FACTORS INFLUENCING EMPLOYEE RETENTION IN BANKING INSTITUTIONS IN TANZANIA: A CASE OF SELECTED BANKS IN DAR ES SALAAM REGION

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A THESIS SUBMITTED IN FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF DOCTOR OF PHILOSOPHY OF THE OPEN UNIVERSITY OF TANZANIA

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CERTIFICATION

The undersigned certify that they have read and hereby recommend for acceptance by the Open University of Tanzania, a thesis titled: **"Factors Influencing Employee Retention in Banking Institutions in Tanzania: A Case of Selected Banks in Dar es Salaam Region"** in fulfillment of the requirements for the degree of Doctor of Philosophy (PhD) of the Open University of Tanzania.

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DECLARATION

I, Amos Ephraim Hanai, do hereby declare that, the work presented in this thesis is my original product. It has never been nor will it be presented to any other University or Institution for the same or similar award. Where other people's works have been reviewed due references have been provided. It is in this regard that I declare this work as originally mine and is presented in fulfillment of the requirement for the Degree of Doctor of Philosophy of the Open University of Tanzania.

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Signature

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Date

DEDICATION

This thesis is dedicated to my family, specifically my wife Grace, my sons Mosses and Ephraim and my daughter Vastina and indeed my parents Ephraim Hanai and Paulina Nyonyi. Their love, guidance, support and encouragement led my life to the brightest educational success.

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ABSTRACT

This study aimed at investigating the factors influencing employee retention in the banking institutions in Tanzania, particularly in Dar es Salaam Region. A survey design was employed in the study. Stratified sampling technique was used by considering bank categories in Tanzania. Eleven banks were selected purposely to ensure representation of each category and simple random sampling was applied to draw a sample of 370 employees. The study used binary logistic regression to analyze the quantitative data that was collected by using questionnaires. The results based on the first objective, which aimed to examine the influence of training and development elements on employee retention at the selected banks in Dar es Salaam, indicated that training and development elements significantly influence employee retention in work places. The second objective was to determine the influence of compensation elements on employee retention among selected banks in Dar es Salaam. The results of the study indicated a significant influence of compensation elements on employee retention. The third objective aimed to examine the influence of work environment attributes on employee retention in the selected banks in Dar es Salaam and the study established that work environment attributes significantly influence employee retention. The study concluded that training and development in terms of career planning and growth opportunities, compensation in terms of fair salary and work environment in terms of responsibility for the job and bank reputation have significant influence on employee retention at the banks. The study recommended that the banks in Dar es Salaam should improve employee retention by developing and implementing retention policies basing on the identified elements. The elements include, growth opportunities, career planning, fair salary, responsibility for the job and bank reputation.

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LIST OF ABBREVIATIONS

AGFI	Adjusted Goodness of Fit Index
AVE	Average Variance Extracted
BOT	Bank of Tanzania
C.R	Critical Ratio
CEO	Chief Executive Officer
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
CR	Composite Reliability
DSM	Dar es Salaam
EFA	Exploratory Factor Analysis
GFI	Goodness of Fit Index
H1	Hypothesis 1
H2	Hypothesis 2
H3	Hypothesis 3
HR	Human Resources
KMO	Kaiser-Meyer-Olkin
MI	Modification Index
OUT	Open University of Tanzania
RMSEA	Root Mean Squared Error of Approximation
SEM	Structural Equation Modeling
SPSS	Statistical Package for Social Science
SRW	Standardized Regression Weights
URT	United Republic of Tanzania

CHAPTER ONE

INTRODUCTION

1.1   Background to the Study

Employee retention is becoming a major concern in many organizations in recent years (Mehrez and Bakri, 2019). Zareen, et al. (2013) refer employee retention as the ability of an organization to retain its employees. Samuel and Chipunza (2009) argue that retaining skilled and experienced employees is vital for sustaining competition and ensuring effective and efficient service delivery in organizations. Similarly, Iftikhar, et al. (2015) emphasize that in order to succeed in this highly competitive world, organizations must ensure improved employee retention due to its significant relationship with organizational competitiveness. Moreover, Tariq, et al. (2013) advocate that employee retention influences the performance of an organization. As argued by Lyria, et al. (2014), employee retention is vital based on the fact that human capital is a crucial resource for the competitiveness of organizations in today's highly competitive economic environment. Therefore, many organizations, particularly banking institutions such as in Tanzania need to ensure and improve employee retention if the banks are to enjoy improved organizational performance and remain competitive.

Realizing the importance of employee retention, many organizations including banks, have taken initiatives to improve employee retention (Rashidi and Rahman, 2013; Ahmada, et al., 2015). For instance, Ahmada, et al. (2015) point out that training opportunities were the most important strategy adopted by the banking sector in Pakistan to retain their employees. On the other hand, Reddy and Govender (2014)

indicate that retention strategies like challenging work, flexible working plans, opportunities for learning and development as well as remuneration were adopted at a leading South African bank to retain employees. Similarly, Enu-Kwesi and Koomson (2014) point out that training and development stood out as significant employee retention strategy at the Ghana Commercial Bank in Ghana. In the Tanzanian context, Msisiri and Juma (2017) reveal that continuous improvement of employees, work environment, work-life balance arrangements and recognition as important strategies adopted by CRDB bank in Arusha to retain their employees. The literature above has evidenced that many banking institutions have taken initiatives and adopted different employee retention strategies to ensure that their employees are retained.

Despite importance of employee retention and initiatives taken in the banking institutions, empirical studies have evidenced that there is still a problem of retaining desirable employees (Ahmada, et al., 2015; Ldama and Bazza, 2015). Empirical literature review has shown that there are adverse consequences faced by organizations with a problem of retaining employees. For example, Kavitha, et al. (2011) indicated that by losing key employees, an organization in India experienced hassle (such as decline in standards of service provided and inconsistency in service provision) and cost of replacing the leaving employees.

Similarly, Chowdhury and Nazmul (2017) argue that when employees especially skilled employees leave an organization, there are resultant direct and indirect costs to the organization such as expenses for new recruitment, cost of selection, orientation, workshop and training for the fresh employees. There is also stress on the remaining employees due to high burden of work pending new recruitments. On the other hand,

Janjua and Gulzar (2014) argue that losing best workforce results in loss of competitive advantage of the organization in the global market. In the Tanzanian context, Mrope and Bangi (2014) argue that the lack of employee retention strategies almost always results in poor organizational performance.

Even though the problem of retaining employees which affects banking performance, little appears in empirical literature as evidence in addressing employee retention issues in Tanzania particularly in the banking institutions. Even for the few studies that exist most of them came up with different factors that influence employee retention. For instance, Muhoho (2014) reveals that opportunities for development, organizational justice, salaries and benefits and organization prestige do influence employee retention but neglected recognition, job security, career development and work environment which were identified by Oyagi and Kembu (2014). In the world context, many studies have addressed employee retention problem but most such studies have come up with conflicting findings and conclusions. For instance, in such developing countries as Asia, Imna and Hassan (2015) noted an insignificant influence of performance appraisal on employee retention while Ahmada, et al. (2015) indicated that performance appraisal is among the important strategies in retaining employees. Also, Ldama and Bazza (2015) found that training and development have positive and significant effect on employee retention while Gharib, et al. (2017) found no significant influence of training and development on employee retention.

Given the conflicting findings in the literature and the reality of the problem of retaining employees, which affects negatively the performance of banks, it is not clear which specific factors could help to ensure and promote employee retention in

Tanzanian banks. This study therefore aimed at filling the gap by investigating the factors that influence employee retention in the Tanzanian banking institutions particularly in the Dar es Salaam region. The study also shed light on the conflicting conclusions drawn in previous studies on factors influencing employee retention.

1.2   Statement of the Problem

Employee retention has gained importance in recent years as a result of its being appreciated in improving organizational performance and competitiveness (Ibidunni, et al., 2016; Mir and Mufeed, 2016). However, it has also been well evidenced in the literature that the problem of retaining skilled and experienced employees can have many negative effects in the performance and operation of the banking institution if not redressed (Ldama and Bazza, 2015). This has been well evidenced in literature (Chowdhury and Nazmul, 2017) in different contexts. For example, in the Indian context, Shahin (2017) argues that poor employee retention can lead to operational problems as well as low productivity, decreasing morale and increase in costs to the organization. On the other hand, Rijamampianina (2015) claims that poor employee retention affects organizational performance in many ways. In the context of Tanzania, Oyagi and Kembu (2014) points out that poor retention of employees can impose many operational costs such as the cost of new recruitment, training new employees and increases the work burdens to the remaining employees pending recruitment of new employees.

Based on this perspective, it is important to understand the factors or variables that can influence employee retention in the Tanzanian banks. Such an understanding can lead to appreciating the benefits associated with employee retention including overall

improved performance. However the benefits and impact associated with employee retention, many banking institutions in Tanzania are currently experiencing problem in retaining employees (Mboya, 2012; Mwita, et al. 2018). Despite the problem, there is scanty empirical literature on employee retention in the Tanzania banking industry. For instance, Msisiri and Juma (2017) who admitted that the problem is real, indicated that the work environment, continuous improvement of employees, work life balance and recognition significantly influence employee retention. The current study addressed the gap in literature by endeavouring to establish the factors influencing employee retention in the banking institutions in Tanzania particularly in the Dar es Salaam region.

In addition, it is not clear what factors influence employee retention in organizations due to the theoretical debate and empirical debate raised from inconsistence findings. For example, Umamaheswari and Krishnan (2016) found an insignificant influence of training and development on employee retention whereas Yousuf and Siddqui (2019) conversely indicated a significant influence of training and development on employee retention. On the other hand, Mehrez and Bakri (2019) found a significant relationship between employee performance appraisal and employee retention while Imna and Hassan (2015) revealed an insignificant influence of performance appraisal on retention of employees.

Similarly, few empirical studies conducted in Tanzania (Muhoho, 2014; Oyagi and Kembu, 2014; Msisiri and Juma, 2017) have come up with different factors that influence employee retention in organizations. Msisiri and Juma (2017) indicated that continuous improvement of employees, work environment, work-life balance and

recognition had significant influence on employee retention but neglected organizational justice, salaries and benefits and organizational prestige as addressed by Muhoho (2014). It is not therefore clear what factors influence employee retention in Tanzania banking institutions particularly in Dar es Salaam. The current study fills this gap by investigating the factors that influence employee retention at the country's banking institutions specifically in Dar es Salaam.

1.3   Research Objectives

1.3.1   General Objective of the Study

The general objective of the study was to investigate the factors influencing employee retention in the banking institutions in Tanzania.

1.3.2   Specific Objectives of the Study

The specific objectives of the study were:

(i)   To examine the influence of training and development elements on employee retention at selected banks in Dar es Salaam.

(ii)   To determine the influence of compensation elements on employee retention among selected banks in Dar es Salaam.

(iii)   To examine the influence of work environment attributes on employee retention among selected banks in Dar es Salaam.

1.4   Research Hypothesis

Null H1: Training and development elements have significant influence on employee retention at selected banks in Dar es Salaam.

Alternative H1: Training and development elements have insignificant influence on employee retention at selected banks in Dar es Salaam.

Null H2: Compensation elements have significant influence on employee retention among selected banks in Dar es Salaam.

Alternative H2: Compensation elements have insignificant influence on employee retention among selected banks in Dar es Salaam.

Null H3: Work environment attributes have significant influence on employee retention among selected banks in Dar es Salaam.

Alternative H3: Work environment attributes have insignificant influence on employee retention among selected banks in Dar es Salaam.

1.5   Scope of the Study

The geographical area covered by the study was Dar es Salaam administrative region. The limitation of the study to the region was based on the competitive environment in the banking business in the area which in turn resulted competition in retaining employees especially reputable bankers (Mboya, 2012; Kweka and Sedoyeka, 2014). So, with this scope the study managed to get required data to understand factors influencing employee retention at the selected banks in Dar es Salaam region.

1.6   Significance of the Study

The first significance of this study is at its theoretical level. The research results verified the applicability of Herzberg (1966) dual factor theory in studying employee retention in banking institutional settings. The derived model of the study can be a useful tool for predicting employee retention in the context of banking institutions in Dar es Salaam in Tanzania and elsewhere. While there is a general understanding about the problem of retaining employees at the banks in order to ensure the

performance of banks, yet little has been researched in the area. Due to limited research and lack of enough knowledge in this area, it has been difficult for managements of the banks to develop and implement policies that can help to improve employee retention.

This study hopes to have generated new knowledge in this area and can serve as a basis for formulating retention policies and evaluating decisions relating to employee retention issues in banking institutions in Dar es Salaam as well as in the banking industry of Tanzania in general. The methodology employed in this current study can help further researchers as a reference point to their studies on employee retention in the banking institutions. It has also contributed in extending the discussion of construct validity at confirmatory factor analysis level which can help to account for convergence and discriminant validity test.

1.7   Organization of the Thesis

The thesis is organized into six chapters. Chapter one presents the background of the study, the research problem, research objective and hypotheses of the study. Chapter two presents the theoretical and empirical literature review considering different debates and research efforts related to the study variables. Chapter three highlights the methodology adopted including data collection methods, data reliability and validity tests, measurement models, etc. Chapter four describes the results of the study in response to the study variables and developed hypotheses. Chapter five presents the discussion of the findings and finally, chapter six presents the conclusion, implications and recommendations of the study findings.

CHAPTER TWO

LITERATURE REVIEW

2.1   Introduction

The chapter provides the conceptualization of terms, highlights of empirical and theoretical literature review, critical review of the relevant theory, research gap, conceptual framework and hypothesis formulation.

2.2   Conceptualization of Terms

2.2.1   Employee Retention

Different scholars have defined employee retention such as to fit their context of study. For instance, Frank et al. (2004) define employee retention as the effort by an employer to keep desirable workers in order to meet defined business objectives. Gayathri, et al. (2012) on their part, define employee retention as a process of engaging and encouraging employees to stay with the organization for a defined maximum period of time or until the completion of a project. Msengeti and Obwogi (2015) define employee retention as the efforts, by any business or organization, to develop strategies and initiatives that support and encourage current staff to remain with the organization. Kavitha, et al. (2011) define employee retention as deliberate efforts made to retain quality individuals in an organization. After considering the elements used in these definitions, this study used a generic definition which provides that employee retention as the efforts made by any organization to encourage employees to stay with the organization for a maximum period of time or until the completion of a project. This definition was considered important to the study as it

provided that employees may not stay with the organization if are not encouraged to remain.

2.2.2 Training and Development

Francis (2014) refers to training and development as the formal activities undertaken by an organization to help employees acquire the skills and experiences needed to better perform current or future jobs. Dowling, et al. (2004) point out that training aims to improve current work skills and behaviors, whereas development aims to increase abilities relating to future positions or jobs. Tangthong, et al. (2014) on their part refer to training and development as the systematic development of knowledge, skills and attitudes required by employees to perform well given tasks or jobs. The current study used a generic definition which defines training and development as the formal activities undertaken by an organization to help individual employees in acquiring skills, knowledge, attitudes and behaviours to increase abilities for current and or future jobs. It was considered that this definition fits the current study as it contains important elements of training and development that can have effect upon employees in the banking institutions context. It therefore facilitated the study to examine the influence of training and development elements on retention of employees.

2.2.3 Compensation

Anis, et al. (2011) refer to compensation as cash and non-cash remuneration (such as salary and wages, benefits, bonuses, vacations, etc.) provided by an employer for services rendered. Kajungu and Mugisha (2015) refer to remuneration as the total package (i.e. salary or wage and various benefits) that an employee receives in

exchange for the services he/she has rendered to the employer. Francis (2014) defines compensation as the cumulative financial and non-financial rewards payable to employees in return for their services. A generic definition that was used in this study provides employee compensation as cash and non-cash rewards (such as salary, benefits, bonuses, allowances, etc.) from the employer payable to an employee in return for services rendered. This definition provided the study with important attributes of compensation that are commonly used in the Tanzanian banking context, hence, enabled the study to determine the influence of compensation on employee retention.

2.2.4 Work Environment

Jain and Kaur (2014) state that work environment involves all the physical, psychological and social aspects which act and react on the body and mind of an employee. According to Markey, et al. (2012) work environment encompasses the physical aspects, psycho-social and organizational surroundings of work but does not focus on individual employee or job characteristics. The study asserts that psycho-social aspects of work environment denotes how job demands and social structures and interactions in an organization influence the psychological wellbeing of employees (Markey et al., 2012). For the purpose of this study the generic definition used defines work environment as all the aspects (such as physical, psychological, social and organizational surroundings of work) which influence the body and mind of an employee. The definition encompasses all important attributes of work environment that reflect the Tanzanian banking institutions context and this helped the current study to examine the influence of work environment on employee retention.

2.2.5 Bank

In the Tanzanian context, a bank is an institution licensed by the Bank of Tanzania and authorized to receive money on current account subject to withdrawal by cheque (BOT, 2017). The banking sector in Tanzania comprises commercial banks, community banks, financial institutions, development finance institutions and microfinance banks. A bank can be a financial institution which is authorized by the Bank of Tanzania to engage in banking business not involving the receipt of money on current account subject to withdrawal being done by cheque (BOT, 2017). For the purpose of this study a bank is defined as a financial institution licensed by the Bank of Tanzania and authorized to receive money on current account subject to withdrawal being done by cheque or to engage in banking business not involving the receipt of money on current account subject to withdrawal by cheque.

2.3   Theoretical Literature Review

2.3.1   Herzberg Two Factor Theory

The current study is based on the Herzberg (1966) two factor theory with a focus on studying employee retention. Since there is no single factor for employee retention (Regina and Rosalia, 2015), the study believes that Herzberg (1966) two factor theory can sufficiently be applied in studying employee retention as the variables from both motivators (intrinsic) and hygiene (extrinsic) factors can be borrowed as predictor variables of employee retention. The motivator factors of the Herzberg two factor theory are such as achievement, responsibility, the work itself, recognition, advancement and growth. The hygiene factors are such as company policy and administration, supervision, salary, interpersonal relations and working conditions (Herzberg et al., 1959).

The study considered that the variables from both motivators and hygiene factors can be sources of job satisfaction and motivation at different contexts. Hence, it can be useful to combine the variables from both factors, that is, motivators and hygiene factors in studying employee retention. Previous studies (Tan and Waheed, 2011; Owler and Morrison, 2015) have evidenced results different from those of (Herzberg et al. 1959; Herzberg, 1966). For example, Tan and Waheed (2011) established that greater emphasis was put on the hygiene factors such as working condition, money and company policy as significant motivators which positively influenced job satisfaction to employees at Malaysian companies while only recognition which is a motivator factor was identified to have positive impact on job satisfaction (Tan and Waheed, 2011).

On the other hand, the study by Owler and Morrison (2015) in New Zealand indicated that growth, the work itself and the relationship with peers as the dominant staff motivation factors. However, the relationship with peers is generally considered a hygiene factor in Herzberg's framework. Similarly, in the Ugandan context, Onen and Maicibi (2004) indicated that one of the hygiene factors, that is, remuneration (basic salary and allowance) was a motivator and not just a dissatisfier as determined by Herzberg.

Other empirical studies (Kinnear and Sutherland, 2001; Maertz and Griffeth, 2004) have indicated that hygiene factors such as competitive salary, friendly working environment, job security and good interpersonal relationships were key motivational variables that influenced employees to remain in their organizations. Similarly, Samuel and Chipunza (2009) revealed that both intrinsic and extrinsic variables such

as a competitive salary package, training and development, job security and recognition/reward for good performance as critical variables that influenced employee retention. The implication of this is that both intrinsic and extrinsic variables can influence employee retention in organizations (Samuel and Chipunza, 2009). Therefore, the current study considered the importance of using both intrinsic (motivators) and extrinsic (hygiene) factors in studying employee retention.

Therefore, Herzberg (1966) two factor theory was applied in investigating the factors that influence employee retention at the selected banks in DSM by considering both hygiene (extrinsic) factors and motivator (intrinsic) factors of the theory. The study tested the factors which were borrowed from Herzberg (that is, training and development, compensation and work environment) as independent variables on their influence on employee retention. Empirical studies (Kinnear and Sutherland, 2001; Maertz and Griffeth, 2004) have, however, indicated that extrinsic factors were key motivational variables that influenced employee retention in organizations. Other prior studies (Adzei and Atinga, 2012; Oyagi and Kembu, 2014) also used variables from both motivators and hygiene factors of Herzberg two factor theory as predictor variables of employee retention. The implication of this is that managements of banks should not rely only on intrinsic variables in influencing employee retention rather a combination of both intrinsic and extrinsic variables should be called to bear.

The Applicability of Herzberg (1966) two factor theory in studying employee retention has been observed and evidenced in a number of empirical studies (Kassa, 2015; Msengeti and Obwogi, 2015). For example, Kassa (2015) used Herzberg two factor theory to study employee retention and found a positive and significant

relationship between motivational factors such as reward, recognition, promotion, salary, development, security and working environment on employee retention. In a related perspective, Adzei and Atinga (2012) linked motivation and retention of health workers in Ghana's district hospitals. The study results indicated that motivational factors such as salary supplements, benefits and allowance remained as significant predictors of employee retention in the district hospitals.

Despite its applicability in a number of studies of employee retention, the Herzberg (1966) two factor theory was developed not to study employee retention but to study employee motivation in terms of factors which motivate and those which do not motivate employees at work. In addressing this weakness, a number of scholars have modified the dependent variable motivation into employee retention to fit the context. For example, Kassa (2015) carried out a study on employee retention by modifying the dependent variable and found a positive and significant relationship between promotion, reward, salary, recognition, development, working environment and security on employee retention. Hence in applying Herzberg (1966) two factor theory in the current study, the researcher modified the dependent variable and independent variables to fit the context of employee retention in the selected banks in Dar es Salaam region as suggested by (Samuel and Chipunza, 2009).

