of the respondents show BancABC possessing staff with the good level of education, young and ambitious. Turnover can have a negative impact to the remaining staff as it damage morale among them since the new comers will get opportunity to negotiate and require more than what is provided to the existing staff for that specific level and it always take time for one cope. This affects productivity pace and capability.

For this reason BancABC can adopt a policy that will help reduce turnover although this position may be subject to several exceptions though most of the time, it is very difficult to control the turnover rate within organizations. Chen *et al.*, (2014) suggest that there are so many factors that affect turnover. It is obvious that satisfactory salary structure helps to reduce turnover though job security also serve an important role, however pay is not the only and always the solution for employees to stick in an organization. Employees do not stay in an organization only for salary but for many other reasons such as rearranging employees, good stream relation, better working environment, preferable job location and sense of engagement (ownership) to an

organization. Referring to the theoretical discussion in this study, many solutions that may help BancABC to reduce turnover has been discussed.

### **6.3 Recommendations**

Recommendations by the researcher to rectify the situation regarding the factors that contribute to labour turnover in BancABC Tanzania are as discussed below.

First, the management should focus on proper compensation to its staff by setting the acceptable compensation and benefits in manner that correspond with the market demand. The Human Capital department should explore the current data on industry's pay packages and be creative with employees' benefits, flexible work schedules and bonus structures.

Result of this study Link with the contribution of Sager and Johnston (1998), where job security and career growth have significant negative influence on the employee's turnover at African Banking Corporation. The study gives an alarm to the top management that if they consider these factors, level of turnover of the professional employees who are the best assets of the organization will be minimized.

Second, BancABC management should create and promote opportunities for career advancement in an organisation which may help staff to become more competent and to enjoy their work even better. The bank needs to outline challenging and clear career paths. The findings suggest that employees want to know where they are heading and how they can get there.

Third, the management should provide benefits that will attract the best employees to remain in an organisation in order to maintain standard of service delivery. Setting employee's payments that correspond with employee's responsibilities will help in motivating employees to improve their performance.

Fourth, Top management should recruit more skilled employees to close the gap left by employees who quit the business in order to reduce workload to present employees and to reduce overtime. Top management should encourage team work within the organization to improve organizational effectiveness. Provision of training to new staff members must be done timely in order to reduce wastage of resources when new staff settles in and at the same time improve quality of service provided (Mabindisa, 2013).

Finally, management should work together with employees in a way that they can understand them and be able to offer what is required by their employees (Nel, *et al.*, 2004).

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## **APPENDICES**

### **Appendix 1 : Questionnaire**

Dear respondent,

Ms, Ellyjalia Mabiki is a Masters of Human Resources Management student from the Open University of Tanzania. As a requirement for the fulfilment for her studies she is conducting a research on factors contributing to Labour Turnover in Financial Institutions – Case of BancABC Tanzania

This questionnaire intends to deduce your opinion in regard to the topic. The intention is to collect your opinions regarding your experiences. The information obtained from you will only be used for academic purpose and for BancABC Tanzania improvement and will be treated with utmost confidentiality.

Thank you in advance for your cooperation and valuable time.

**QUESTIONNAIRE SECTION 1: For exit employees**

GENDER: MALE / FEMALE

DESIGNATION: .....

DATE: .....

AGE: .....

BRANCH/ DEPARTMENT..: .....

YEARS WORKING WITH BANCABC TANZANIA: .....

HAY GRADE: .....

**Part One**

Level of Education of the respondent

- a. High school education
- b. Certificate
- c. Diploma
- d. Undergraduate
- e. Postgraduate Education

**Part Two**

Determinants of Employee Turnover

1. Was your job well described to you before starting?

YES OR NO .....

2. Was your Orientation sufficient to help you perform your duties? .....

If no, Why?.....

3. Was management open and honest in dealing with your issues?

YES OR NO .....

Give reason .....

4. Did management have the ability to solve major administrative problems?

YES OR NO .....

Give reason .....

5. What was your primary reason for leaving?

.....

6. What has attracted you to your new job?

.....

7. What does your new employer offer that BancABC doesn't?

.....

8. What could your immediate supervisor do to improve his/her management style?

.....

9. Tell me three things BancABC could do to better serve its employees:

.....

10. Was the BancABC work environment satisfactory for the employees?

YES OR NO .....

Give reason .....

11. What do you think of the main working relationship between junior workers and the management/ senior workers in BancABC?

a. Very good

b. Good



- c.     satisfactory
- d.     poor

12.    What were the top three things you were looking for, in the job of your choice?

- i.     .....
- ii.    .....
- iii.   .....

13.    Do you feel that BancABC offers a sense of job security to its employees?

Yes                                      No                   

Whether Yes or No, please explain your answer

.....  
.....

14.    What are your recommendations on approaches for reducing employee Turnover at BancABC?

(Please tick all that are relevant to you)

- a.     BancABC should emphasize on trainings
- b.     BancABC should maintain a conducive working environment
- c.     BancABC should provide competitive compensation packages
- d.     BancABC should widen chances for career growth
- e.     BancABC should enhance employee relationships at work

15.    Please point out if you have any recommendations

.....

**QUESTIONNAIRE SECTION 2: For Existing employees**

GENDER: MALE / FEMALE

DESIGNATION: .....

DATE: .....

AGE: .....

BRANCH/ DEPARTMENT: .....

YEARS WORKING WITH BANCABC TANZANIA: .....

HAY GRADE: .....

**Part One**

Level of Education of the respondent

- a. High school education
- b. Certificate
- c. Diploma
- d. Undergraduate
- e. Postgraduate Education

**Part Two**

Determinants of Employee Turnover

1. Was your job well described to you before starting?

YES or NO .....

2. Was your Orientation sufficient to help you perform your duties? .....

If no, Why?

.....

3. Was management open and honest in dealing with employee issues?

YES or NO .....

Give reason .....

4. Does management have the ability to solve major administrative problems?

YES or NO .....

Give reason .....

5. If you get opportunity would you consider moving from BancABC to another bank or organization?

YES or NO .....

6. What are the reasons that that may influence you moving to other banks or organizations?

Reasons/Factors
1.
2.
3.
4.
5.

7. What could your immediate supervisor do to improve his/her management style? .....

8. Tell me three things BancABC can do to better serve its employees: .....

9. Do you think the BancABC work environment satisfactory for the employees?

YES or NO .....

Give reason .....

10. What do you think of the main working relationship between junior workers and the management/ senior workers in BancABC?

e. Very good

f. Good

g. satisfactory

h. poor

11. Do you feel that BancABC offers a sense of job security to its employees?

Yes  No

Whether Yes or No, please explain your answer

.....

12. Do you always receive regular and genuine feedback on your progress from your superior?

Yes  No

13. Do you feel in house and external training programs offered by BancABC would help reduce employee turnover?

Yes

No

14. What are your recommendations on approaches for reducing employee Turnover at BancABC?

(Please tick all that are relevant to you)

- a. BancABC should emphasize on trainings
- b. BancABC should maintain a conducive working environment
- c. BancABC should provide competitive compensation packages
- d. BancABC should widen chances for career growth
- e. BancABC should enhance employee relationships at work
- f. Please point out if you have any recommendations

.....

**Appendix 2 : Research Budget**

Research budget.

<b>ITEMS</b>	<b>COSTS</b>
Ream papers 5 packs @10,000	50,000
Internet and other sources of literature review	100,000
Secretarial services/work and communication	250,000
Data storage devices	150,000
Others	100,000
<b>Total</b>	<b>650,000</b>