In the perspective of the current study, the Herzberg (1966) two factor theory was used to inform the study on the influence of training and development elements, compensation elements and work environment attributes on employee retention at the selected banks in Dar es Salaam. This means that the study borrowed predictor variables of employee retention from Herzberg (1966) two factor theory. The main

variables (factors) from the theory that were borrowed have helped to provide further light on the influence of training and development, compensation and work environment in influencing employee retention. Table 2.1 shows the summary of the theory.

Table 2.1: Summary of the Theory

Theory	Main variables	Implication on the current study
Herzberg two factor theory	**The main variables:** • Training and development • Compensation • Work environment	Employee retention is influenced by training and development, compensation and work environment.

2.3.2   Developments of Herzberg Two Factor Theory

The Herzberg (1966) two factor theory is among the content theories of motivation. The content theories tend to focus on the needs of the individual, and try to explain the different factors that contribute to either encouraging or halting behaviour within the concerned individual (Tan and Waheed, 2011). The study by Regina and Rosalia (2015) embraced motivation as the driving force that initiates the action an individual takes in a given situation. Herzberg two factor theory or sometimes called as Herzberg's Motivation-Hygiene theory or the dual factor theory was first described and tested by Frederick Herzberg with his colleagues Bernard Mausner and Barbara Snyderman in 1959 (Herzberg et al., 1959). For the first time the two sets of factors (motivator and hygiene factors) which are at the core of the theory were highlighted (McKee, 2007). Herzberg et al. (1959) concluded that job satisfiers are related to job content whereas job dissatisfiers are allied to job context.

Furthermore, Herzberg et al. (1959) labelled satisfiers as motivators and regarded dissatisfiers as hygiene factors. The theory focuses on outcomes of satisfaction and dissatisfaction; hence, it found that certain aspects of a job can cause satisfaction and therefore motivation whereas certain aspects caused job dissatisfaction (Dugguh and Dennis, 2014). Therefore, motivator factors of the Herzberg's two factor theory are such as achievement, responsibility, the work itself, recognition, advancement and growth. The hygiene factors are such as company policy and administration, supervision, salary, interpersonal relations and working conditions (Herzberg et al., 1959). Herzberg and his colleagues suggested that satisfaction and dissatisfaction are two separate phenomena (Herzberg et al., 1959; Herzberg 1966).

Herzberg (1966) subsequently went on to develop a two-factor theory of job satisfaction that also explored job dissatisfaction. The Herzberg (1966) two factor theory suggests that there are certain factors in the workplace that cause job satisfaction (and motivation) while a separate set of factors cause dissatisfaction. These are motivators and hygiene factors.

According to Herzberg (1966) two factor theory, motivation of employees at workplace would occur only as a result of the use of motivators such as achievement, responsibility, the work itself, recognition, advancement and growth. This is contrasted with a second set of factors called hygiene factors such as company policy and administration, interpersonal relations, salary, supervision, job security and working conditions. The use of these factors at workplace would not motivate or create satisfaction to employees, instead it results in a neutral state (Herzberg, 1966).

In addition, Herzberg (1966) concluded that the satisfier factors have to do primarily with a worker's relationship to what he/she does (i.e. his/her job content), that is, achievement on a task, recognition for task achievement, responsibility for a task, the nature of the task and professional advancement or growth in task capability. In contrast, the dissatisfier factors describe an employee's relationship with the context or environment in which he/she works (Herzberg, 1966). Here the major dissatisfier factors were such as company policy and administration, supervision, salary, interpersonal relations and working conditions (McKee, 2007).

Moreover, Herzberg (1966; 1968) viewed the two dimensions of satisfaction and dissatisfaction as being independent. Hence, according to Herzberg, satisfaction is not the opposite of dissatisfaction but, instead, the opposite of dissatisfaction is no dissatisfaction (McKee, 2007). Therefore, when hygiene factors are evaluated by an employee, they range from inadequate (dissatisfying) to adequate (not dissatisfying) (McKee, 2007). Furthermore, motivation or satisfaction, on the other hand is determined by a set of intrinsic, work related factors (McKee, 2007). When the intrinsic factors are absent, the work provides no satisfaction but when they are present the work itself becomes a source of satisfaction (Herzberg, 1966). Herzberg (1966) concluded that the opposite of job satisfaction would not be job dissatisfaction, but rather no job satisfaction likewise the opposite of job dissatisfaction is no job dissatisfaction.

On the other hand, Hackman and Oldham (1976) developed the Job Characteristics theory, which took further the idea of intrinsic motivation of Herzberg by defining psychological states that must be present in order for workers to be motivated. These

states are dependent upon the characteristics of the job and are moderated by an individual's internal desire for growth (Hackman and Oldham, 1976). The Job Characteristics theory suggests that a well-developed job design can cause an employee to be more internally motivated and satisfied with a job, as well as personal growth opportunities (Hackman and Oldham, 1976). It would be helpful if ways were elaborated to evaluate jobs and to see if they should be redesigned to increase employee motivation and production (Hackman and Oldham, 1976). Therefore, the theory addressed the importance of job characteristics that can go hand in hand with Herzberg's intrinsic factors to better motivate employees at work.

Hackman and Oldham (1980) developed a job characteristics approach for job enrichment. Job enrichment is a job-design strategy for enhancing job content by building into it more motivating potential (Lunenburg, 2011). It assigns employees tasks requiring higher levels of skill and responsibility and greater control over how to perform (Lunenburg, 2011). Expanding on the work of Frederick Herzberg, Hackman and Oldham (1980) provide an explicit framework for enriching jobs (Lunenburg, 2011). The five widely used approaches in enriching jobs include vertical loading, natural grouping, formation of natural teams, establishing client relationships and opening feedback channels (Greenberg, 2011; Robbins and Judge, 2011). So, Hackman and Oldham were trying to advance ways to motivate employees by enhancing job content basing on what was already laid down by Herzberg.

Later on, Herzberg (1987) advanced his theory by addressing the motivating factors associated with work. He introduced what he called job enrichment. His premise was that every job should be examined to determine how it could be made better and more

satisfying to the person doing it (Herzberg, 1987). According to Herzberg (1987) job enrichment provides the opportunity for employee's psychological growth. Herzberg (1987) concluded that job enrichment will not be a one-time proposition but a continuous management function as it remains to be key for designing work that motivates employees.

Moreover, Herzberg (1987) also introduced the idea of kick in the ass (KITA) where he differentiated between movement and motivation. According to Herzberg (1987) the motivator factors that are intrinsic to the job are achievement, recognition for achievement, the work itself, responsibility and growth or advancement. Whereas the dissatisfaction-avoidance or hygiene (KITA) factors that are extrinsic to the job include company policy and administration, interpersonal relations, salary, supervision, status, job security and working conditions. Despite some developments based on the theory, Herzberg two factor theory remained having the same motivators and hygiene factors as it was described and tested for the first time in 1959 by Herzberg himself and his colleagues.

So, Herzberg two factor theory was the basis of this study after it has been empirically evidenced (Motlou and Karodia, 2016; Waweru and Kagiri, 2018) that when employees are motivated or satisfied at work, they are likely to stay on in the organization. Both motivation and hygiene factors were considered important in studying employee retention in the current study because all were thought to have potentials in influencing employee retention. This is because according to Frederick Herzberg motivating employees is a two-step process where the first step provides hygiene factors and later motivator factors (Worlu and Chidozie, 2012). So, in other

words motivators cannot work when there are no hygiene factors in place as these are responsible for dissatisfaction or no dissatisfaction to employees. This implies that when employees are dissatisfied at work the motivators of Herzberg cannot motivate those employees and vice versa. According to Herzberg, hygiene factors can not produce motivation, but they can prevent motivation from occurring (Worlu and Chidozie, 2012). Therefore, in studying employee retention, the current study borrowed three factors from Herzberg dual factor theory.

2.4   Empirical Literature Review

2.4.1   Influence of Training and Development Elements on Employee Retention

Worldwide, Imna and Hassan (2015) conducted a study on the influence of human resource management practices on employee retention in a Maldives Retail Industry. Using regression analysis, career development was found to have positive and significant impact on employee retention. Furthermore, the study revealed insignificant influence of training and development on employee retention. It was revealed that when training and development is linked with career development it is positive and significantly influences employee retention.

Since the data for the study was collected from the Male' city only the research findings may not represent other retail industries across Maldives. The current study, therefore, has increased research coverage by extending the study in other industries, that is, bank industry in exploring factors influencing employee retention. Convenience sampling which was used in selecting research participants may not be representative of the Maldives population working in the retail industry despite its

usefulness when difficult to identify members of a population. To overcome the weaknesses of convenience sampling, the current study used such other forms of sampling such as stratified sampling and simple random sampling as these can provide more reliable results based on a more representative sample of the population.

The study by Govaerts, et al. (2011) on employee retention, observed that appreciative learning and learning attitudes increased the intention and determination of employees to stay on with the organization. In a banking context, Rashidi and Rahman (2013) study on employee retention issues in the banking industry of Pakistan found that the factors influencing employee retention differ from one bank to another. Using regression analysis, the study indicated that training and development was the most significant factor that influenced employee retention at the Habib Metro Bank. Kanwal and Majid (2013) on their part, studying retention management in the banking system of Multan in Punjab, Pakistan, found that training and development has a significant influence on employee retention.

Hong, et al. (2012) carried out a study on the effectiveness of human resource management practices on employee retention in institutes of higher learning in Malaysia. The findings from quantitative data, using a multiple regression analysis, revealed a significant relationship between training and employee retention. In a banking context, Ahmada, et al. (2015) studying human resource practices and employee retention in the banking sector of Pakistan, pointed out that training opportunities is one of the critical strategies of retaining employees. On the contrary, Terera and Ngirande (2014) indicated an insignificant relationship between training and employee retention.

An empirical study by Saravana and Dhamodharan (2013), on talent retention strategy by BPO's in India, indicated that talent development and opportunities to learn new things stood out as the factors that make most employees remain in jobs. On the other hand, Patel and Patel (2014) conducted a study on the impact of HR practices on employee retention in India and argued that career development has the highest value in relation to employee retention. In the Pakistanian context, Shoaib, et al. (2009) who carried a study on the determinants of employee retention in the telecom sector, revealed a positive relationship of career development opportunities on employee retention.

Sohail, et al. (2011) who did a study in Pakistan on "losing your best talent: employee retention dilemma of the textile industry, a case of textile sector" established that career path has strong positive correlation with employee retention. Similarly, Nasir and Mahmood (2016) argued that career development is significantly correlated with employee retention. In a related perspective, Mehrez and Bakri (2019) in Qatar observed a positive and significant influence of training and development on employee retention.

In the African context, Mutiria, et al. (2015) conducted a study on factors influencing employee retention at Meru University of Science and Technology in Kenya. By using multiple regression analysis, they established that career growth and training have significant influence on employee retention. Similarly, Kwenin (2013) in Ghana used correlation analysis and found a positive relationship between career development opportunities and employee retention. The study recommended that an employee flourishing environment should be provided at workplaces in order to make

employees more satisfied and encouraged to remain in Vodafone Ghana limited. Enu-Kwesi and Koomson's (2014) research on determinants of employee retention in Ghana Commercial Bank in Kumasi and through step-wise regression analysis revealed that training and development contributed to employee retention but at a moderate rate. The study recommended that employees and branch managers should cooperate in reviewing existing benefits by recasting the policies such as to enable training and development to encourage employees to remain in jobs.

In the context of banking business, Ldama and Bazza (2015) conducted a study on the effect of training and development on employee retention in Nigerian banks. The questionnaire findings, through regression analysis found that training and development have a positive and significant influence on employee retention. It was recommended that commercial banks in Adamawa state in Nigeria should provide adequate training for staff in order to retain them in jobs. The research coverage could be extended by assessing the effect of other motivational strategies on employee retention in the banking industry of Adamawa state. The study used convenience sampling to select bank staff as research participants. This may not have been representative of the population in the banking institutions of Adamawa state. The use of other forms of sampling such as random sampling may provide more reliable data based on representativeness of the population.

In Tanzania, Msisiri and Juma (2017) did a study on the relationship between non-financial rewards and employee retention in the banking industry as a case of CRDB Bank in Arusha. By using regression analysis, the study found that continuous improvement of employees especially through career development had a positive

influence on employee retention. The research findings may not represent the situation in other banking institutions across Tanzania as the data for the study in Arusha was collected in respect of the Arusha region only targeting only one bank. To overcome the weakness in the referred study, the current study expanded the scope of research coverage by considering different categories of banks in Dar es Salaam and included such banks as microfinance banks, development finance institutions, commercial banks, community banks and financial institutions. The findings of this study can be applicable across all banks in Dar es Salaam Region.

In the same context, Muhoho (2014) conducted a study to assess the factors influencing employee retention in Tanzania's work organizations. Using descriptive statistics and Excel in data analysis, the study revealed that employee opportunities for further development strongly influence their retention in jobs. The study recommended the creation of assured opportunities for further development and learning. Oyagi and Kembu (2014) on their part, in studying retention of academic staff in DSM institutions revealed that career development and promotion opportunities were significant in influencing retention. These empirical studies helped to evidence the existence of a relationship between employee retention and training and development.

2.4.2 Influence of Compensation Elements on Employee Retention

Research by Kanwal and Majid (2013) on employee retention in the banking industry in Pakistan indicated that low pay, lack of bonus and related rewards schemes have a significant impact on employee retention. Eberendu and Okere (2015) conducted an empirical review of motivation as a factor of employee retention. Through regression

analysis of data, the study observed that performance-based compensation was among the core motivation factor that determine the level of employee retention. Similarly, Hong, et al. (2012) indicated that compensation has significant relation with employee retention at the institute of high learning in Malaysia.

Saravana and Dhamodharan (2013) who carried a study in India found that remuneration is among the factors that influence most employees of two BPO companies to stay on in jobs. In the same perspective, Sohail, et al. (2011), after a study on "losing your best talent: employee retention dilemma of textile industry, a case of textile sector", advocated that compensation correlates positively with employee retention in the textile industry of Pakistan. Patel and Patel (2014) carried a study on employee retention in Hazira, Surat and observed that rewards have the highest value in relation to retention of employees in jobs. On a related perspective, Rakhra (2018), on studying retention at companies in Delhi, India observed that wage and compensation do contribute significantly to employee retention.

Shoaib, et al. (2009), on studying the determinants of employee retention in the telecom sector of Pakistan, found a positive relationship between rewards and employee retention. Nasir and Mahmood (2016) also observed that rewards have a significant relationship with employee retention at various organizations of Karachi, Pakistan. Khoshnevis and Gholipour (2017) argue that compensation had positive and significant relationship with employee retention at the Iran Melli Bank in Iran. Mehrez and Bakri (2019) who conducted a study in Qatar and used SEM in data analysis, observed a positive relationship between HR practices such as compensation and benefits and salary dispersion with employee retention.

On a similar perspective, Ahmada, et al. (2015) studied Human Resource practices and employee retention in the banking industry of Pakistan and pointed out that attractive rewards are among the most important strategies of retaining employees. Sarmad, et al. (2016) who conducted a study in Pakistan and used multiple data regression analysis, established that motivation and compensation have noticeable impact on employee retention. Similarly, Patil and Sharma (2014) concluded that compensation was a critical variable in retaining employees at the Plastic manufacturing companies in Jalgaon District in India. Kossivi, et al. (2016) argued that compensation contribute significantly to retention of employees. In the same vein, Mamahit, et al. (2019) who conducted factor analysis on employee retention at Ibis hotel Manado concluded that compensation impacted significantly retention of employees at the Ibis Hotel in Indonesia.

In Africa, Reddy and Govender (2014) conducted a study on retention of workers at a leading South African Bank. Using Chi-square test in data analysis, the study revealed that remuneration was an important factor that influenced employees to remain at the bank. Nnabuife, et al. (2017) also did a study in Nigeria on rewards and employee retention and identified monetary rewards as significantly related to employee retention.

In the Kenyan context, Mutiria, et al. (2015) indicated that welfare benefits greatly influenced employee retention. Welfare benefits that were highlighted by the study to influence retention included pension scheme, retirement scheme and leave scheme. The research findings may not represent the situation and reality in other Universities across Kenya as the data was collected only from the Meru University. The current

study has therefore, increased related research coverage by extending the study in other industries, that is, the bank industry in establishing the factors that may influence employees to stay on in their jobs at the banks.

Kajungu and Mugisha (2015) carried a study on the role of remuneration in enhancing employee retention of health workforce in a rural district setting in Uganda. Using correlation analysis, the study revealed that there is a significant relationship between remuneration and retention of health workers. The study elaborated that all remuneration factors such as pay level, allowances and merit pay showed a significant relationship with retention of health workers. It was recommended that pay policy reforms and structures as well as redesigning of allowances be undertaken such as to include all health workers so that they can stay longer in service.

Similarly, Kwenin, et al. (2013) who conducted a study on employee retention in Ghana came up with the finding that adequate reward systems help to increase retention of employees. In the Tanzanian context, Muhoho (2014) revealed that salaries and other benefits strongly influence employee retention. The study recommended regular review of the remuneration packages and attractive retirement plans in order to improve employee retention.

Oyagi and Kembu (2014) conducted a research to assess the relationship between motivation and retention of academic staff in selected public institutions of higher learning in Dar es Salaam and found that monetary incentives have positive and significant influence on employee retention. These empirical studies helped to provide evidence on the relationship between employee retention and employee compensation using a number of indicator variables.

2.4.3   Influence of Work Environment Attributes on Employee Retention

Sohail, et al. (2011) did a study on "losing your best talent: employee retention dilemma of textile industry, a case of textile sector" found that working environment correlates positively with employee retention. In the Pakistan context, Kanwal and Majid (2013) studied retention management in banking system of Multan in Pakistan and indicated that long working hours and lack of effective communication between employees and employers have a significant impact on retention of employees. Govaerts, et al. (2011) who conducted a study on the influence of learning and working climate on the retention of talented employee revealed that working climate and creativity increase the intention of employees to stay on with an organization.

On a related perspective, Tansuria and Nelwan (2018) did an exploratory factor analysis of employee retention in tertiary educational institution using a case study of a private University in East Indonesia. The study indicated that performance management, organizational culture, employee engagement, social support and work environment do contribute significantly to retention of employees at the university. The study used purposive sampling to select research participants. This may not have been representative enough of the Indonesia population working in tertiary educational institutions.

To avoid the weaknesses of purposive sampling (non-probability sampling), which was applied by study at the tertiary educational institution in Indonesia, the current study used other forms of sampling such as stratified sampling and simple random sampling. It was considered that such sampling may provide more reliable results from a more representative sample to the population. Additionally, the findings may

not be robust enough as the data collected at the university was analyzed using Exploratory Factors Analysis (EFA) which does not take into account measurement errors (Yong and Pearce, 2013). In order to account for this weakness the current study used Confirmatory Factor Analysis (CFA) before testing the hypotheses using binary logistic regression.

Ahmada, et al. (2015) who did a research on human resource practices and employee retention in the banking sector of Pakistan found that recognition and annual performance appraisal are among the most important strategies of retaining employees. The study recommended that more flexible working hours and safer good working environment be established by HR departments and management in order to retain employees. In addition, Gangwani and Dubey (2016) carried out a study on influence of working environment on employee retention of IT professionals in Indore region in India. The study results from questionnaires using regression analysis revealed that a good working environment has a positive relationship with employee retention. Mehrez and Bakri (2019) also observed a positive relationship between HR practices such as management support, working conditions, job design and analysis, performance appraisal, employee empowerment and job security and employee retention among government employees in Qatar.

Additionally, Imna and Hassan (2015) who conducted a study on the influence of human resource management practices on employee retention in Maldives retail industry, advocated that recognition and health and safety have positive and significant impacts on retention. The study did not find any significant influence of performance appraisal on employee retention. On the contrary, the finding by Hong, et

al. (2012) established a significant relationship between staff appraisal system and employee retention. The contradiction in the findings as shown in the literature calls for more research in the subject area in order to establish what might have contributed to these contradictions. Nonetheless, it was revealed from the study that when performance appraisal is linked with reward and compensation, there is a positive and significant enhancement of employee retention.

Saravana and Dhamodharan (2013) who carried an empirical study on talent retention strategy by BPO's in India indicated that recognition and challenging assignments are factors that make most employees stay on in jobs. Since the findings for the study were based on data that was collected from a specific group, that is, middle level employees, the study findings may not be applicable to all categories of employees in the BPO companies. The current study increased research coverage by including non-management, middle level management employees and top management employees as the needs and levels of satisfaction may be different. In the context of Syria, Gharib, et al. (2017) used multiple regression analysis when studying factors affecting staff retention and noted a significant influence of job security on staff retention.

A study by Shoaib, et al. (2009) on the determinants of employee retention in the telecom sector of Pakistan revealed a positive relationship between supervisor support, working environment and work-life policies and employee retention. Patel and Patel (2014) also showed that work environment is significantly related to employee retention. Even Eberendu and Okere (2015) argued that recognition for good work done is a key motivation factor that has a positive influence on employee retention.

Similarly, Roy (2018) who did a study in the banking industry at Jorhat city in India, revealed a significant relationship between work-life balance and employee retention. Nasir and Mahmood (2016) researched on determinants of employee retention in Pakistan and argued that work-life balance, job satisfaction, work environment, recognition and supervisor support are significantly correlated with employee retention. In a similar study, Malik, et al. (2018) on studying the relationship between supervisor support, co-worker support and employee retention in service sector organizations of Pakistan, argued that co-worker support and supervisor support have significant and direct relationship with employee retention.

In the African perspective, a study by Enu-Kwesi and Koomson (2014) on determinants of employee retention in Ghana Commercial Bank in Kumasi, indicated that communication, justice and fairness, contributed to employee retention at a moderate rate. The study recommended that employees and bank branch managers should cooperate in reviewing existing policies so as to enhance communication, justice and fairness in improving employee retention. In a similar study, Kwenin, et al. (2013) who carried a research on employee retention in Ghana and used Chi-square analysis, revealed that equity through adequate reward systems increases retention of employees.

Further, Kwenin (2013) who conducted a study on the relationship between work environment, career development opportunities and employee retention in Vodafone Ghana limited indicated that work environment was positively related to employee retention. The study recommended that a friendly environment should be provided for the workplace to make employees more satisfied and encouraged to remain in

Vodafone Ghana. On the other hand, Reddy and Govender (2014) recommended retention strategies such as flexible working hours and a more meaningful and challenging work environment as important in retaining knowledge based, talented and experienced workers.

In the East African context, Mutiria, et al. (2015) carried a study on factors influencing employee retention at the Meru University of Science and Technology in Kenya. Through multiple regression analysis, the study indicated that performance appraisal and welfare benefits such as pension scheme, retirement scheme and leave scheme have influence on employee retention. Logically training on organization commitment, career growth through job mobility and welfare benefits such as pension scheme, retirement scheme and leave scheme stand out as indicator variables that influenced retention of employees at the university.

In a banking context, Mohamed, et al. (2017) did a study in Sudan and after analyzing data using regression analysis the study revealed that work environment contributes to employee retention. On the other hand, Samuel and Chipunza (2013) indicated that challenging work, inter-personal relationship, access to research resources and job security are important variables that contribute to retention of senior academics at institutions of higher learning in South Africa.

In the Tanzanian context, Oyagi and Kembu (2014) carried a study to assess the relationship between motivation and retention of academic staff in selected public higher institutions of learning in Dar es Salaam and found that recognition, job security and work environment have positive and significant influence on employee

retention. Muhoho (2014) who carried out a study on assessment of factors influencing employee retention in Tanzania revealed that psychological factors like organizational justice and prestige influenced employee retention. The study recommended that organizations need to create a work environment that promotes creativity at the workplace as this makes employees feel that their ideas are valued and hence encourages them to stay on with the organization.

Mwita, et al. (2018) did a study on the influence of leadership on employee retention in Tanzania commercial banks. Using linear regression analysis for data collected at one branch of Akiba Commercial Bank (ACB) in Buguruni, Dar es Salaam (DSM) and one branch of TPB Bank in Morogoro, the study revealed a significant linear relationship between leadership and employee retention. As the data for the study was collected from just two small branches, one in Dar es Salaam and one in Morogoro, the research findings may not be representative of other commercial banks across Tanzania due to such factors as geographical factors, etc.

Despite the fact that all employees at the two bank branches above (in Dar es Salaam and Morogoro) were involved in the study without any sampling, still the findings may not provide reliable results due to the low representativeness of the population of commercial banks of Tanzania. The current study also narrowed the geographical coverage by limiting the study to Dar es Salaam region. Even so, this study increased the research coverage by including more study variables in addition to leadership and involved other bank categories like community banks and microfinance banks, in exploring factors that influence retention of employees at the banks.

In a related perspective, Mkulu, et al. (2017) revealed that workplace factors do contributed to academic staff retention in private universities in the southern highlands zone in Tanzania. In the context of banks, Msisiri and Juma (2017) found a significant relationship between non-financial rewards, that is, work environment, work-life balance and recognition, and employee retention in CRDB bank in Arusha. Since the data for the study was collected only from the Arusha region, the research findings may be not representative of other banking institutions across Tanzania.

In addition, the CRDB bank is a commercial bank, so the results of the study may not reflect to situation in other banks such as microfinance banks, development finance institutions and community banks. Hence, the current study has increased the coverage by considering all bank categories in looking at financial and non-financial rewards and other factors that influence employee retention at the selected banks in Dar es Salaam region. Given the outcomes of these empirical studies, it is evident that there is a relationship between work environment and employee retention.

The empirical studies above and other cited prior studies have indicated that there is a relationship between elements of training and development, compensation and work environment and employee retention. However, the previous studies have shown similarity in focus as many studies reviewed tried to bring to light the needs of employees, how these needs are satisfied and what motivates employees to work hard and stay on in an organization. Different results from previous studies on factors that encourage employees to stay might be due to the fact that satisfaction levels, sensitivity levels, perceptions and needs of every individual are different and everyone thinks separately (Zareen et al., 2013). This raises the need to conduct more research

in different organizational settings in establishing specific factors that influence employee retention in defined settings. It also raises the need to investigate further the needs and perceptions of employees since these differ from individual to individual.

2.5   Research Gap

Despite the wide use of Herzberg (1966) two factor theory in studying employee retention and the availability of empirical evidence (Kwenin, 2013; Kajungu and Mugisha, 2015; Gangwani and Dubey, 2016) on employee retention, most of the studies were done in countries other than Tanzania and the theory was validated in those countries. Dolnicar and Grun (2007) have argued that culture has a strong influence on the outcome of any research findings. It is therefore, not clear whether the findings from the referred studies in other countries can also be applicable to the context of Tanzania, particularly in the selected banks in Dar es Salaam region. Thus, this study endeavoured to fill the gap by borrowing factors from Herzberg dual factor theory in studying employee retention by accommodating independent variables of the theory on factors influencing employee retention.

Nonetheless some previous studies have come up with conflicting findings. For instance, Imna and Hassan (2015) revealed insignificant influence of performance appraisal on employee retention, whereas Hong, et al. (2012) revealed a significant relationship between appraisal system and employee retention. Msengeti and Obwogi (2015) on their part, noted a weak influence of pay on employee retention while Kajungu and Mugisha (2015) indicated a significant relationship between remuneration and employee retention. Given these conflicting results, it is, therefore, not clear what factors and to what extent they influence employee retention in the

banking industry such as in Dar es Salaam region. The current study therefore, investigated the factors influencing employee retention at selected banks in Dar es Salaam.

2.6 Conceptual Framework, Operational Definitions and Hypothesis Development

The conceptual framework for this study was developed from the reviewed theoretical and empirical literature and by using three independent variables, namely, training and development elements, compensation elements and work environment attributes and one dependent variable, namely bank employee retention. The framework is depicted in Figure 2.1.

Independent variables   **Dependent variable**
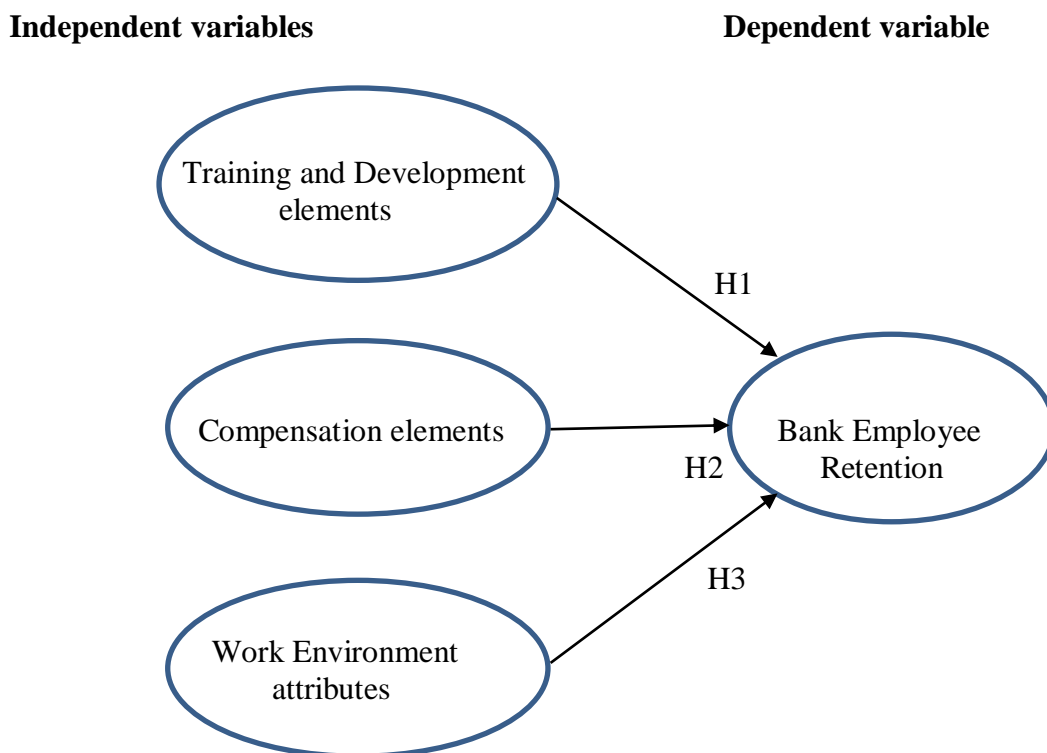
Figure 2.1: Conceptual Framework for this Study

Source: Author based on Literature Review (2018)

2.6.1   Operational Definition for Dependent Variable

Employee retention

The study by Ngure and Waiganjo (2017) used statements that aimed to indicate the respondents' intention to stay or intention to leave the organization all as ways of measuring employee retention. Ng'ethe, et al. (2012), in studying determinants of academic staff retention in the public Universities in Kenya measured employee retention by asking respondents about their intention to stay or leave the organization. Given the above operational definitions of employee retention, the current study measured employee retention in terms of employee intention to stay or intention to leave the employing organization.

2.6.2   Operational Definition for Independent Variables

Training and development

Salman, et al. (2014) used opportunities for promotion, education/training opportunities and growth opportunities to measure employee development in studying factors affecting employee retention at the banking sector in Pakistan. Salman, et al. (2014), also used opportunities for job specific training, sufficient time for training, sufficient budget for training and experienced trainers to measure training. Francis (2014) used opportunities to upgrade knowledge and skills, opportunities to improve performance, job related training and opportunity for professional development in measuring training and development in his study on the impact of human resource management practices on employee retention in Nigeria's manufacturing industries.

Hong, et al. (2012) used training and development elements such as opportunities for higher qualification, training on job skills, training on quality improvement skills,

mentoring and career planning, to measure the effect of training and development on employee retention. Given these operational definitions of training and development, the study developed the following hypothesis:

Null H1: **T**raining and development elements have significant influence on employee retention at selected banks in Dar es Salaam.

Alternative H1: Training and development elements have insignificant influence on employee retention at selected banks in Dar es Salaam.

Employee Compensation

Msengeti and Obwogi (2015), in studying the effect of pay and work environment on employee retention, used equity in pay, incentives for good performance, fair salary and better pay as indicator variables for compensation. Kajungu and Mugisha (2015) used such indicator variables as pay level, allowances and merit pay, to measure remuneration, in studying the role of remuneration in retention of health workforce in Uganda. On the other hand, Ahmad et al. (2013) revealed that leave, loan and retirement plan were indicator variables of benefits used in studying the relationship between types of benefits and employee retention.

In the same vein, Ldama and Peter (2017) who did a study on the effect of compensation/ pay on staff retention in selected commercial banks in Nigeria, defined compensation/pay as monetary benefits (such as total salary package, health care, pay raise, leave grant, profit sharing scheme, stock option and other financial benefits), that accrue to employees, both intrinsically and extrinsically. Muhoho (2014) on his

part, indicated that salaries and other benefits used to measure compensation have strong influence on employee retention. Given this operational definition of employee compensation, the hypothesis for the study was developed.

Null H2: Compensation elements have significant influence on employee retention among selected banks in Dar es Salaam.

Alternative H2: Compensation elements have insignificant influence on employee retention among selected banks in Dar es Salaam.

Work environment

Richmana, et al. (2008) used work hours, company policies, individual flexibility needed at work, levels of flexibility (i.e. ongoing, formal and occasional) as indicator variables to measure workplace environment. Govaerts, et al. (2011) used indicator variables such as control over work, work pressure, creativity, opportunity to use skills and knowledge at work, ability to criticize, opportunity to use personal talents and initiatives to measure working climate of an employing organization. The study by Irshad (2012) indicated that organizational justice and fairness to employees as important variables of work environment as they play an extremely necessary role in retention of employees.

Msengeti and Obwogi (2015) used indicator variables such as opportunities for promotion, recognition, working conditions, control over work, work-life balance, communication, clear job responsibilities, opportunities to use personal talents and initiatives and working relationship with supervisors to measure work environment.

Kanwal and Majid (2013) used working hours and effective communication as indicator variables to measure workplace environment. Ahmada, et al. (2015) on their part, indicated that recognition and performance appraisal of employees are important variables of work environment that influenced employee retention. Given the operational definitions of work environment, the study posits the following hypothesis:

Null H3: Work environment attributes have significant influence on employee retention among selected banks in Dar es Salaam.

Alternative H3: Work environment attributes have insignificant influence on employee retention among selected banks in Dar es Salaam.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1   Introduction

Goretti (2008) refers research methodology as a way to systematically solve the research problem whereby various steps are adopted in studying the research problem along with the logic behind them. In this perspective, the undertaking of a research is explained in different methodological assumptions such as philosophical paradigm, research approach and design, sampling design and data collection and analysis. These methodological assumptions usually are employed by a particular problem solving inquiry in an attempt to seek out answers to research questions and thereby addressing research objectives.

The research methodologies for the current study were chosen in order to address the study objectives which are related to factors influencing employee retention among selected banks in Dar es Salaam, Tanzania. The rationale for each choice of methodology is explained and discussed. So, the rationale for chosen research philosophy, research design strategy, study population, study area, sample size and data collection tools were explained and discussed. The section also indicates how the data collection tools were developed and validated. Moreover, the measurement part in this chapter indicates the study variables, their operationalization and data analysis tools. Finally, the section described how ethical issues were considered.

3.2   Research Paradigm

Saunders, et al. (2009) defines a paradigm as a set of shared assumptions or ways of thinking about some aspect of the world. According to him, the beliefs and

experiences of researchers who undertake particular inquiries influence how they view the environments and the world surrounding them which in turn influence how knowledge is created and the process by which it is developed. Within this context, the main objective of the current study was to investigate factors influencing employee retention among selected banks in Dar es Salaam region. Under this objective, the study adopted a positivism philosophy and used quantitative approach.

The positivism philosophy was used in this study as the developed hypothesis and proposed model can be tested to explain the factors influencing employee retention among selected banks in Dar es Salaam region. According to Crowther and Lancaster (2014) positivism research philosophy obeys assessment of precise knowledge gain through empirical and measurements evidence. On the other hand, Lancaster (2005) states that in positivism philosophy researchers are independent, concentrates on facts by testing hypothesis and there are no human interests on the study. Therefore, based on these fundamentals the study was considered better situated under positivism as it can provide quantifiable data during data collection which are suitable for testing research hypothesis. The study therefore used quantitative research method to find out the factors influencing employee retention among selected banks in Dar es Salaam region in Tanzania.

3.3   Research Approach

The quantitative research approach was used in this study in order to test hypothesis on factors influencing employee retention at the selected banks in Dar es Salaam region. Collins (2010) describes that, under quantitative approach concepts are operationalized to allow facts to be measured quantitatively. Saunders, et al. (2012)

advocated that quantitative approach has the ability of explaining causal relationships among variables and hypothesis testing using data collected in statistical characteristics. This approach was considered useful as it enabled the study to test the developed hypothesis on factors influencing employee retention. The suitability of using quantitative approach in this study was supported by Bhattacherjee (2012) who advocate the use of statistical data in testing hypothesis formulated under study objective. Furthermore, the approach helped to profile respondents' characteristics participated in the study.

3.4   Research Design and Strategies

A research design is the logic that links the data to be collected (and the conclusions to be drawn) to the initial questions of study (Yin, 2009). Saunders, et al. (2009) emphasized that appropriate research strategy has to be selected basing on the research questions and objectives, the extent of existing knowledge on the subject area, the philosophical underpinnings and the amount of time and resources available.

The study adopted the survey strategy as the hypothesis and the model could be tested and developed to explain the factors influencing employee retention among selected banks in Dar es Salaam region. The survey research strategy was used as an appropriate research strategy for this study due to its suitability when seeking to establish causal relationship between variables and to produce models of these relationships (Saunders, et al., 2009). The survey strategy was considered appropriate for the study because of its usefulness to give statistical data for testing hypothesis.

The study used explanatory research design to test the existence of relationships among variables and validated a model, which can be used to explain bank employee

retention. The rationale of using the explanatory design was based on its usefulness in explaining relationships among variables. Since the study encompasses many variables where their influence and relationships are questionable on influencing employee retention, the use of explanatory research design was considered appropriate to provide expected findings. Kumar (2010) pointed out that explanatory research design envisioned to assess causal and effects of relationships between variables. Descriptive research design was also used to identify and profile respondent's characteristics in the study.

3.5   Study Area

The research was conducted at the banking institutions in Dar es Salaam region in Tanzania. The study area was selected because most of the banking institutions are operating in Dar es Salaam region than any other region in the country. As about 47 banks out of 58 in the country are operating in Dar es Salaam region and most of their head office and branches are located in the region (Bank of Tanzania, 2017). In addition, there is high competition in the region due to increase in number of banks which in turn influence competition in retaining skilled bankers. Therefore, collecting data from the area has helped the study to mobilize evidence and get required data to understand factors influencing employee retention among the selected banks.

3.6   Study Population

The target population for the study is the entire set of units for which the survey data are to be used to make inferences (Goretti, 2008). The current study has a target population that was comprised of all employees of 47 banking institutions operating in Dar es Salaam region as at 30 June 2018. Thus, a target population was 9,870

employees in total. The employees have been selected as unit of analysis in this study because they are the one who have a reason of switching to another job rather than staying. Therefore, from this population the study got required data to understand the factors influencing employee retention at the banks in the region.

3.7 Sampling Design and Procedures

The sample design was a single stage stratified probability and the banks operating in Dar es Salaam region were used to develop a sampling frame for banks whereby few banks were selected as sample banks where data was collected. Since unit of analysis was employees working in the banks then the sampling frame for the study consisted all employees of the banks operating in the region.

3.7.1 Sampling Frame

According to Saunders, et al. (2012) sampling frame consists of a list of items from which the sample is to be drawn. In the current study, a list of banks operating in Dar es Salaam region was available at the Bank of Tanzania website. The list was used to develop the sampling frame for banks. Saunders, et al. (2009) argue that when a list that suits a study is unavailable researchers have to compile their own sampling frame basing on an existing list after ensuring its validity. In this study, the list of banks was available with their names and addresses, and this enabled the study to construct a sampling frame. The sampling frame consisted 47 banks as at 30 June 2018, as indicated in Appendix III. To ensure validity of the list of banks, the study did verification to the Bank of Tanzania at the department of bank supervision. After ensuring the validity of the list, few banks were selected as sample banks basing on their bank category in order to ensure representativeness to the population.

Since the unit of analysis in this study is employees of the banks operating in Dar es Salaam region, then the sampling frame for the study comprised all employees at those banks. However, the list of employees employed at the banks in the region was not available at the Bank of Tanzania (BOT) website. The study therefore, got the total number of employees from the BOT at the department of bank supervision which formed the sampling frame for the study.

The total number of employees at the 47 banks was found to be 9,870 as at 30 June 2018. The sampling frame for this study therefore consisted 9,870 employees from which a sample was drawn. Goretti (2008) refers unit of analysis as the persons where data are collected from by the researcher. The list of employees at each sampled bank was available to HR managers. This sampling framework was considered suitable for the study as it consisted of multiple cases which have helped the study to get required data that may sufficiently explain the factors affecting employee retention at the selected banks in Dar es Salaam

3.7.2 Sampling Technique and Procedures

The stratified sampling was used to make sure the banks are represented basing on their bank category. Kothari (2004) insists that this type of sampling helps to get a more representative sample which is easy to administer and can lead to more reliable findings. According to the Bank of Tanzania, banks are categorized into commercial banks, community banks, financial institutions, development finance institutions and microfinance banks. These five bank categories were used as stratification variables with the aim of ensuring representativeness of the banks. Eleven banks were selected purposely to allow representativeness of each bank category in the sample of banks

where data was collected. Other important attributes of population like local banks, foreign banks, state owned banks and private banks were also observed during selection. Table 3.1 shows the eleven selected sample banks.

Table 3.1: Selected Sample Banks in Dar es Salaam Region

Commercial Banks	Community Banks	Financial Institutions	Development Finance Institutions	Microfinance Banks
1. Diamond Trust Bank	1. Maendeleo Bank	1. TPB Bank	1. TIB Development Bank	1. EFC Tanzania Microfinance Bank
2. CRDB Bank				2. Yetu Microfinance Bank
3. International Commercial Bank				
4. Akiba Commercial Bank				
5. Azania Bank				
6. Barclays Bank				

The proportioning of the overall sample size to the eleven selected sample banks was done by allocating it depending on their number of employees. Simple random sampling was then applied to select the respondents for the study from each sampled bank. The rationale of using this type of probability sampling is that it allows generalization of the findings to all banks in Dar es Salaam region as the study is looking for common factors that influence employee retention among banks. Simple random sampling also, gives every person in the population equal chance of being selected and therefore it reduces chances of biasness (Saunders, et al., 2012).

The sample size for the study was calculated basing on the total number of employees in banking institutions located in Dar se Salaam region (i.e. the population of the study). The formula adopted in determining sample size was introduced by Krejcie and Morgan (1970).

$$s = \frac{Z^2 NP(1 - P)}{d^2(N - 1) + Z^2 P(1 - P)}$$

Where:

S = required Sample size

Z = Z value (1.96 for 95% confidence level)

N = Population size

P = population proportion (expressed as decimal) assumed to be 0.5 (50%) as this provides maximum sample size

d = degree of accuracy (5%), expressed as a proportion (0.05)

Therefore; given Z=1.96, N=9870, P=0.5 and d=0.05

$$s = \frac{(1.96)^2 x 9870 x 0.5 x (1 - 0.5)}{(0.05)^2 x (9870 - 1) + (1.96)^2 x 0.5(1 - 0.5)} = 369.803963 \simeq 370$$

Basing on the formula the required sample size for the study is 370 employees. The calculations conform to the Krejcie and Morgan (1970) table attached to the appendix VI that shows sample size for given population. The proportional sample size on each sample bank was calculated and this is shown in Table 3.2.

Table 3.2: Proportional Sample Size of each Sampled Bank

S/N	Name of Bank	Proportion sample size of each Bank
1	Akiba Commercial Bank (ACB)	47 employees
2	Azania Bank	35 employees
3	Barclays Bank	50 employees
4	CRDB Bank	95 employees
5	Diamond Trust Bank (DTB)	41 employees
6	International Commercial Bank (ICB)	11 employees
7	Maendeleo Bank	9 employees
8	TPB Bank	49 employees
9	TIB Develoment Bank	15 employees
10	EFC Tanzania Microfinance Bank	7 employees
11	Yetu Microfinance Bank	11 employees

		Total	370 employees

The proportioning was done as presented in Table 3.2 by dividing the total number of employees in a particular bank by the total number of employees of all eleven selected sample banks times the overall sample size of the study which is 370 employees. After proportioning the sample size on each bank, simple random sampling was then applied in selecting respondents on every bank. The randomly selected bank employees were from both head office and branches.

3.7.3   Sample Size

Determining the sample size as explained earlier in section 3.7.2 (ii), involved calculations. However, cross checking of the calculated sample size with the Krejcie and Morgan (1970) table of sample size given population was done where it was found that sample size of 370 employees was conforming to what is in the table as shown in appendix VI. According to Hair, et al. (2006) the number of respondents required for scientific analysis per variable in a quantitative study is estimated to be at least 10. In the current study there were 29 items before performing exploratory factor analysis, therefore, a sample size of at least 290 respondents would have formed a 1:10 ratio which comply with the recommended sample size as suggested by Hair, et al. (2006).

On the other hand, Tanaka and Huba (1984) argue that when the sample size exceeds 400, the Maximum Likelihood Estimation (MLE) technique tends to be very sensitive to any small variation in the data. Given that the current study used Confirmatory Factor Analysis (CFA) with the sample size of 370, then the limitation of 400 was not violated by the study. The study therefore, achieved the recommended sample size

required for CFA and Structural Equation Modelling (SEM) that ranges from 150 to 400 respondents. A sample size of 370 respondents therefore, enabled the study to come up with stable results and hence the findings can be replicated. This is because the sample size fulfilled the criteria for data analysis technique as recommended by Hair, et al. (2006).

3.8   Data Collection Tools

During data collection, questionnaires and documentary method were used as data collection techniques in the study.

3.8.1   Structured Questionnaire

The structured questionnaire which is attached in appendix I was used in the current study to collect quantitative data for hypothesis testing and model validation. According to Kumar (2010), structured questionnaire is mostly used to capture measurable data for testing statistical hypothesis of the study. The specific objectives of this study were to test the hypotheses which were developed to determine the significance influence of training and development elements, compensation elements and work environment attributes on employee retention at the selected banks in Dar es Salaam region.

The questionnaire was considered suitable in this study because it offers a standardized system of questions to collect measurable and factual data, to classify a specific group of people and their circumstances in statistical characterization

(Goretti,2008). Hence, questionnaire was used in this study because of its ability to capture data that are suitable for statistical analysis.

3.8.2 Documentation Review

The use of document review technique was also found to be useful in this study as it provided support and evidence of the data collected in a field. Documentary methods refer to the analysis of documents that contain information about the phenomenon under the study (Bailey, 1994 cited in Mogalakwe, 2006). Therefore, information obtained from the reviewed documents helped the study in data interpretation, supporting findings, comparing and also in giving evidence of survey data.

3.9 Measurement of Variables

Selection of appropriate measurement scale is important in enhancing reliability and validity of the measure. Therefore, it is crucial to note that appropriate measurement scales depend on type of data analysis technique used to analyze a particular conceptual framework or model. In this study linear factor analysis, that is, Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) as well as binary logistic regression were used as data analysis tools. The use of linear factor analysis was applicable only to independent variables (latent variables) where their dimensions (observed variables) were measured using interval scale while it was limited to the categorical dependent variable.

Flora, et al. (2012) argue that linear factor model is well-suited to the analysis of continuously distributed variables than categorical variable. Furthermore, Flora, et al. (2012) explained that this is because the parameter estimates may be biased and goodness-of-fit indices cannot be trusted when categorical variable are used in a linear

factor analysis. Within this context, this study used binary logistic regression during hypothesis testing and model development. This is because binary logistic regression is used to model the relationship between a categorical response variable and one or more explanatory variables that may be continuous or categorical (Hosmer, et al., 1997).

The dependent variable in this study, which is employee retention, was measured by categorical scale whereby the respondents were asked questions on their intention to stay or intention to leave the present organization. The independent variables used Likert scale to develop measurement variables. The 5-point Lirket scale that was used includes; Strongly agree, Agree, Neutral, Disagree and Strongly disagree.

Table 3.3: Variables, Indicators and Measurement scales

	Latent factor/ Main Variable	Manifest/ Indicator Variable	Measurement Scale	Authors applied the indicator variable
Dependent Variable	Employee Retention	To stay or to leave	Dichotomous scale	Ng'ethe, et al. (2012) Ngure and Waiganjo (2017)
Independent Variables	Training and Development elements	Career planning, growth, promotion, coaching, advancement, improve performance, professional development	A 5 point Likert scale	Hong, et al. (2012) Francis (2014) Salman, et al. (2014)
	Compensation elements	Fair salary, equity in pay, better pay, incentives, allowances, benefits, merit pay, pay increase	A 5 point Likert scale	Msengeti and Obwogi (2015) Kajungu and Mugisha (2015) Ahmad et al. (2013)Sarmad, et al. (2016), Ezeuduji and Mbane (2017)
	Work Environment attributes	Recognition, co-worker relation, supervisor relation, control over work, flexible working, performance appraisal, working conditions, achievement, responsibility, supervision, job security, work itself, bank reputation, policies and administration	A 5 point Likert scale	Govaerts et al. (2011) Irshad (2012) Msengeti and Obwogi (2015) Kanwal and Majid (2013) Ahmada, et al. (2015) Markey et al. (2012)

This was agreed with Flora, et al. (2012) who pointed out that the use of scale in a linear model enhances reliability of the measure especially when a latent variable is measured by several other variables. Table 3.3 presents the variables and their indicators as well as their appropriate measurement scale that were used in the study during conceptual framework development.

The categorical scale was also applied for providing short description of employees that were involved in the study as shown in Table 3.4.

Table 3.4: Construct of Employee's Characteristics

Variable	Measure	Scale
Gender	Male, Female	Nominal
Marital status	Married, Single, Widow, Divorced/Separated	Nominal
Age	20 - 30 years 30 - 40 years 40 - 50 years 50 - 60 years Over 60 years	Ordinal
Education level	Primary Education Secondary Education Non degree Bachelor degree Postgraduate	Nominal
Years worked	Less than 1 year 1 to less than 5 years 5 to less than 10 years Above 10 years	Ordinal
Management level	Non-management (i.e. Normal employee) Middle-level management employee (i.e. Supervisor, Manager) Top management employee (i.e. Director, Executive)	Ordinal

3.10   Data Analysis

The study used quantitative approach in data analysis. After collecting data, the returned questionnaires were coded and entered into IBM SPSS version 23. Data were analyzed using both descriptive and inferential analysis.

3.10.1 Descriptive Data Analysis

Leech, et al. (2005) argue that the use of frequency and percentage is useful for profiling the characteristics of the phenomena. Frequency and percentage were used in the analysis in order to profile and gain an understanding of various employees' characteristics in the study which include gender, age, education level, years worked, etc. Therefore, descriptive data analysis helped to gain insights on the general characteristics of the employees and other useful information on employee retention at the selected banks in Dar es Salaam region in general. Descriptive data analysis also helped in providing a picture of a sample in general.

3.10.2 Multivariate Data Analysis

Construct analysis in this study was done using Exploratory Factor Analysis (EFA). Exploratory factor analysis is useful in ensuring that constructs are aligned with their indicator variables (Yong and Pearce, 2013). As the study had the already known factors (latent variables) before data collection, then the EFA was used to analyze the collected data to ensure constructs are aligned with their indicator variables. So those items (indicators) with less loading or/and cross loading were dropped while the ones with high loading were retained in order to improve the model. After this stage of improving the model by retaining and dropping some items, the Confirmatory Factor

Analysis (CFA) was thereafter used to confirm and harmonize a belief about how the variables are organized and further refine the model to achieve a better model fit by considering the effect of measurement errors.

The refinement process was done basing on the criteria that were suggested by Schermelleh-Engel, et al. (2003) whereby modification indices which revealed high covariance between measurement errors accompanied by high regression weights between the errors' construct were candidates for dropping. So, measurement model for each latent variable in the study was developed and tested for specification error and correlation between the observed variables and the latent variable as suggested by Yong and Pearce (2013). Finally, the measurement model for all three latent variables as used in the conceptual framework was presented.

After finishing construct analysis, binary logistic regression was employed in order to test hypothesis and examine the significant effect of predictor variables to the dependent variable. The suitability of binary logistic regression in this study is as pointed by (Hosmer, et al., 1997; Park, 2013) that it is useful in modelling the relationship between a categorical response variable and one or more explanatory variables that may be continuous or categorical. On the other hand, Park (2013) argues that the level of measurement and data generation process of a dependent variable determine a proper model for data analysis. As the current study involved a binary categorical dependent variable (stay or leave), binary logistic regression was considered useful to model the relationship between training and development elements, compensation elements and work environment attributes with bank employee retention.

Despite binary logistic regression has advantages of modeling relationships involving categorical variables where other methods of data analysis can not, like Structural Equation Modeling (SEM) still there are assumptions that need to be taken into account. Garson (2009) suggested important assumptions for binary logistic regression. First, the dependent variable should be measured on a dichotomous scale. Second, there should be one or more independent variables, which can be either continuous (i.e. an interval or ratio variable) or categorical (i.e. an ordinal or nominal variable). Third, there should be independence of observations and the dependent variable should have mutually exclusive and exhaustive categories. Fourth, there needs to be a linear relationship between any continuous independent variables and the logit transformation of the dependent variable. In other words, binary logistic regression does not require a linear relationship between any independent variables and a binary categorical dependent variable.

The study observed that all assumptions of binary logistic regression were met in this study as the dependent variable consisted two categories only (stay/leave) which are mutually exclusive and exhaustive, each participant in the sample was counted once, independent variables were continuous (interval variables) and the research equation was modelling the log odds and not the actual relationship among variables.

In the current study, binary logistic regression was employed to ascertain how well the independent variables training and development elements, compensation elements and work environment attributes predict the dependent variable employee retention.

The following logistic regression equation was used for the study:

$$\{(P_i = f(Y=1|X_i) = \beta_0 + \beta_1 X_1 + \ldots + \beta_n X_n \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (1)\}$$

Where

P_i = the probability of retention

Y = dependent variable (employee retention)

When Y = 1 intend to stay in the organization or

When Y = 0 intend to leave the organization

The LOGIT model can be linearized as

$$\text{Logit} \{(P_i/(1-P_i) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \ldots\ldots\ldots\ldots\ldots (2)\}$$

The dependent variable is the natural log of the probability of Retention (P_i) divided by the probability of No Retention ($1-P_i$).

Where:

β_0 = is the Y intercept or constant

$\beta_1 \ldots \beta_3$ = coefficient of regression which measures how each independent variable influences the dependent variable that is employee retention.

X_1 = Training and Development

X_2 = Compensation

X_3 = Work environment

ε = Error term

3.11   Validity and Reliability

Reliability and validity issues have to be considered in any study regardless which methods are used as it is important to test the trustworthiness of the measurement

instruments used in research (Ihantola and Kihn, 2011). Due to this importance the study therefore considered all those issues as explained in the following section.

3.11.1 Validity

Validity refers to the extent to which a test measures what it purports to measure (Saunders, et al., 2012). In this study, validity of the questionnaire was considered to ensure that it measures what it is aimed to measure. According to Greener (2008), a test is said to be valid if it measures what it claims to measure. Drost (2011) postulated different kinds of validity namely content validity, construct validity and criterion validity which are usually used by a number of scholars to ensure validity is achieved.

Content Validity

According to Morse, et al. (2002), content validity considers whether or not the items on a given test accurately reflect the theoretical domain of the latent construct it claims to measure. Therefore, to ensure content validity is achieved in the current study a pilot study of survey instrument was done. This helped to determine and ensure that the items in the questionnaire accurately reflect the theoretical domain of the latent construct it claims to measure. Few experts in human resources as well as few respondents were used as a sample population to help the study to strengthen the data collection instrument by assessing its coverage in theoretical domain.

Construct Validity

Construct validity involves identifying correct operational measures for the concepts being studied (Yin, 2009). Westen and Rosenthal (2003) argue that if someone is to

test for construct validity one should examine the scale being used by means of convergent, discriminant and nomological testing of validity. The study therefore, identified correct operational measures for the concepts under the study and examined the scale being used by means of factor analysis where convergent, discriminant and nomological testing of validity were done.

Convergent validity is concerned with whether a test is similar to those to which it should theoretically be similar (Westen and Rosenthal, 2003). To ensure convergent validity, Falk and Miller (1992) recommended a loading in measurement model to be at least 0.55 which explains at least 30% of the variance in the variable. The current study has shown that all loading had achieved the minimum recommendation by Falk and Miller (1982) as indicated in Figure 4.4. Other scholars, Fornell and Larcker (1981) recommended the use of Average Variance Extracted (AVE) analysis in testing convergent validity of the model. According to Fornell and Larcker (1981) a range of AVE between 0.5 and 0.852 demonstrates adequate convergent validity. Table 3.5 shows that all AVE values were above the recommended value of 0.5, hence, demonstrating adequate convergent validity.

Discriminant validity was also assessed in the study in order to test construct validity. Discriminant validity is the extent to which a given scale can be distinguished from other scales which are measuring different concepts or traits. Zait and Bertea (2011) argue that discriminant validity assumes that items should correlate higher among them than they correlate with other items from other constructs that are theoretically supposed not to correlate. In this study discriminant validity was assessed by comparing the AVE of each individual construct with the shared variance between

that individual construct and all of the other constructs. A higher AVE than shared variance for an individual construct suggests discriminant validity is achieved (Fornell and Larcker, 1981). Table 3.5 shows the inter-construct correlations of the diagonal of the matrix. A comparison of all of the AVE and square roots of the AVEs on the diagonal in Table 3.5 indicated adequate discriminant validity.

Finally, nomological validity was tested by relating measurements to a theoretical model that leads to further deductions, interpretations and tests (Spiro and Weitz, 1990). In assessing nomological validity in this study it was checked if all standardized coefficients of the measurement model have significant values greater than 0.2. Results in Table 4.10 that shows model regression weights and standardized regression weights, indicated that all constructs had standardized coefficients that are significant with values greater than 0.2.

Table 3.5: Composite Reliability (CR), Convergent and Discriminant Validity of Constructs

	CR	AVE	MSV	MaxR(H)	WE	TD	C
WE	0.834	0.504	0.503	0.842	**0.710**		
TD	0.884	0.605	0.503	0.893	0.709	**0.778**	
C	0.863	0.559	0.498	0.869	0.628	0.706	**0.748**

Table 3.5 indicates that all variables had a composite reliability (CR) greater than 0.60 and scored AVE value greater than 0.4 which is as recommended by Fornell and Larcker (1981) that an internal consistent of any variable should score at least a composite reliability p-value of 0.60.

Criterion Validity

Criterion validity is the one that provides evidence about how well scores on the new measure correlate with other measures of the same construct or very similar underlying constructs that theoretically should be related (Kimberlin and Winterstein, 2008). It is also known as instrumental validity and it is based upon the premise that processes and instruments used in a study are valid if they are parallel similar to those used previously in validated research. Kimberlin and Winterstein (2008) elaborated that validity measure can be attained through predictive validity or concurrent validity. Concurrent validity uses an already existing and well accepted measure against which the new measure can be compared (Zheng and De Jong, 2011). To ensure concurrent validity is achieved in this study, the data collection instrument was drawn and developed by considering strong validated literature and expert panels.

In this way, the study established the model fit and all hypothesis of the relationship between observed and unobserved variable have agreed. The next stage as indicated in chapter four was to move to a hypothetical model in order to be able to test for the hypothesis of the study between the dependent and independent variables.

3.11.2 Reliability

Ellis and Levy (2009) defines reliability as the degree to which measures are free from error and therefore yield consistent results. On the other hand, Golafshani (2003) referred reliability as the extent to which results are consistent over time and there is an accurate representation of the total population under study. Therefore, if the results

of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable.

Kirk and Miller (1986) cited in Golafshani (2003) identified three types of reliability in quantitative research, that is, the degree to which a measurement given repeatedly remains the same, the stability of a measurement over time and the similarity of measurements within a given time period. So, in order to measure repeatability or stability over time of the measurement instrument one can use test-retest method as suggested by Saunders, et al. (2009). At times, test-retest procedures may not be useful when participants can be able to recall their previous responses and simply repeat them upon retesting especially when the interval between the first and second test is too short (Drost, 2011).

Also, when the interval between the two tests is too long maturation happens and this affects the results. Basing on the above arguments, the study conducted a pilot study before the main survey to ensure the repeatability of the data collection instrument. During piloting, the study used the language which is clear to the intended respondents and this increased the suitability of data collection instruments.

The study used composite reliability test to assess the internal consistency of the variables. According to Saunders, et al. (2009), internal consistency involves correlating the responses to each question in the questionnaire with those to other questions in the questionnaire. In other words, internal consistency measures the consistency of responses across either all the questions or a sub-group of the questions from the questionnaire (Saunders, et al., 2009). In the current study all the variables had a composite reliability greater than 0.6 as indicated in Table 3.5. This met the

commended value of CR > 0.6 as suggested by Fornell and Larcker (1981). This implies that there is internal consistency of the measures, with items measuring the same things for a given factor. When there is low composite reliability it means there is a lack of internal consistency of the measures with items measuring different things for a given factor.

3.11.3 Validity and Reliability Issue in Exploratory Factor Analysis

The Kaiser-Meyer-Olkin (KMO) was used to test sample adequacy for exploratory factor analysis. For the KMO statistics, Kaiser (1974) recommends a bare minimum of 0.5 for sample adequacy for EFA and that values between 0.5 and 0.7 are mediocre, values between 0.7and 0.8 are good, values between 0.8 and 0.9 are great and values above 0.9 are superb. In the current study the data had the overall value for KMO of 0.931, which falls into the range of being superb as indicated in Table 3.6. Therefore, the study is confident that the overall sample size was adequate for factor analysis in the study. Sample adequacy for individual variable was also measured using anti image correlation matrix as indicated in Table 3.7.

The Kaiser-Meyer-Olkin (KMO) values for individual variables produced on the diagonal of the anti-image correlation matrix had values above 0.5 for all items as indicated on Table 3.7. The values above 0.5 are well above the recommended threshold of 0.5 (Kaiser, 1974 cited in Matsunaga, 2010). Therefore, with this KMO value the study is confident that the sample size for all items and for overall was adequate for factor analysis in this research.

The Bartlett's test results, as indicated in Table 3.6, helped to measure the null hypothesis that the original correlation matrix is an identity matrix. A significant test as shown in the table tells us that the matrix is not an identity matrix and this provided evidence that there are some relationships between the variables the study hoped to include in the analysis. For the data in this study, Bartlett's test is highly significant ($p<0.001$) justifying the existence of some relationships between the variables.

Hooper (2008) argued that Bartlett's Test of Sphericity which reached statistical significance ($p<0.001$) indicates that the correlations are sufficiently large for exploratory factor analysis. Hence table 3.6 that shows Bartlett's test results with $p<0.001$ helped to justify that there are correlations in the data set that are appropriate for factor analysis.

Table 3.6: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.931
Bartlett's Test of Sphericity	Approx. Chi-Square	2957.585
	df	136
	Sig.	.000

Table 3.7: Ant-image Correlation Matrix

TD1	.946[a]	-.129	.048	-.227	-.133	.093	-.121	.045	.111	-.140	.091	.029	.077	-.102	-.023	-.042	.039
TD2	-.129	.940[a]	-.382	.095	-.166	.124	-.046	.040	-.120	.050	.010	.086	.043	.005	.063	.016	-.009
TD3	-.048	-.382	.934[a]	.053	-.010	.117	.165	.058	.081	.004	.056	-.027	.015	.115	-.090	.009	-.020
TD4	-.227	.095	.053	.956[a]	-.172	.065	.048	-.093	.072	.012	-.045	-.006	-.117	.063	-.010	-.020	-.079
TD5	-.133	-.166	.010	-.172	.925[a]	-.447	.016	-.067	-.042	.125	-.101	-.009	-.005	-.046	-.037	-.068	.001
TD6	-.093	-.124	-.117	-.065	-.447	.931[a]	.036	-.086	.030	-.110	.043	.049	-.001	-.032	.026	-.033	-.040

C2	-.121	.046	-.165	.048	.016	.036	.926[a]	-.332	-.096	.103	.055	.050	.053	-.040	.022	-.070	.069
C3	.045	.040	-.058	-.093	-.067	-.086	-.332	.940[a]	-.090	-.183	-.136	-.086	-.066	-.058	.028	.069	-.053
C5	.111	-.120	.081	.072	-.042	.030	-.096	-.090	.933[a]	-.314	-.109	-.024	-.035	.028	.009	.014	-.175
C6	-.140	.050	.004	.012	.125	-.110	.103	.183	.314	.889[a]	.362	.047	.053	.190	.005	-.131	.013
C8	-.091	-.010	.056	-.045	-.101	.043	-.055	.136	-.109	.362	.936[a]	.017	.024	-.034	-.029	.005	-.011
WE2	.029	-.086	-.027	-.006	-.009	.049	.050	-.086	-.024	-.047	.017	.955[a]	-.170	-.088	-.109	-.003	-.155
WE4	.077	-.043	.015	-.117	-.005	-.001	.053	-.066	-.035	-.053	.024	-.170	.912[a]	-.408	-.153	-.081	-.097
WE5	-.102	-.005	.115	.063	-.046	-.032	-.040	-.058	.028	.190	-.034	-.088	-.408	.865[a]	-.062	-.079	-.128
WE10	-.023	-.063	-.090	-.010	-.037	.026	.022	.028	.009	.005	-.029	-.109	-.153	-.062	.933[a]	-.365	-.175
WE11	-.042	.016	.009	-.020	-.068	-.033	-.070	.069	.014	-.131	.005	.003	-.081	-.079	.365	.936[a]	-.092
WE13	.039	-.009	-.020	-.079	.001	-.040	-.069	-.053	-.175	.013	.011	.155	-.097	-.128	-.175	-.092	.954[a]

The Tables 3.6 and 3.7 show a summary of validity and reliability in EFA as well as summary of validity and reliability evaluation for CFA.

Table 3.8: Summary of Validity and Reliability in Exploratory Factor Analysis (EFA)

Criteria for Validity and Reliability	Criteria	Tools and methods used to achieve in this study
Nature of variable	Continuous variable	All independent variables were interval variables and checked by supervisor
Nature of population	Heterogeneous population	Employees of different bank categories (i.e. commercial banks, community banks, financial institutions, development finance institutions and microfinance banks) were used
Sample size	Is at least 300 participants, Each should have at least 5 to 10 observations	Sample of 370 was used with at least 10:1 respondent sample ration, KMO was used to test sample adequacy and it was found to be adequate by yielding value greater than 0.5

Criteria to retain factor	Eigenvalue greater than 1	All factors used had Eigenvalue greater than 1
	Cut-off point of scree plot	All factors used had cut-off point of scree plot
	Theoretical assumption	Number of variables imported in EFA
	There must be at least 3 variables	All factors had at least 3 variables
Criteria for retaining items and absence of multi-collinearity and singularity	High loading should be 0.9	High loading had 0.826 value
	Low loading should be 0.4	Low loading had 0.4 value
Level of correlation	Correlation r must be 0.30 or greater	Bartlett's Test of Sphericity

Source: Adopted from (Yong and Pearce, 2013; Hooper, 2012; Kaiser, 1974 cited in Matsunaga, 2010)

The summary of validity and reliability in exploratory factor analysis is as indicated in Table 3.8. In addition, appendix IV indicated a cumulative total variance of 63.053% which achieved the recommended percentage (Yong and Pearce, 2013). This implies that a total variance of 63.053% to the dependent variable bank employee retention is explained by the latent variables training and development elements, compensation elements and work environment attributes. The scree plot in appendix V indicated that those three latent variables (factors) are above the cut-off point on scree graph as suggested by Cattell (1978). Also, the three factors had eigenvalues >1 which has met Kaiser's criterion which suggests retaining all factors that have eigenvalues above 1 (Kaiser, 1960).

3.11.4 Validity and Reliability in Confirmatory Factor Analysis (CFA)

The evaluation of validity and reliability in CFA was done in this study and table 3.9 shows the summary.

Table 3.9: Summary of Validity and Reliability in Confirmatory Factor Analysis (CFA)

Validity component	Technique used	Heuristic/*de facto* standards	Study model validation
Convergent validity	CFA	GFI>.90, CFI>.90, AGFI> .80, AVE at least 0.5	GFI=.937, AGFI=.913, CFI=.971, See figure 4.4 AVE are 0.5 and above see table 3.5
Discriminant validity	CFA	GFI>.90, CFI>.90, AGFI>.80, AVE>share AVE	GFI=.937, AGFI=.913, CFI=.971, See figure 4.4 AVE>share AVE see table 3.5
Reliability (*Internal consistency)*	Composite reliability (CR)	All CR p-value > 0.6 or 0.7	CR p-value are above 0.6 see table 3.5
Content validity	Literature Review, Expert panels	Higher degree of consensus	Study instrument reviewed and expert's opinion considered, pilot tested
Nomological validity	CFA	Standardized path coefficients	All standardized coefficients have significant values greater than 0.2
Predictive validity	CFA	Explained variances in the .40 range or above are desired	Achieved for all unobserved variables

(Nelson, et al., 1998; Straub, et al., 2004; Tabachnick and Fidell, 2007; Hoe, 2008) for the heuristic/*de facto* standards in relation to SEM.

3.12 Consideration of Ethical Issues

The study encountered the access and ethical issues before carrying out this research as these are crucial aspects for the success of any research project (Saunders, et al., 2009; Yin, 2009). Kombo and Tromp (2006) referred ethics as norms or standard of behavior that guide moral choices about our behavior and our relationships with others. Generally, the goal of ethics in research is to ensure that no one is harmed or suffers adverse consequences from research activities (Kombo and Tromp, 2006). This implied that, the study needed to address issues like whether the respondents' consent was acquired voluntarily and if they had right to withdraw partially or completely, and how confidentiality issues were taken into account while undertaking the study. Also, the study needed to address how the relationship between the

researcher and participant was built and how the information collected for the entire research was treated.

Recognizing the importance of ethical issues in this research, the study obtained research clearance letters as attached in appendix VII from the Open University of Tanzania before starting data collection. The letters granted permission for a researcher to undertake data collection on employees' retention in Tanzania banking institutions particularly at selected banks in Dar es Salaam region. The study started data collection after getting the research clearance letters. During data collection, the respondents were briefed about the aim of the study so that they know the reason for the study and who is conducting it. The respondents were also made aware about the confidentiality, their rights to participate or withdraw in the process and the benefits of the study. With this view it is considered that all respondents participated voluntarily in the study. This agreed with what Greener (2008) insists on the importance to obtain voluntary consent from research participants.

In putting clear to participants about the research undertaken, the study explained the purpose of the research by pointing out the issue of fulfilling the researcher's academic work requirements and contributions of the study. It was explained in brief that among the contributions of the study include improvement of employee retention at the banks operating in Dar es Salaam region in Tanzania. This study was conducted in government and private banks of the banking sector whereby among the banks there is competition in business. To ensure confidentiality of information from these banks and respondents in general, the researcher assured the respondents that the data

collected was for academic purposes only and would not be used for any other purposes.

The study also, assured the respondents that the report will be reported in general and will not reveal the names of respondents and their employer in association with investigated variables. But rather the variables used in the study were intended to help to meet research objectives and test hypotheses regarding employee retention in selected banks in the region. As it has been suggested by Greener (2008), the respondents and their work places were treated with respect, dignity and courtesy when undertaking this study. The study also, took into consideration ethical issues like research relation and dissemination as it was argued by Greener (2008). Finally, the study honestly acknowledged any help and all the works borrowed or cited from others.

CHAPTER FOUR

FINDINGS OF THE STUDY

4.1   Introduction

The chapter presents the findings of this study. It presents the data analysis on characteristics of the sample, forming the fundamental description of the respondents under study. Finally, it presents the analysis by exploratory factor analysis and confirmatory factor analysis and thereafter testing the hypothesis developed under the study using binary logistic regression.

4.2 Sample Distribution

In this section of sample distribution, the study explored the data to understand the nature and characteristics of the respondents used in the study. It reports the descriptive results which help the study in informing the important description of the respondents under study as well as helping in supporting the final analysis. For the purposes of improving validity it was also important to consider sample distribution of the respondents in this section.

4.2.1 Respondent's Sample Distribution

Respondents' distributions are essential part in research because they provide a major picture of the percent of respondents which participated in the research. It also helps to judge the proportional and representation of each unique characteristic of the group of respondents which could affect the outcome of the study. By considering such needs in the study, the respondent gender, marital status, age, education level, years worked and management level were profiled in this section.

4.2.1.1 Respondent's Distribution by Gender

The gender of the respondents in this study consisted of both male and female who are employees of the selected banking institutions in DSM as summarized in Table 4.1. Among the 326 respondents contacted, 41.1% were male, and 58.9% were female. Despite that female respondents were slightly higher than male respondents, the proportional of the percentage above indicated that there was representation of gender in the process of data collection which helped to capture data which address each group of gender.

Table 4.1: Respondent's Distribution by Gender

	Frequency	Percent
Male	134	41.1
Female	192	58.9
Total	**326**	**100.0**

Source: Field Data (2018)

4.2.1.2 Respondent's Distribution by Age

The importance of profiling the respondent's age in this study has been evidenced by Agyeman and Ponniah (2014) on their study on employee demographic characteristics and their effects on turnover and retention in Micro, Small and Medium Enterprises in India. Table 4.2 shows the distribution of the age of the respondents who are employees of banks. Among 326 respondents contacted, 30.7% were aged between 20 - 30 years, 48.5% were aged between 30 - 40 years, 14.7% were aged between 40 - 50 years and 6.1% were aged between 50 - 60 years. The majority of the respondents are in the age between 20 to 40 years which composed the age of those who are energetic and are in economic hard-working group.

Table 4.2: Respondent's Age

	Frequency	Percent
20-30 years	100	30.7
30-40 years	158	48.5
40-50 years	48	14.7
50-60 years	20	6.1
Total	**326**	**100.0**

Source: Field data (2018)

4.2.1.3 Respondent's Distribution by Education Level

Table 4.3 shows respondent's distribution by level of education. Among 326 respondents contacted, 1.8% respondents were holders of secondary education, 4.6% were holders of non-degree education, 66.6% were holders of bachelor degree and 27% were postgraduate degree holders. The majority of respondents contacted were educated this is due to the fact that in the banking sector most of the languages used in reporting and supporting customers are English and Swahili. Basing on such argument it was necessary to ensure that respondents with varieties of education level are involved in the study in order to capture each level of education background. Therefore, most of the employees who were employed at banking institutions had good level of education to handle bank operations and support customers.

Table 4.3: Respondent's Education Level

	Frequency	Percent
Secondary	6	1.8
Non degree	15	4.6
Bachelor	217	66.6
Postgraduate	88	27.0
Total	**326**	**100.0**

Source: Field data (2018)

4.2.1.4 Respondent's Distribution by Marital Status

The marital status of the respondents was also considered in this study as it may have influence to employees on their decision to stay as suggested by (Agyeman and Ponniah, 2014). Table 4.4 indicates that among the 326 respondents, 57.7% were married, 38% were single, 2.1% were widow and 2.1% were divorced/separated. Despite that married and single respondents were higher than widow and divorced/separated, the proportional of the percentage indicated that there was

representation of marital status in the data collection which helped to capture data which address each group of marital status.

Table 4.4: Respondent's Marital Status

	Frequency	Percent
Married	188	57.7
Single	124	38.0
Widow	7	2.1
Divorced/Separated	7	2.1
Total	**326**	**100.0**

Source: Field data (2018)

4.2.1.5 Respondent's Distribution by Management Level

In the current study, it was considered that each management level of the respondents may have different needs or perceptions that influence their decision to stay as suggested by (Uitzinger, et al., 2016). Table 4.5 shows the distribution of respondents' level of management in their organizations. Out of 326 respondents contacted 60.4% were non-management (normal) employees, 37.1% were mid-level management employees and 2.5% were top management employees of the banks. These findings show that at least each level of management were contacted in the research hence the findings cover data from each level of management.

Table 4.5: Respondent's Management Level

	Frequency	Percent
Non-management	197	60.4
Mid-level management	121	37.1
Top management	8	2.5
Total	**326**	**100.0**

Source: Field data (2018)

4.2.1.6 Respondent's Distribution by Years Worked

The study considered that the number of years an employee has worked at the current bank may have influence on his/her decision to stay as argued by (Agyeman and Ponniah, 2014). Table 4.6 indicates the distribution of respondents' years worked at their current banks. Among 326 respondents 5.2% have worked less than 1 year, 46.9% have worked1 to less than 5 years, 29.4% have worked 5 to less than 10 years and 18.4% have worked above 10 years. These findings show that at least each category of years worked of employees was contacted in the research hence the findings cover data from each group.

Table 4.6: Respondent's Years Worked

	Frequency	Percent
Less than 1 year	17	5.2
1 to less than 5 years	153	46.9
5 to less than 10 years	96	29.4
Above 10 years	60	18.4
Total	326	100.0

Source: Field data (2018)

4.3   Model Formulation and Validation

The aim of model formulation and validation is to check if the proposed factor structures are indeed consistent with the actual data. This is because at the conceptual framework development stage, the study developed the conceptual framework without data, hence, it is not clear if the constructs are aligned with their underlined measure. Given this situation, the study used both exploratory factor analysis and confirmatory factor analysis to ensure that the constructs are aligned with their indicator variables as described in the following sections.

4.3.1 Exploratory Factor Analysis (EFA)

Exploratory factor analysis was used in ensuring that constructs are aligned with their indicator variables. This is because at the beginning of any study, the researcher can mix empirical, hypothesized and theoretical measures of a construct from different setting without data. Babyak and Green (2010) advocate that a poor model fit will always result in a situation where there is incongruence between the researcher, theory and data. Since in the current study the latent factors (constructs) were already known, the Exploratory Factor Analysis (EFA) was used to ensure constructs are aligned with their indicator variables.

The study built the conceptual framework by integrating constructs and indicator variables from the theory, empirical literature and expertise view without data. In order to help to harmonize the data with the study's hypotheses, empirical and theoretical dimensions of constructs, exploratory factor analysis was used to provide a diagnostic tool to evaluate whether the collected data are in line with the theoretically expected pattern or structure of the target construct. Thus, at the end to determine if the measures used have indeed measured what they are purported to measure.

Exploratory Factor Analysis (EFA) Procedures and Output

Since this is a quantitative study, the latent factors were already known so the EFA was applied for analysis of indicator variables at each latent factor so as to see if the indicators really fit to their underlying factors. However, the underlying factors that were already known were having at least three items/indicator variables which meet the minimum requirement as suggested by Yong and Pearce, (2013). So, in order to assess the suitability of each indicator variable to their underlying structure, the

following criteria recommended by Yong and Pearce (2013) was adopted for retaining or dropping an item/indicator variable. First, all items loaded into their associated factors were retained and those loaded into more than one factors were dropped. Second, all items with small coefficients below absolute value of 0.5 were suppressed. So, all items with loading above 0.5 were retained and those with loading less than 0.5 were dropped (Yong and Pearce, 2013). Yong and Pearce (2013) suggested these criteria to be adopted when either retaining the items or dropping the items in order to improve the model. The following Table 4.7 shows dropped item.

Table 4.7: Selected Exploratory Factor Analysis Output of Dropped Items

Factor	Items Removed
TD: Training and Development elements	TD7: Professional development
C: Compensation elements	C1: Equity in pay, C4: Better pay, C7: Benefits
WE: Work Environment attributes	WE1: Recognition, WE3: Flexible working, WE6: Working conditions, WE7: Performance appraisal, WE8: Job security, WE9: Achievement, WE12: Supervision, WE14: Policies and administration

In the Training and Development elements (TD) factor, TD7 was eliminated from the analysis because it had multiple loading on TD and C. Likewise in Compensation elements (C) factor, C1, C4 and C7 were eliminated from the analysis because they had multiple loading. For instance, C1 had multiple loading on TD and C, C4 had multiple loading on TD and C, and C7 had multiple loading on WE and C. In Work Environment attributes (WE) factor, WE1, WE3, WE6, WE7, WE8 and WE14 were dropped as some had weak loadings (i.e. value below 0.5), others had multiple loading and also some had a negligible contribution because it was loaded alone in a single factor which failed to support theoretical assumptions. For example, WE14, WE7, WE1, WE3 and WE6 were eliminated because had cross loading on TD and WE

while WE8 was dropped because had small loading with value below 0.5. Given this perspective, those items that did not fit well with the factor solution were dropped from the analysis as shown in Table 4.7 whereas those fitted very well were retained as described in Table 4.8.

Table 4.8: Exploratory Factor Analysis Rotated Component Matrix[a]

Items	Components		
	Training and Development elements (TD)	Work Environment attributes (WE)	Compensation elements (C)
TD5	.779		
TD6	.768		
TD2	.730		
TD1	.715		
TD4	.703		
TD3	.665		
WE4		.792	
WE5		.759	
WE10		.696	
WE13		.679	
WE2		.658	
WE11		.604	
C6			.826
C5			.746
C8			.725
C3			.685
C2			.674
Extraction Method: Principal Component Analysis.			
Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 6 iterations.			

Table 4.9 defines the items, which were retained to account for each factor during EFA.

Table 4.9: Definitions of Construct and their Dimensions on each Factor

TD: Training and	TD1: Career planning	TD4: Coaching

Development elements	TD2: Growth TD3: Promotion	TD5: Advancement TD6: Improve performance
WE: Work Environment attributes	WE2: Control over work WE4: Supervisor relationship WE5: Co-worker relationship	WE10: Responsibility WE11: Work itself WE13: Bank Reputation
C: Compensation elements	C2: Fair salary C3: Incentives C5: Allowances	C6: Merit-pay C8: Pay increase

After establishing the study framework from the Exploratory Factor Analysis (EFA), the next step was to perform confirmatory factor analysis in order to further refine the model to achieve a better model fit by considering the effect of measurement errors as explained earlier.

4.3.2 Confirmatory Factor Analysis

The Confirmatory Factor Analysis (CFA) was used in this study to analyze theoretical constructs through assessing the loadings of the measures, error variances and covariance (Hooper, et al., 2008). At the start the study used EFA to discover if the original variables are organized in a particular way reflecting another latent variable. But in this stage the study wanted to confirm and harmonize a belief about how the original variables are organized in a particular way using CFA. To carry out confirmatory factor analysis, measurement model was developed to test for specification error and correlation between the latent variables (Yong and Pearce, 2013). In this part, measurement models of different variables as used in the conceptual framework are presented and thereafter the measurement models for the composite structure or variables are presented also.

Model fitness evaluation in Confirmatory Factor Analysis

The criteria recommended by Schermelleh-Engel, et al. (2003) were used to guide the model refinement process to achieve a better fit. Schermelleh-Engel, et al. (2003) affirm that Standardized Regression weights (SRW) values should be above 0.5 and Modification Indices (MI) that reveal high covariance between measurement errors accompanied by high regression weights between these construct errors and cross loading items are candidates for dropping.

Measurement Model for Training and Development elements

IBM SPSS Amos 23 was run to test for Training and Development elements (TD) measurement model fitness which comprised six dimensions namely TD1, TD2, TD3, TD4, TD5 and TD6. In the initial CFA run, the model fit index produced the following indices: CMID/DF=5.916, GFI=.947, AGFI=.875, CFI =.958 and RMSEA=.123 which indicated poor fit and the need for further model improvement or refinement in order to achieve a model fit.

So, the model refinement process was done by applying the criteria as suggested by Hoe (2008), that only those items that demonstrate high covariance and high regression weight in the modification indices (M.I) should be candidate for deletion. In the first run of AMOS, the item TD3 was deleted because it was having high value of covariance and regression weight at the modification index compared to other items in a model hence resulting in an inadequate fit in the model. After deleting the item, a re-run of CFA using IBM Amos 23 resulted in the following model fit indices:

CMIN/DF=2.577, GFI=.983, AGFI=.950, CFI=.991 and RMSEA=.070. All items retained had a standardized regression weights (S.R.W) values above the threshold criteria of 0.5 or greater as suggested by Hooper, et al. (2008) indicating acceptable fit. Hence, falling within the acceptance framework which means that the selected observed variables used fit the model relating to the Training and Development elements in the study.
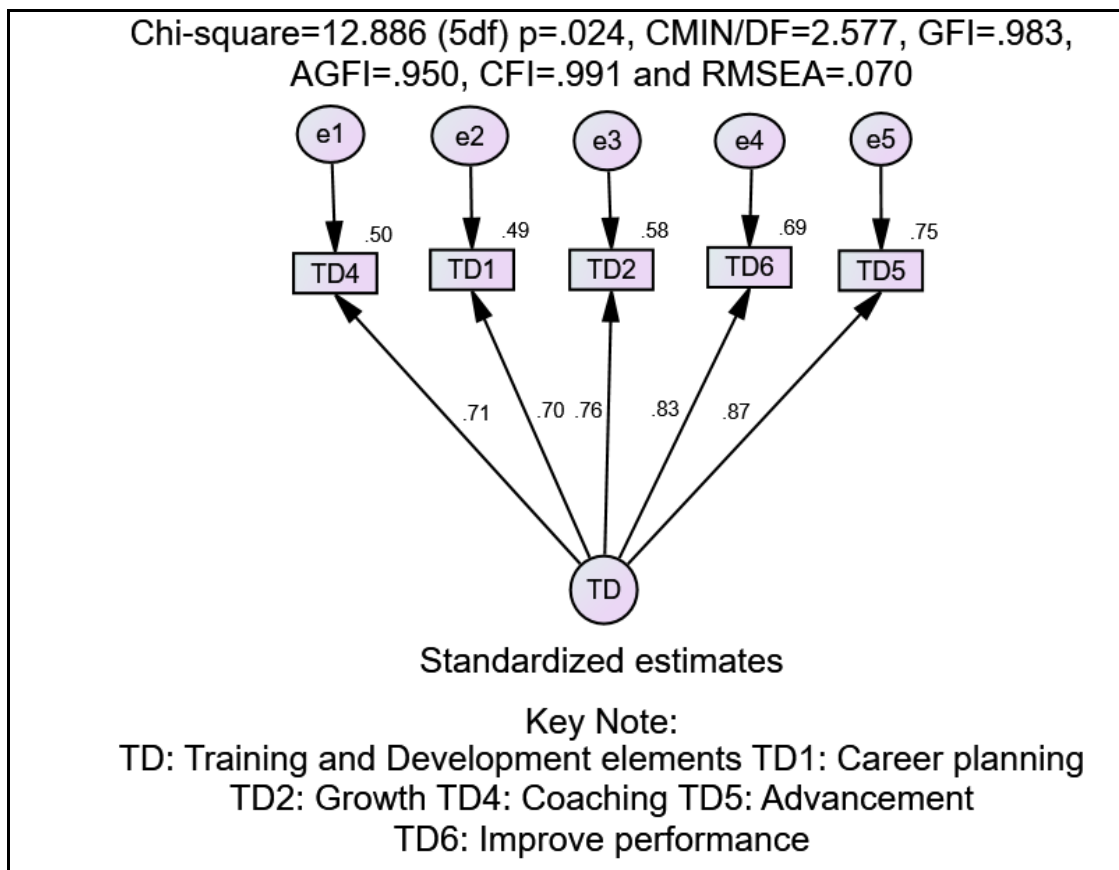
Figure 4.1: Training and Development Elements Measurement Model
Measurement Model for Work Environment Attributes

The Work Environmental attributes measurement model was initially specified with the observed variables namely WE2, WE4, WE5, WE10, WE11 and WE13 for CFA. At the initial CFA run using IBM SPSS Amos 23 with maximum likelihood estimate,

the model fit index produced the following indices; CMIN/DF=5.221, GFI=.951, AGFI=.886, CFI=.948, RMSEA=.114. The indices show a 'bad fit' for the hypothesized model base because the indices did not meet the model fitness criteria as recommended by Hoe (2008) and Hooper, et al. (2008).

According to Hoe (2008) and Hooper, et al. (2008) a model fits well when it achieves a CMIN/DF of 3 or less (indicating an acceptable fit), CFI (>0.90 indicates good fit), RMSEA (<0.08 indicates acceptable fit), and GFI of at least 0.9 indicates acceptable fit. Barrett (2007) argued that if the fit of the model is not good, model hypotheses can be adjusted and the model retested either by adding or removing parameters to improve the fit.

Therefore, to improve the Work Environmental attributes (WE) measurement model in this study, Hooper, et al. (2008) suggested removing items that demonstrate high covariance plus high regression weight in the modification indices (M.I) and those items with standardized regression weights (S.R.W) values less than 0.5. Basing on such criteria, item WE5 was deleted to improve the model. After deletion of the item WE5 then the model was re-run to see if the fit was adequate. The resulting model indicates acceptable fit as most parameters, that is, CMIN/DF=3.857, GFI=.975, AGFI=.924, CFI=.975 and RMSEA=.094 meet the model fitness criteria as recommended by Hoe (2008) and Hooper, et al. (2008).
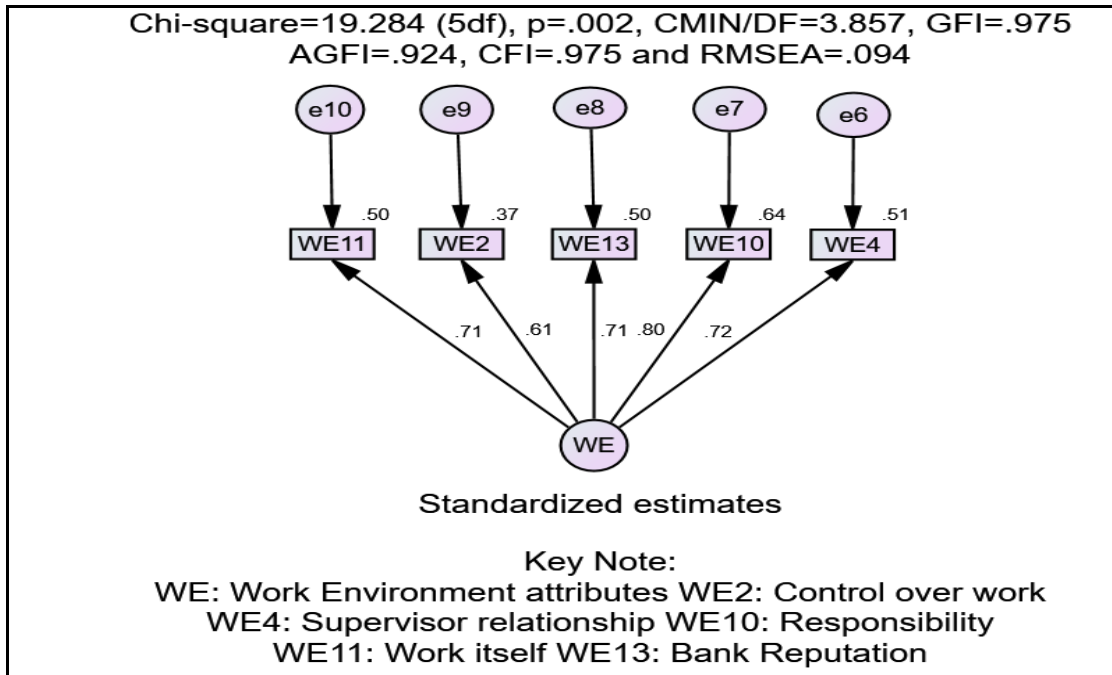
Figure 4.2: Work Environment Attributes Measurement Model

Measurement Model for Compensation elements

The model was initially specified with the following observed variables namely C2, C3, C5, C6 and C8 to form the compensation elements (C) measurement model. After initial specification of the model, maximum likelihood estimate was run for the working file using IBM AMOS 23 which resulted: CMIN/DF=4.565, CFI=0.975, GFI=0.972, AGFI=0.915 and RMSEA is 0.105 which indicate an adequate model fit as suggested by (Hoe, 2008; Hooper, et al., 2008).

Since at least three parameters achieved the recommended value the process ended there to avoid over-deletion of the observed variables as more refinement was covered when developing baseline measurement model. A model fits well when achieve CMIN/DF of 3 or less (indicate acceptable fit), CFI (>0.90 indicates good fit), RMSEA (<0.08 indicates acceptable fit), and GFI of at least 0.9 indicate acceptable fit (Hoe, 2008; Hooper, et al., 2008). This means that all items from exploratory factor

analysis fitted well without the need to refine the model at the confirmatory factor analysis stage.
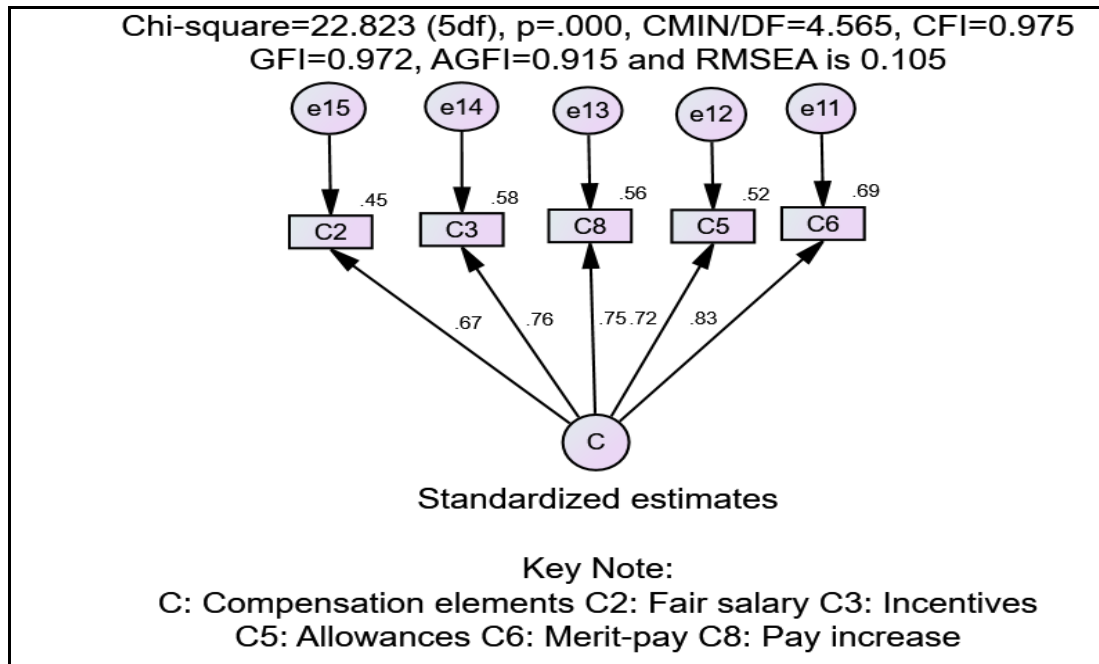
Figure 4.3: Compensation Elements Measurement Model

Measurement Model for Baseline Model

In order to get a baseline measurement model that fits all components in the current study, the three individual measurement models which were developed earlier were combined and CFA was run with maximum likelihood estimate in IBM Amos 23 to determine its fitness. After initial run, the results showed acceptable model fit with CMIN/DF=1.833, GFI=.937, AGFI=.913, CFI=.971 and RMSEA=.051 as suggested by Hoe (2008). According to Hoe (2008) recommendation, a model that achieves the following minimum requirements; CFI (>0.90 indicates good fit), RMSEA (<0.08 indicates acceptable fit), and commonly used $\chi 2$ statistic ($\chi 2$/df ratio of 3 or less) is considered fit.

Furthermore, it was observed that the measured variables with significant probabilities have positive standardized regression weights greater than 0.50 and standardized path coefficients between observed variables and factors in the model show that all path coefficients between measured (observed) variables and latent (unobserved) variables in the model are significant (p <0.05). These results show that most of the factor loadings explaining the measurement model are adequate and thus reflect a very good reliability of the research constructs. As recommended by Hox and Bechger (2014) factors loading lower than 0.5 are not significant. Moreover, Bentler and Yuan (1999) pointed out that a negative regression weight presents doubtful measurement models.
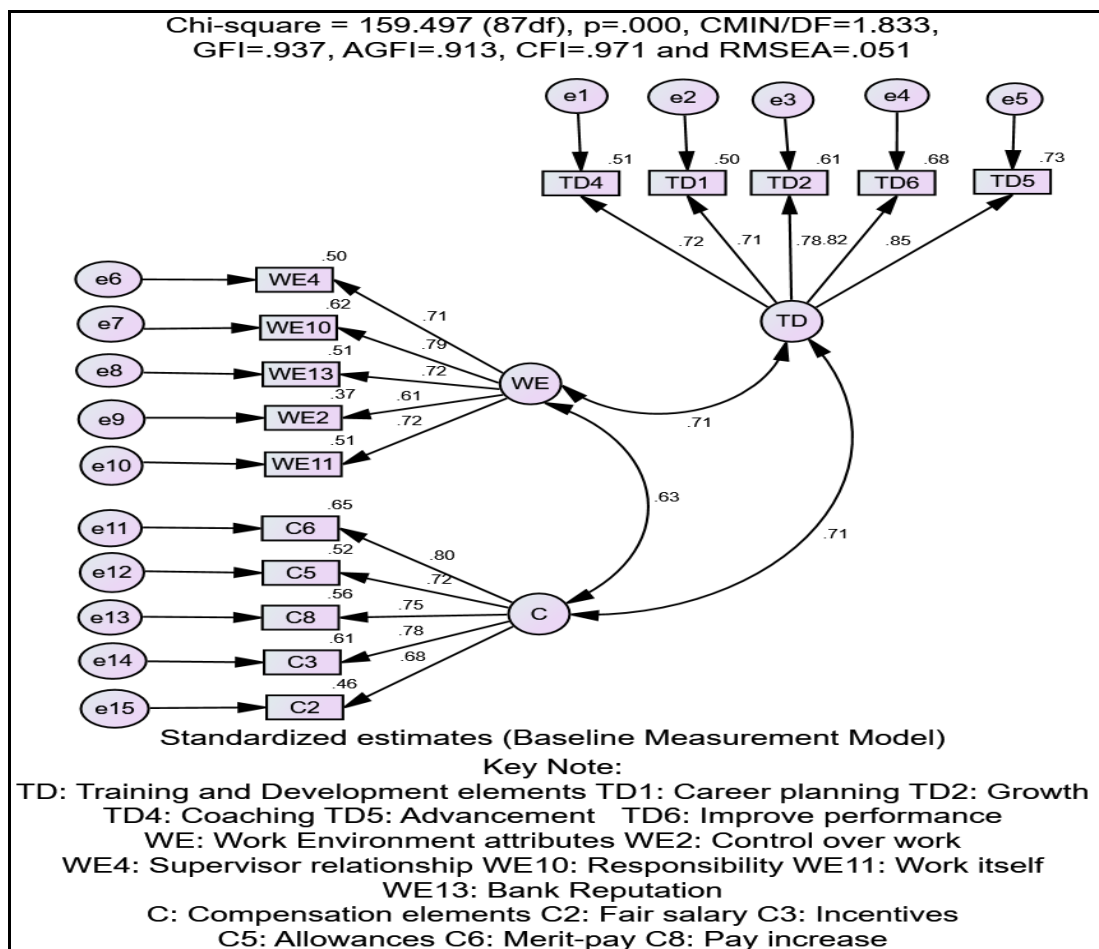
Figure 4.4: Baseline Measurement Model

In this case therefore the current study has achieved the requirements for the model fit, hence it achieved a robust measurement model as illustrated in Figure 4.4. The retained items were used in the final analysis in the hypothetical model.

Basing on what is presented in Table 4.10, there is positive and strong significant relationship between the observed and unobserved variable of the model. This is because the standardized path coefficient of at least 0.2 for all relation is achieved as recommended by Chin (1998) that a standardized path coefficient should be at least 0.2 in order to be considered significant and meaningful for discussion. Also, a requirement that critical ratio values (C.R) >1.96 using significance level of $p < 0.05$ is achieved as indicated in Table 4.10. This conforms to the argument by Hox and Bechger (2014) that a relationship which has yielded a critical ratio greater than 1.96 and p-value less than 0.05 is considered significant. The results therefore confirm a strong positive relationship between observed variable and unobserved variable and this finding form a very strong framework that can be used for further analysis of the relationship.

Table 4.10: Model Regression Weights and Standardized Regression Weights

Path			Estimate	S.E	C.R	P	SRW
TD6	<---	TD	.938	.053	17.805	***	.823
TD2	<---	TD	.950	.058	16.415	***	.779
TD1	<---	TD	.836	.058	14.335	***	.709
TD4	<---	TD	.778	.053	14.541	***	.716
WE4	<---	WE	1.000				.709
WE10	<---	WE	1.060	.084	12.646	***	.786
WE13	<---	WE	1.123	.096	11.665	***	.717
WE2	<---	WE	.858	.086	9.995	***	.608
C5	<---	C	1.000				.720
C8	<---	C	.951	.076	12.594	***	.747
C3	<---	C	1.014	.077	13.189	***	.784
C2	<---	C	.868	.076	11.441	***	.677
WE11	<---	WE	1.006	.086	11.672	***	.717
C6	<---	C	.986	.073	13.499	***	.804
TD5	<---	TD	1.000				.853

The study has therefore established the model fit and that all hypothesis of the relationship between observed and unobserved variable have agreed. The next stage was to move to a hypothetical model in order to be able to test for the hypothesis of the study between the dependent and independent variables as shown in the next section.

4.3.3 Hypothesis Testing

Having accomplished the model fit between observed and unobserved independent variables, the next step was to test the hypothesis of the study and then establish a hypothetical model of the relationships. Binary logistic regression was used to predict the significance effect between the variables and develop the hypothetical model of the study which hypothesized the relationship between training and development elements, compensation elements and work environment attributes on bank employee retention.

4.3.3.1 The Influence of Training and Development Elements on Employee Retention at the Selected Banks in Dar es Salaam

This objective was developed to test the hypothesis on the relationship between training and development elements and employee retention, the *H1: Training and development elements have significant influence on employee retention at selected banks in Dar es Salaam.* Findings using binary logistic regression are presented in the Table 4.11.

Table 4.11: Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	363.423ᵃ	.213	.287
a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.			

The results provided in Table 4.11 showed that the dependent variable 'employee retention' is explained well by independent variable training and development elements which has five indicators, that is, career planning (TD1), growth (TD2), coaching (TD4), advancement (TD5) and improve performance (TD6). The value of Cox and Snell's R^2 was 0.213 and NagelkerkeR^2 was 0.287. The values, which are between 0 and 1, measure how much the model improved as a result of the inclusion of the predictor variable (Cox and Snell, 1989; Nagelkerke, 1991).

NagelkerkeR^2 value shows that the model significantly improved by 28.7 percent. At 5% level of significance, training and development elements variable is a significant contributor to the model. Thus, the explanatory variable significantly contributed to the final model. Furthermore, the study findings using binary logistic regression were shown in Table 4.12.

Table 4.12: Variables in the Equation

		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 0	Constant	-.360	.113	10.209	1	.001	.698

The results as per Table 4.12 show a significant value (p) of 0.001, which is less than 0.05. This implies that the predictor (training and development elements) makes a significant contribution in predicting the employee retention.

The statistical significance of the indicators of Training and Development elements has also been presented in Table 4.13.

Table 4.13: Variables in the Equation

		B	S.E.	Wald	Df	Sig.	Exp(B)	95% C.I.for EXP(B)	
								Lower	Upper
Step1[a]	TD1	-.330	.147	5.074	1	.024	.719	.539	.958
	TD2	-.587	.155	14.421	1	.000	.556	.411	.753
	TD4	-.094	.166	.319	1	.572	.911	.658	1.261
	TD5	.079	.185	.182	1	.670	1.082	.753	1.556
	TD6	-.246	.183	1.803	1	.179	.782	.546	1.120
	Constant	3.705	.592	39.191	1	.000	40.647		
a. Variable(s) entered on step 1: TD1, TD2, TD4, TD5, TD6.									

The results provided in Table 4.13 showed that out of five indicator variables only two indicators known as TD1 (career planning) and TD2 (growth) were statistically significant. From these results you can see that TD1 (p = .024) and TD2 (p = .000) added significantly to the model/prediction, but TD4 (p = .572), TD5 (p = .670) and TD6 (p = .179) did not add significantly to the model.

Therefore, it means that the hypothesis *H1* which state that training and development elements have significant influence on employee retention at the selected banks in Dar es Salaam is confirmed. Furthermore, the study results on the fitness of the model to the data were provided in Table 4.14.

Table 4.14: Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	2.203	8	.974

The results in Table 4.14 indicated a (p) value > 0.05 meaning that the model fitted well. According to Hosmer and Lemeshow (2000) well-fitting models show non-significance on the Hosmer and Lemeshow goodness of fit test implying that model prediction is not significantly different from observed values as the computed (p) value was greater than 0.05.

4.3.3.2 The Influence of Compensation Elements on Employee Retention among Selected Banks in Dar es Salaam

This is another objective that was developed to test the hypothesis on the relationship between compensation elements and employee retention, that is, *H2: Compensation elements have significant influence on employee retention among selected banks in Dar es Salaam.* Therefore, to test the hypothesis, binary logistic regression was used and findings are shown in the Table 4.15.

Table 4.15: Model Summary

-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
385.076[a]	.159	.214
a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.		

The results provided in Table 4.15 showed that the dependent variable 'employee retention' is explained well by independent variable compensation elements which has five indicators, that is, fair salary (C2), incentives (C3), allowances (C5), merit-pay (C6) and pay increase (C8). The value of Cox and Snell's R^2 was 0.159 and NagelkerkeR^2 was 0.214. The values, which are between 0 and 1 measure how much the model improved as a result of the inclusion of the predictor variable (Cox and Snell, 1989; Nagelkerke, 1991). NagelkerkeR^2 value shows that the model significantly improved by 21.4 percent. At 5% level of significance, compensation elements variable is a significant contributor to the model. Thus, the explanatory variable significantly contributed to the final model. Binary logistic regression also came out with the results as presented in Table 4.16.

Table 4.16: Variables in the Equation

		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 0	Constant	-.360	.113	10.209	1	.001	.698

Table 4.16 indicated a significant value (p) equal to 0.001 which is less than 0.05. This implies that the predictor (compensation elements) makes a significant contribution in predicting the employee retention. Hence, hypothesis *H2* is accepted. Further results of the study were also presented in Table 4.17.

Table 4.17: Variables in the Equation

		B	S.E.	Wald	Df	Sig.	Exp(B)	95% C.I.for EXP(B)	
								Lower	Upper
Step 1[a]	C2	-.367	.132	7.758	1	.005	.692	.535	.897
	C3	-.195	.139	1.964	1	.161	.823	.627	1.081
	C5	-.125	.121	1.076	1	.300	.882	.696	1.118
	C6	-.175	.160	1.201	1	.273	.839	.613	1.148
	C8	-.101	.141	.513	1	.474	.904	.685	1.192
	Constant	2.418	.430	31.568	1	.000	11.227		

a. Variable(s) entered on step 1: C2, C3, C5, C6, C8.

The results presented in Table 4.17 indicate that out of five indicators (indicator variables) only one indicator known as C2 (fair salary) was statistically significant. From these results it can be seen that C2 (p = .005) added significantly to the model/prediction, but C3 (p = .161), C5 (p = .300), C6 (p = .273) and C8 (p = .474) did not add significantly to the model.

Moreover, the results in Table 4.18 were also used to show whether the model fitted the data to the acceptable level.

Table 4.18: Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	8.500	8	.386

Table 4.18 indicated that the model fitted well as the significant (p) value was greater than 0.05 implying that model predicted values are not significantly different from observed values. So, the model fitted the data to the acceptable level as suggested by Hosmer and Lemeshow (2000).

4.3.3.3 The Influence of Work Environment Attributes on Employee Retention among Selected Banks in Dar es Salaam

The third objective of the study was developed to test the hypothesis on the relationship between work environment attributes and employee retention, that is, *H3: Work environment attributes have significant influence on employee retention among selected banks in Dar es Salaam.* Findings using binary logistic regression are presented in the Table 4.19.

Table 4.19: Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	399.480[a]	.121	.163
a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.			

The results provided in Table 4.19 indicated that the dependent variable 'employee retention' is explained well by independent variable work environment attributes which has five indicators, that is, supervisor relationship (WE10), responsibility (WE16), bank reputation (WE19), Work itself (WE17) and control over work (WE4).

The value of Cox and Snell's R2 was 0.121 and Nagelkerke R2 was 0.163. The values which are between 0 and 1, measure how much the model improved as a result of the inclusion of the predictor variable (Cox and Snell, 1989; Nagelkerke, 1991). Nagelkerke R2 value shows that the model significantly improved by 16.3 percent. At 5% level of significance, work environment attributes variable is a significant contributor to the model. Thus, the explanatory variable significantly contributed to the final model. Further results of the study using binary logistic regression are presented in Table 4.20.

Table 4.20: Variables in the Equation

		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 0	Constant	-.360	.113	10.209	1	.001	.698

The results as per Table 4.20 indicate a significant value (p) of 0.001 which is less than 0.05 and this implies that the predictor (work environment attributes) makes a significant contribution in predicting the employee retention.

Table 4.21: Variables in the Equation

		B	S.E.	Wald	Df	Sig.	Exp(B)	95% C.I.for EXP(B)	
								Lower	Upper
Step 1a	WE4	-.158	.158	.994	1	.319	.854	.626	1.165
	WE10	-.502	.183	7.489	1	.006	.605	.423	.867
	WE13	-.379	.142	7.122	1	.008	.685	.519	.904
	WE11	.092	.163	.317	1	.574	1.096	.796	1.510
	WE2	.093	.152	.373	1	.542	1.097	.815	1.478
	Constant	2.782	.618	20.268	1	.000	16.155		
a. Variable(s) entered on step 1: WE4, WE10, WE13, WE11, WE2.									

The results provided in Table 4.21 showed that out of five indicators (indicator variables) only two indicators known as WE10 (responsibility) and WE13 (bank reputation) were statistically significant. From these results you can see that WE10 (p = .006) and WE13 (p = .008) added significantly to the model/prediction, but WE4 (p = .319), WE11 (p = .574) and WE2 (p = .542) did not add significantly to the model.

Therefore, the hypothesis *H3* which state that, work environment attributes have significant influence on employee retention at the selected banks in Dar es Salaam is accepted. Further results from binary logistic regression output are presented in the Table 4.22.

Table 4.22: Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	5.216	8	.734

The results in Table 4.22 indicated that the model fitted well to the data as the computed (p) value is greater than 0.05. The non-significance on the Hosmer and Lemeshow goodness of fit test implies that model prediction is not significantly different from observed values (Hosmer and Lemeshow, 2000; Archer and Lemeshow, 2006).

The derived hypothetical model after testing hypothesis of the study is as shown in f Figure 4.5. The process involved EFA, CFA and finally binary logistic regression. In the derived model insignificant attributes (indicator variables) basing on p value were included in the model. This was due to the fact that employees have various sensitivity levels, satisfaction levels, altitudes, behaviours and perceptions (Zareen et al., 2013).

So, the insignificant attributes can have influence on employee retention as some employees are very sensitive. These results are aligned with Babyak (2004) who contend that non-significant values based on p-value alone does not mean no effect and that insignificant values can be important for example, in clinical decision making of whether to intervene or not to intervene a public health problem, and on deciding which parameters are important. Hirpara, et al. (2015) also argued that the size of effect is the one that matters when interpreting clinical research, so the presence of statistical significance does not necessarily mean clinically important.

In addition, Wald Chi-Squared Test for the insignificant attributes was not zero as shown in Table 4.13, 4.17 and 4.21, this indicated that each insignificant attribute has some contribution to the model despite of its smallness (Agresti, 1990, 2013). Vakhitova and Alston-Knox (2018) insisted that Wald Chi-Squared Test approach to measuring effects should be used with caution as it has some limitations especially in the small samples. Since the study had adequate sample size as explained in chapter three, the Wald Chi-Squared Test helped the study in further concluding whether to retain or delete the insignificant attributes in the hypothetical model.

The Wald test performs best when the true effect is small or moderate (Vakhitova and Alston-Knox, 2018). Removing insignificant indicator variables in the model would have resulted overfitting. Harrell Jr and Slaughter (2008) contend that overfitting produces an overfitted model. In the same line of argument, Babyak (2004) argue that overfitting yields overly optimistic model results and the findings from the overfitted model do not really exist in the population and hence can not be replicated.

```
Training and Development elements
            Career planning
                Growth
                Coaching
             Advancement
         Improve performance
```

```
Compensation elements
            Allowances
             Incentives
             Merit-pay
             Fair salary
            Pay increase
```

```
Work Environment attributes
        Supervisor relationship
           Control over work
             Responsibility
               Work itself
             Bank reputation
```

Bank Employee Retention

Key Note:
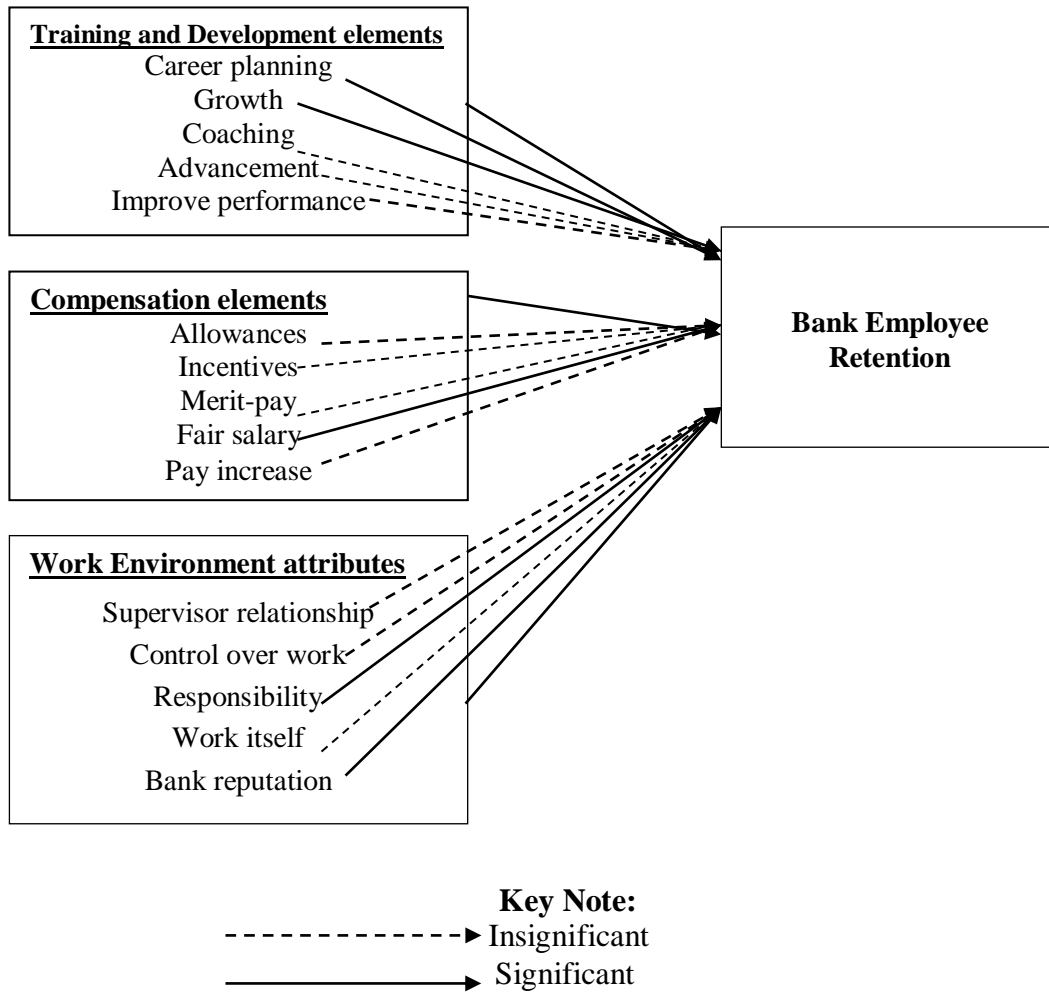- - - - - - - - - ▶ Insignificant
———————————▶ Significant

Figure 4.5: Hypothetical Model for the Study

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.1   Introduction

The chapter discusses the main findings of the study. The main objective of this chapter is to recapitulate the information generated from the study data and comparing and contrasting the current findings with what has been found out in previous studies. This helps to reflect on the findings about the nature and factors influencing employee retention and examining the study objectives, including points of departure from literature, hypotheses, conceptual and theoretical framework of the study.

5.2   Influence of Training and Development Elements on Employee Retention

The study investigated whether training and development elements can have significance influence on employee retention in the banking institutions in Tanzania particularly in the selected banks in Dar es Salaam. It was hypothesized, in the current study, that training and development elements have significant influence on employee retention at the selected banks in Dar es Salaam. The empirical results in chapter four of this study support the above hypothesis by yielding a significant p-value of 0.001.

The results present a significant contribution of training and development elements to employee retention at the selected banks in Dar es Salaam. The findings from this study are similar to those of Ldama and Bazza (2015) who found that training and development have positive and significant effect on employee retention in selected banking institutions in Nigeria. Nyambura and Kamara (2017) in Kenya also measured the relationship between training and development and employee retention and found a positive and significant relationship between the two factors.

The findings of the study support the argument based on Herzberg dual factor theory that factors such as promotion and employee development have significant influence on employee retention at Ambo Mineral water factory in Ethiopia (Kassa, 2015). The findings also have aligned with the argument made by Samuel and Chipunza (2009) on intrinsic and extrinsic variables of Herzberg dual factor theory such as training and development, having significant influence on retention of employees in South Africa. Similarly, the results of this study support the research by Oyagi and Kembu (2014) who argued on the worth of motivation variables of Herzberg, namely, career development and promotion opportunities on influencing employee retention in DSM, Tanzania.

On the other hand, similar findings were observed by Mathimaran and Kumar (2017) who contended that training and development is a crucial factor influencing employee retention. Similarly, Othman and Lembang (2017) indicated a positive and significant influence of training and development on employee retention. The research model in the current study identified career planning, growth opportunities, coaching, advancement and opportunities to improve performance to explain training and development elements variance of employee retention. Therefore, training and development elements are significantly influencing employee retention at the selected banks in DSM.

The research model indicated that those elements (i.e. career planning, growth, coaching, advancement and improve performance) of training and development do strongly influence employee retention at the selected banking institutions. Previous studies by Hong, et al. (2012) also found similar findings which identified elements of

training and development such as career planning, quality improvement, higher qualification, sufficient training and regular training with a significant influence on employee retention.

On the other hand, Fransis (2014) pointed out that opportunities to upgrade knowledge and skills, opportunities to improve performance, professional development and necessary training as important elements of training and development that have strong link with employee retention. These studies and the current study both found a strong link between training and development elements and employee retention. At the same time while this study shares some similar findings with other studies, the results differ in some of the variables.

For instance, Salman, et al. (2014) found that the significant contribution of employee retention through T & D was due to opportunities for promotion, education/training opportunities, growth opportunities, opportunities for training, sufficient time and budget for training and experienced trainers. In the study by Nyambura and Kamara (2017), it is provided that the significant influence of training and development elements on employee retention is explained by the number of trainings attended, number of new skills acquired, seminars and exhibitions attended and level of satisfaction with training and development opportunities. The current study could not find any support for number of new skills acquired, seminars and exhibitions attended and level of satisfaction with training and development opportunities. The differences that are observed on the indicator variables that explain training and development elements in influencing employee retention can imply that not all training and

development elements fulfil and are applicable in all contexts. This may be due to the influence of context on the outcome of the research (Øvretveit, 2011).

This observation has aligned with the finding by Umamaheswari and Krishnan (2016) which indicated an insignificant relation between training and development elements with employee retention. The attributes, namely, professional development, orientation, incentives, promotion, sufficiency of training, education opportunities and satisfaction with training were used to measure training and development (Umamaheswari and Krishnan, 2016). The researchers argue that sometimes the retention strategies that can be adopted by an organization with intention to improve employee retention can result in insignificant influence. This means that if the elements of training and development do not consider the needs and perceptions of a given population of employees in a particular organization, the employees in that workplace would not be encouraged to stay. Consequently, the prediction of training and development elements is likely to become insignificant.

Furthermore, Zareen, et al. (2013) suggested that there are different types of employees. Some strive for monetary rewards, others want performance appraisal, some desire for authority and involvement in decision making processes to input their new ideas and concepts. This entails that there is a need for management to establish important attributes of training and development that can influence employee retention on their settings as the needs and perceptions of employees are not the same. Employees also, differ in terms of sensitivity levels, satisfaction levels, attitudes and behaviours (Zareen et al., 2013) so even the attributes that can be considered to have small effect can cause an employee not to remain in an organization.

While the findings of the current study make clear that training and development elements are an important basis for improving employee retention in the selected banks in Dar es Salaam, it also shows that not all elements of training and development are rewarding. The findings reveal that career planning, growth, coaching, advancement and opportunities to improve performance are explaining the significant influence of training and development. Furthermore, the findings contribute towards an understanding that those elements of training and development are important in influencing employee retention as explained in the next sub-section.

5.2.1 Career Planning

The study investigated whether or not career planning influences employee retention in banking institutions. Prior studies pointed out that career planning is a critical factor that has a positive influence on retaining employees (Pande and Bhatt, 2014). The current study aimed at ascertaining the contribution of career planning in influencing employee retention in the banking institutions. The results in the current study have yielded a significant value (p) of 0.024 indicating that career planning is significantly related to employee retention in the selected banking institutions in DSM. It is, therefore, important to note that career planning has a great influence on retention of employees at the banks. The findings from the current study aligned with Kaur (2015) which indicated that career planning is among the most critical variables influencing employee retention in Indian Business Schools.

The results from the current study are shared by those of Kigo and Gachunga (2016), which revealed that career planning was among the strategies that contribute in retention of employees in the insurance industry in Kenya. On the other hand, Rakhra

(2018) who studied the factors influencing employee retention in companies at Delhi in India, indicated that career planning contributes significantly to retention of employees. Despite that fact, many scholars (Pande and Bhatt, 2014; Rakhra, 2018) as well as the current study, claim that career planning has significant influence on employee retention, Chew and Girardi (2012) revealed a contrary finding that career planning has no influence on employee retention.

This may imply that career planning cannot be used as a rule of thumb in retaining employees because it may not be applicable in other contexts. It is, therefore, important that the managements of the organization should find out what retention factors are valued by employees in their context in order to apply them in influencing employee retention. This may also have implication that even if there is a career management policy in an organization to ensure career path to employees, if it is not practiced by management, it may not influence retention of employees.

5.2.2   Growth Opportunities

The study also set out to establish whether growth opportunities for employees influence employee retention in the selected banking institutions in DSM. According to Herzberg (1966) cited in Chen, et al. (2017), advancement refers to employees' actual status or position changes in the organization in the current moment while growth is linked to the advancement opportunities beyond the current time. Previous studies have established that growth opportunities are a critical factor that has positive and significant influence on employee retention (Roy, 2015). In finding out the contribution of growth opportunities on employee retention, the current study revealed a significant relationship between the two as it yielded a significant value (p) of 0.000.

In this case, it is crucial to remember that growth opportunities have a great influence on retention of employees at the banks. This has aligned with the finding by Muhoho (2014) who indicated that opportunities for development strongly influence employee retention in Tanzania public and private organizations.

On the other hand, Pek-Greer and Wallace (2017) indicated that professional development opportunities is a significant factor in retaining employees at early childhood industry in Singapore. This implies that growth opportunities strategy which has been found by the current study to strongly influence employee retention can also be applied in other contexts other than Tanzania. Furthermore, Kossivi, et al. (2016) argued that employee development opportunities contribute significantly on retention of employees.

The results from the current study are shared by Kwenin (2013) who found that career development opportunities have a positive relationship with employee retention in Vodafone Ghana limited. Similarly, Msisiri and Juma (2017) who did a study in Arusha Tanzania found and reported a significant influence of career development opportunities on employee retention. In a related perspective, Kinyili, et al. (2015) revealed that career advancement is crucial in influencing employee satisfaction and hence retention. Furthermore, Chandrasekar (2017) indicated that adequate employee development opportunities are among the key variables that encourage employees to stay.

Scholars such as Palwasha, et al. (2017) as well as the current study indicate that opportunities for growth have significant influence on employee retention. This is in

line with Oyagi and Kembu (2014) who indicated that growth opportunities such as career development and promotion have positive and significant influence on employee retention. Furthermore, Alagusundaram and Raghavan (2017) argued that growth opportunities like chances for internal promotion and career development have significant contribution to employee retention. Therefore, basing on the results of the current study and those by previous scholars it can be suggested that adequate growth opportunities for employees at the banks in DSM can positively and significantly influence retention of employees.

5.3 Influence of Compensation Elements on Employee Retention in Banking Institutions

The study was also keen to establish if there is a relationship between compensation elements and bank employee retention. Yadav and Saxena (2015) suggest that in order for the management of an organization to do better work in retaining employees, it should understand and apply employee retention strategies to facilitate measures in keeping valuable employees. The study by Salisu, et al. (2016) established that there is a connection between compensation and employee retention. Their study on the impact of compensation on public construction workers' retention in Nigeria concluded that pension and gratuity are compensation elements that have a significant influence on retention of workers while salary and allowances have no significant impact on workers' retention.

Compensation elements were identified in this research to be strongly associated with bank employee retention by scoring a p value = 0.001 which is less than 0.05. However, only one attribute, that is, fair salary, was identified by the research model

to explain bank employee retention, whereas the other compensation attributes such as incentives, allowances, merit-pay and pay increase were insignificantly related to bank employee retention. The results support the arguments made by Adzei and Atinga (2012) based on Herzberg two factor theory that motivational factors such as salary supplements, benefits and allowance are significant predictors of employee retention in Ghana. On the same line of argument, Samuel and Chipunza (2009) revealed that an extrinsic variable salary package of Herzberg two factor theory has significant influence on employee retention.

These study findings are in line with Osibanjo, et al. (2014) who found that compensation has positive and significant influence on employee retention. According to Osibanjo, et al. (2014), all the attributes of compensation, that is, salary, bonus, incentives, allowances, and fringe benefits explain the relation between compensation and employee retention. The current study findings show that only one attribute of compensation counts and contributes towards employee retention in banking institutions in Dar es Salaam.

Previously, Hong, et al. (2012) indicated that there is a significant relationship between compensation and employee retention. Similarly, Ejaz and Akbar (2015) found that compensation has a positive impact on employee retention at insurance companies in Karachi in Pakistan. These study findings are in line with, Palwasha, et al. (2017) who revealed that compensation has imperative relationship with employee retention.

On the other hand, Muindi and Odandi (2016) who did a study on factors that influence the retention of rural health workers in Siaya County in Kenya found an

insignificant influence of compensation on employee retention. This finding is contrary to most previous studies due to poor application of compensation strategy in influencing employee retention as suggested by Mabaso and Moloi (2016). Therefore, a good application of the compensation strategy in retaining employees is important in increasing employee retention levels in an organization. One way of doing this can be through using compensation elements that are valued by employees in their respective organization.

Most studies such as by (Ejaz and Akbar, 2015; Anter and Lapian, 2016) have shown a relationship between compensation and employee retention but compensation elements used in different organizations in order to influence employee retention are not the same (Osibanjo, et al., 2014; Salisu, et al., 2016). Therefore, the current study can say that despite compensation improves employee retention in the banking institutions through provision of fair salary to employees according to their responsibilities, the banks could have used other compensation elements that were not included in the study but which might have encouraged employees to stay.

5.3.1 Fair Salary

Fair salary in this study represents a salary which is perceived by an employee to be commensurate to work or job responsibilities (Waweru and Kagiri, 2018). Empirical studies have explained that a salary that is fair to job responsibilities is a necessary compensation element that could be used by organizations in retaining employees (Kumar and Benitto, 2015; Silva, et al., 2019). Kumar and Benitto (2015) who did a study on employee retention strategies using a case study in garment industries in Tirupur in India, revealed that salary was a major factor in retaining employees. On

the other hand, Waweru and Kagiri (2018) argue that when the salary paid to employees is not commensurate to the work done, it does not make them feel fully appreciated for their work and effort and hence can not stay long. Moreover, their study insisted that salary structures used in an organization should provide fairness to employees in relation to salaries if they are to retain them and make them feel to be appreciated for their work and effort. Given the ground above, this study relates fair salary to the employee retention in the selected banks in DSM.

In the current study, salary that is fair to job responsibilities was pointed out to have strong association with bank employee retention because it had a significant p-value of 0.005 which is <0.05. These findings support what Samuel and Chipunza (2009) argued that salary package which is a hygiene factor (extrinsic factor) according to Herzberg framework was found to have a significant influence on employee retention in South Africa.The findings also support the argument made by Kassa (2015) on Herzberg two factor theory that there is a positive and significant relationship between motivational factors such as reward and salary on employee retention. The findings of the study support the findings from Mathimaran and Kumar (2017) who found salary to have positive and significant influence on employee retention.

This finding is in line with Osibanjo, et al. (2014) who asserts that salary is one of the compensation elements that positively and significantly influence employee retention. On the other hand, Ponnuru and Gupta (2018) concluded that salary has strong influence on retention of employees. It can, therefore, be concluded that when an organization provides salaries that are considered fair to employees' job responsibilities, it will have a significant influence in retaining those employees.

On the other hand, empirical studies by Salisu, et al. (2016) found salary as insignificant factor in influencing employee retention at Jigawa state in Nigeria. This has concurred with the argument made by Chiekezie, et al. (2017) that there is a weak relationship between salary and employee retention. Their study went further to conclude that in order for salary to have strong impact on retention of employees, the management of an organization must formulate, administer and implement good compensation policies. This shows that there is a need to have good compensation policies that would ensure salaries are perceived as fair to employees, thereby satisfying and encouraging them remain in the organization.

These findings may imply that inability to retain employees in an organization can be contributed by salaries that are not perceived to be adequate compared to job responsibilities. The implication is aligned by Osibanjo, et al. (2014) who advocated that organizations that have better compensation systems and policies in place put a positive impact on their employees and hence become committed to the organization and remain. On the other hand, Salisu, et al. (2016) claim that it is crucial to have a compensation package that is adequate and capable of retaining workers with salaries that can satisfy and retain them. The study asserts that if salaries of bank employees are fair in respect of job responsibilities, the banks will have a high ability to retain the employees and many scholars agree that salary has positive and significant influence on employee retention.

5.4 Influence of Work Environment Attributes on Employee Retention

The other drive for this study was to establish how work environment attributes relate to employee retention at the selected banks in DSM. In attending to this inquiry,

reviewed literature connect the findings in previous studies to the metrics used in evaluating the sought relationship. According to Markey, et al. (2014) work environment refers to the physical aspects, psycho-social and organizational surroundings of work. The study included physical risks and hazards at work, interactions, job demands and social structures in the organization that influence the psychological wellbeing of employees (Markey et al., 2012). All these can be broken down into small work environment attributes such as communication, recognition, stress, threat, interpersonal relationship, work pressure, control over work, creativity, fairness, etc that can have influence on employee retention in an organization. This pushes organizations to ensure that good work environment is maintained in order to influence employees to stay instead of leaving the organization.

It was hypothesized in the current study that work environment attributes are significantly related to bank employee retention. The research model identifies control over work, supervisor relationship, responsibility, work itself and bank reputation to explain the work environment variance that influences employee retention in the banking industry in DSM. In evaluating the relationship, the results yielded a significant value (p) of 0.001 for work environment attributes. This indicates that work environment attributes are significantly related to employee retention in the selected banks in DSM region.

The results of the study support the argument made based on Herzberg two factor theory that motivational factors such as work environment have positive and significant relationship on employee retention. In the same vein, the findings support the claims made by Oyagi and Kembu (2014) grounded on Herzberg two factor theory

that motivational variables like work environment have positive and significant influence on retention of academic staff. The findings corroborate with what Pek-Greer and Wallace (2017) who found that work environment has a significant influence on employee retention. Similarly, Mohamed, et al. (2017) indicated that work environment has strong influence on employee retention at an Agricultural Bank in Sudan. This implies that when employees are provided with conducive work environment at the work place, they are likely to stay instead of leaving the employing organization/bank. Therefore, the attributes of work environment that are most valued by employees in a particular organization/bank may be applied in encouraging employees to remain.

Previous studies by Patel and Patel (2014) and Gangwani and Dubey (2016) established a significant relationship between work environment and employee retention. This study shares some similar findings that, there is a link between work environment attributes such as responsibility, control over work, supervisor relationship, work itself and bank reputation with employee retention. The results differ in respect of some of the variables. For instance, Msengeti and Obwogi (2015) found and reported the significant influence of work environment attributes, namely, supervisor relationship, opportunities to use initiatives and talents, working conditions and work- life balance while in the current study the opportunities to use initiatives and talents, working conditions and work- life balance were not supported.

The current study findings shine light on the fact that work environment attributes are the basis for bank employee retention. It also shows that not all elements of the work environment reward banks in retaining employees. For example, Jain and Kaur (2014)

found that among eight work environment attributes, only five, that is, duties and responsibilities, refreshment and recreation facility, grievance handling, fun at workplace and health and safety facility were elements that influenced employee retention while attitude of supervisor, workload and overtime, job fatigue and boredom, showed no significant contribution in retaining employees.

This implies that despite the significant influence of work environment attributes on bank employee retention, but not all attributes that build up the work environment can have a significant influence on bank employees. The significant influence of the work environment depends on the degree to which those attributes reflect a particular environment. In the current study, only two attributes of work environment, that is, responsibility and bank reputation were identified by the research model to explain bank employee retention whereas attributes such as control over work, supervisor relationship and work itself were found to be insignificantly related to the employee retention.

5.4.1   Responsibility

The indicator variable of responsibility for the job/task stand out to have strong association with bank employee retention by scoring a p-value of 0.006. The result is in agreement with that by Sharma, et al. (2018) who indicated that responsibility has a positive impact on employee retention as when employees become more responsible for the job, they are motivated to stay in the organization.

This finding was also supported by Coleman Jr, et al. (2018) who concluded that when employees are given more responsibility in their jobs, they are likely to remain

in the organization. This implies that employee retention can be influenced by the level of responsibilities vested on an employee with respect to his/her job.

5.4.2   Bank Reputation

The reputation of a bank in this study represents an idea that employees who think that they are working in a reputable bank carry a sense of pride in being part of that bank and thus stay working in the organization. As a result, employees with such perception are likely to stay at the bank and identify themselves with a sense of pride in being part of that bank with good reputation. In the current study the indicator variable of bank reputation scored a significant p-value of 0.008 which is less than 0.05 and this is a significant contribution to employee retention in the selected banks. These results are consistent with prior research which established a positive and significant relationship between organizational reputation and employee retention (Singh and Rokade, 2014; Gupta, et al., 2018). Similar findings by Beheshtifar and Allahyary (2013) concluded that organizational reputation significantly influences organizational commitment and hence retention of employees.

Khoshnevis and Gholipour (2017) found a positive and significant relationship between employer reputation and employee retention at the Iran MelliBank in Iran. The findings also corroborate with what Shirin and Kleyn (2017) asserted as corporate reputation as an important predictor of employee engagement and hence employee retention. In the Tanzanian context, Muhoho (2014) indicated that psychological factors, like organizational reputation, strongly influence employee retention. These findings point to the fact that employees of a reputable organization tend to have a

sense of pride of being part of the organization and hence stay on in their jobs. This implies that bank reputation has a critical contribution in influencing employee retention in the selected banks for this study in Dar es Salaam.

5.5   A Review of the Study Hypotheses

The study provides a conclusion by revisiting the major assumptions of the study. The study hypothesized that "*Training and development elements significantly influence employee retention at selected banks in Dar es Salaam*". The training and development elements variable was measured using career planning, growth opportunities, coaching, advancement and opportunities to improve performance as indicated in the hypothetical model in Figure 4.5.

The study findings support this relationship as it was found to be significant. This implies that career planning, growth opportunities, coaching, advancement and opportunities to improve performance are retention strategies that can encourage employees to stay in an organization including the selected banks in DSM and enjoy the benefits of employee retention. Therefore, training and development elements and its attributes of career planning and growth opportunities have significant contribution to bank employee retention as indicated in Figure 4.5.

The study hypothesized a "*significant influence of compensation elements on employee retention among the selected banks in DSM*". The compensation elements variable was measured using allowances, incentives, merit-pay, fair salary and pay increase as identified in the hypothetical model in Figure 4.5. The study found a significant relationship between the variables being considered. Only one attribute

(i.e. fair salary) among other elements as shown in the measurement model which were used to measure the compensation elements, was found to be significant in influencing bank employee retention. Hence, compensation elements and its attribute fair salary had significant contribution to bank employee retention as indicated in the hypothetical model in Figure 4.5.

The study also hypothesized a "*significant relationship between work environment attributes and employee retention at the selected banks in Dar es Salaam*". The work environment attributes variable was measured using supervisor relationship, control over work, responsibility, work itself and bank reputation. The research found a significant influence of work environment attributes on employee retention at the selected banks in DSM. The attributes responsibility and bank reputation which were among the five attributes that were used to measure work environment attributes were found to be significant. Based on the discussion of the findings in chapter five, the significance level of each relationship is as summarized in Figure 4.5 in chapter four.

CHAPTER SIX

CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS

6.1   Introduction

This study analyzed the factors influencing employee retention in selected banks in DSM. Specifically, the study addressed and dwelt on three specific objectives: (i) To examine the influence of training and development elements on employee retention in the selected banks; (ii) To determine the influence of compensation elements on employee retention; (iii) To examine the influence of work environment attributes on employee retention in the selected banks. The study employed quantitative research method through empirical study. This chapter presents the main conclusions, considers the implications of the findings on the main issues and recommendations for future study.

6.2   Major Findings and Conclusions

The main findings and conclusions of the study are organized alongside and in response to specific objectives of the study as presented below.

6.2.1   Influence of Training and Development Elements on Employee Retention

In addressing the first specific objective, it was hypothesized that, training and development elements have significant influence on employee retention at the selected banks in Dar es Salaam. Binary logistic regression was used to evaluate the strength of the influence of training and development elements on bank employee retention. A significant (p) value of 0.001 indicated that training and development elements are strongly related to bank employee retention.

On the other hand, career planning and growth opportunities which were used to measure training and development elements were all found to be significant with p-values of 0.024 and 0.000 respectively. This implies that employees at the banking institutions in Tanzania, particularly in DSM, are motivated to stay in the banks by training and development elements such as career planning and growth opportunities.

This study concludes that training and development elements significantly influence employee retention in the selected banks in DSM. Further the study concludes that not all training and development elements significantly influence employee retention in the banking institutions. Some of the elements were found to be unrewarding. It can be deduced that this is due to differences on levels of sensitivity, satisfaction levels, perceptions and needs of employees. Deductively, therefore, there are attributes of training and development which are rewarding banks as they encourage employees to stay.

6.2.2 Influence of Compensation Elements on Employee Retention in Banking Institutions

The study examined the influence of compensation elements on employee retention in the selected banking institutions in DSM. It was hypothesized that compensation elements have significant influence on employee retention in the banks. Survey data was analysed using binary logistic regression to evaluate the influence of the referred relationship. The results of the binary logistic regression analysis presented in chapter four indicate a significant (p) value of 0.001 which shows a strong relationship between compensation elements and bank employee retention.

The indicator variable, namely, fair salary, which was used to measure compensation elements was found to be significant. This implies that salary which is considered by employees to be fair to job responsibilities can be used by management of the banks to influence employee retention in the banking institutions. This means fair salary is the most valued compensation attribute by employees in the selected banks and hence a critical retention strategy.

The current study concludes that there is a significant relationship between compensation elements and employee retention in the banks. Salary offered to employees at the selected banks can be a push factor if it is perceived or considered not fair by employees. If salary is considered fair, it can be a pull factor that can influence employees to stay. The study also concludes that only one element of compensation, that is, fair salary was observed to be significantly influencing bank employee retention in this study. This implies that there might be other compensation elements that were not included in the study. So, if those elements could have been combined with the fair salary attribute in the current study, there might be more compensation elements that could be significant in relation to bank employee retention. Generally, the study concludes that, fair salary is the only compensation element that is significant in influencing employee retention in the selected banks.

6.2.3 Influence of Work Environment Attributes on Employee Retention

In this third specific objective, it was hypothesized that Work environment attributes have significant influence on employee retention among the selected banks in DSM. To evaluate the strength of influence of work environment attributes on employee retention, binary logistic regression was used where a significant (p) value of 0.001

was obtained indicating that work environment attributes variable is significantly associated with employee retention among the selected banks. Two measures of work environment attributes namely responsibility and bank reputation were found to be significant. This means that banks in the study area can have better ability to retain employees if they have good reputation and give more responsibilities to their employees to the extent that the employees feel more responsible for their jobs.

The study concludes that, work environment attributes have a strong significant influence on employee retention in the banks. The study concludes that not all attributes of work environment existing in the banks can influence employee retention as some do not reward well. This may be attributed by the fact that levels of sensitivity, perceptions, satisfaction levels and needs of employees are different, and as a result some work environment attributes are not valued by employees. This implies that some work environment attributes (bank reputation and responsibility) are most valued by employees and are rewarding banks towards retention of employees.

6.3   Study Implications

The study also presented the theoretical, managerial, policy and researchers' view points on the study as drawn from the findings, discussion and conclusions. Theoretical implications indicate the contributions of the study to the literature on employee retention. Managerial implications relate to the managerial practices in banks regarding retention of employees. The implication for researchers addresses the contributions of the study in advancing the methodology of prior studies on employee retention. Finally, policy implications highlighted recommendations for addressing

policy issues relating to the development and implementation of policies for increasing employee retention in Tanzanian banks particularly in Dar es Salaam.

6.3.1 Theoretical Implications

Grounded on the reviewed employee retention literature, this study has borrowed factors from Herzberg (1966) dual factor theory for investigating factors influencing employee retention in selected banks in DSM. The borrowed factors were used to inform the study on the analysis of training and development, compensation and work environment on employee retention. While the Herzberg's motivation-hygiene theory was developed to study employee motivation, in the current study the theory was used to study employee retention. The study has, therefore, contributed to knowledge that even variables from motivation theory can be used to study employee retention.

The Applicability of Herzberg (1966) two factor theory in studying employee retention in the banks has been observed and evidenced in a number of empirical studies (Kassa, 2015; Msengeti and Obwogi, 2015). For example, Kassa (2015) used Herzberg two factor theory to study employee retention and found a positive and significant relationship between motivational factors such as reward, recognition, promotion, salary, development, security and working environment and employee retention. In a related perspective, Adzei and Atinga (2012) links motivation and retention, and also indicate that motivational factors such as salary supplements, benefits and allowance were significant predictors of employee retention in district hospitals in Ghana. The results of the current study suggest that bank employee retention is linked with training and development elements, compensation elements and work environment attributes.

The study has advanced the dependent variable employee retention by measuring it using categorical variables or binary variables (Ngure and Waiganjo, 2017) while other studies (Kyndt, et al., 2009; Hong, et al., 2012; Ezeuduji and Mbane, 2017) used interval variables. Therefore, the current study has finally developed the model that can be used for further testing of the proposed factors of employee retention on other populations to further the relevance of factors influencing bank employee retention in other contexts.

6.3.2 Policy Implications

The study concludes that policy implication in this study is based on the observation that the research findings can help in the development and implementation of HR policies that can increase employee retention. This study has established that attributes of work environment, namely, responsibility and bank reputation are significantly influencing employee retention. These attributes can help to strengthen HR policy development and implementation basing on how work environment attributes can be better articulated in HR policies to influence employee retention. On the other hand, compensation element, namely, fair salary which has been found to have a significant influence on employee retention can provide useful input in remuneration policy development and implementation as an initiative to improve employee retention.

Similarly, career planning and growth opportunities, which are elements of training and development, may assist in developing and implementing improved training and development policies to enhance employee retention. The usefulness of these elements in developing and implementing training and development policies comes from the ground that they have significant influence on employee retention.

It can therefore be concluded that, employee retention in the banks is significantly influenced by Training and development elements, compensation elements and work environment attributes. Employee retention at the selected banks was found to be largely influenced by career planning, growth opportunities, responsibility for the job, bank reputation and fair salary. The strong links above indicate that policies and strategies to enhance employee retention are crucial at the banking institutions locally and even globally.

6.3.3 Managerial Implications

The managements of banks are responsible in managing employee retention. Managerial implication of this study impinges on the attributes of training and development, work environment and compensation which have a significant influence on employee retention and this helps management to improve employee retention. Compensation element, fair salary, which has been found to have strong influence on employee retention at the banks can be used by management to improve employee retention. Work environment attributes, namely, responsibility and bank reputation have a significant impact on employee retention and provide important input to the management in improving retention of employees. Likewise, training and development elements, that is, career planning and growth opportunities have strongly influenced employee retention and can be applied by management to improve employee retention.

The results of this study could be practically used by management of banks in DSM or elsewhere to initiate retention strategies that could help to improve retention of employees and hence enjoy greater benefits of employee retention. The findings could

also serve as point of reference for other banks in other areas in Tanzania apart from Dar es Salaam that plan to improve employee retention.

6.3.4 Methodological Implications

The current study has advanced the use of binary logistic regression in studying employee retention in the context of banking institutions in Tanzania particularly in Dare Salaam. The methodology used in this study can help other researchers interested in employee retention as a reference point of their studies. In particular, the aspects of methodology like philosophy, validity and reliability, data collection instrument, selection of variables and sampling procedures can enlighten researchers on the methodological aspects of obtaining data from banking institutions setting in a local context.

The use of quantitative approach in the context of Tanzania more particularly in Dar es Salaam has contributed towards providing analysis of the applicability of quantitative study in the context of developing countries. Some prior studies (Manogharan, et al., 2018) adopted qualitative methods in studying employee retention which largely limit generalization of findings to a population rather it favors the generalization of findings to the theories or the sample alone. So, the adoption of quantitative method in investigating factors that influence employee retention favor the generalization of findings to the population.

The current study has contributed in providing a better understanding of the factors associated with employee retention in the banking industry context. As compared to other studies (Khoshnevis and Gholipour, 2017) which were done in other banks

populations in other countries, this study has established a link of factors of employee retention which are cutting across each unique population of banks in Tanzania particularly in DSM. Other scholars (Zareen et al., 2013) have argued that each unique population tends to have unique factors that influence employee retention. This study has advanced the methodological implications targeting unique populations of banks in Tanzania.

The study has contributed to the body of knowledge in terms of findings which are in line with the recommended sample size value for performing both exploratory factor analysis and confirmatory factor analysis. It has emphasized the use of adequate sample size in providing valuable insights for a research project and the same can be used to justify the suitability of similar sample size for upcoming research.

In a related perspective, the study has advanced internal consistency test as it used composite reliability whereas most of prior studies on employee retention (Nasir and Mahmood, 2016) relied on Cronbach's Alpha which lacks the power of evaluating the internal consistency of the whole model (Streiner, 2003). Cronbach's Alpha test which most of the previous studies relied on can be affected by a number of items in the data collection instrument which ultimately affect the results (Streiner, 2003).

Therefore, it is not clear how the approach gives a true picture of internal consistency of data collection instrument. This study has advanced the internal consistency assessment in research by using composite reliability test which account the internal consistency of the whole model and is not affected by the number of items used in the questionnaire. The findings from this study therefore have contributed towards

supporting strong internal consistency evidence as compared to prior studies that were assessed using Cronbach's Alpha.

The current study has also contributed towards extending the discussion of construct validity at confirmatory factor analysis level which has helped to account for convergence and discriminant validity test. While other previous studies (Tansuria and Nelwan, 2018; Mamahit, et al., 2019) were testing construct validity by ending at the exploratory factor analysis, many others were not testing for constructs validity. This has limited those studies because they did not assess the measurement error, which tends to affect covariance in predicting convergence and discriminant validity (Schermelleh-Engel, et al., 2003). The findings from this study therefore, do not suffer from cross loading and poor model fits.

Some prior studies have also investigated on factors influencing employee retention by using descriptive data analysis technique. Most scholars (Saunders, et al., 2012) argue that descriptive data analysis lacks the power of generalizing findings to the population. For this reason, the research studies limit generalizations at the sample level. Other prior studies (Kajungu and Mugisha, 2015; Ndinya, et al., 2017) used inferential statistics such as correlation analysis which does not provide cause and effect relationship.

Therefore, it is difficult to predict the relevant significance level. In order to overcome the pertinent weaknesses, the study employed binary logistic regression. The current study also has contributed in advancing the data analysis technique which could account for binary categorical dependent variable on a model.

6.4 Recommendation for Future Studies

The current study encountered certain limitations. Since the three factors that were considered in studying employee retention in this study were already known, the identification of their dimensions undertaken by using factor analysis which limits the use of categorical dependent and independent variables. Factor analysis was limited to independent variables. Therefore, future studies relating to establishment of factors influencing employee retention should use other methods such as correspondent analysis. The later can consider the use of dependent and independent categorical variables in the new conceptual framework.

This study also adopted binary logistic regression which limits its use to binary categorical dependent variable (stay or leave) with nominal scale on a set of predictor variables. Even so, in employee retention studies (Salisu, et al., 2016; Olaimat and Awwad, 2017) the use of dependent variables (measured by multiple items), with interval scale, has been acknowledged. In studying employee retention, multinomial logistic regression can be adopted where the categorical dependent variable has more than two categories on a nominal scale. Future studies should therefore accommodate the use of dependent variables (measured by multiple items) with interval scale in order to predict a set of predictor variables using such methods as Structural Equation Modeling (SEM) and multiple regression.

In a related perspective, this study focused on determining factors influencing employee retention that cut across the banks operating in Dar es Salaam. It did not consider specific retention factors for each bank. This limited the study to identify factors of employee retention that could have applied to particular banks. The

researcher, therefore, proposes case studies in the future in order to establish specific factors that influence employee retention in each particular bank.

Further, considering that the current study was conducted only in Tanzania, it is not clear whether the findings and the model validated from this study can also be applicable in other countries considering contextual differences. As already, acknowledged, (Ezeuduji and Mbane, 2017; Gupta, et al., 2018) contend that employee retention has been a major concern to many employers. The current research proposes a new study in more than one country in order to confirm and establish more evidence that can help to explain employee retention in developing countries and considering unique features of each such country.

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APPENDICES

Appendix I: Questionnaire for Employees

Dear Respondent,

You have been selected to participate in this study. The tittle of the study is Factors influencing Employee Retention in Banking Institutions in Tanzania: A case of selected banks in Dar es Salaam region. The main purpose of the study is to investigate the factors that influence employee retention in banking institutions in Tanzania particularly in Dar es Salaam. You are kindly requested to answer all the questions as carefully as possible. All answers remain anonymous and confidential. The information on the questionnaire will be used for academic purposes only. Do not indicate your name.
Thank you in advance.

> Amos E. Hanai – PhD Student
> Open University of Tanzania
>
> Email: hanaiamos@gmail.com
> Tel: 0753191633

Please choose an appropriate answer by putting a tick in the brackets.

1) What is your gender?	2) What is your marital status?
Male [ ] Female [ ]	Married [ ] Widow [ ] Single [ ] Divorced/separated [ ]
3) What is your age? 20 - 30 years [ ] 30 - 40 years [ ] 40 - 50 years [ ] 50 - 60 years [ ] Over 60 years [ ]	4) What is your highest education level attained? Primary Education [ ] Secondary Education [ ] Non degree [ ] Bachelor degree [ ] Postgraduate [ ]
5) How many years have you worked with this bank? Less than 1 year [ ] 1 to less than 5 years [ ] 5 to less than 10 years [ ] Above 10 years [ ]	6) What is your current management level in this bank? Non-management (i.e. Normal employee) [ ] Middle-level management employee (i.e. Supervisor, Manager) [ ] Top management employee (i.e. Director, Executive) [ ]

Please put a tick in the bracket for the appropriate answer.

7) What is your intention within the next 5 years with the bank you are currently working?
To stay   [ ] To leave [ ]

8) Please read careful the following statements and indicate your level of agreement or disagreement by putting a tick in the box basing on the following scale;

5= Strongly agree, 4=Agree, 3= Neutral, 2= Disagree and 1= Strongly disagree

Training and development elements	1	2	3	4	5
I'm arranged with a mentor to facilitate my career planning and this motivates me to stay.					

I'm motivated to stay because there are opportunities to grow as I am involved in activities that promote my professional.	1	2	3	4	5
My chances for being promoted are good that's why I am motivated to remain in this bank.	1	2	3	4	5
A coaching service that I receive from my coach helps me to improve skills and do my job well and this motivates me to stay.	1	2	3	4	5
I am given opportunities to advance by upgrading my knowledge and skills through regular training and this motivates me to stay.	1	2	3	4	5
I am given opportunities to improve my performance through continuous job related training and this motivates me to stay.	1	2	3	4	5
There are chances for professional development here as our bank sponsors education programmes that promote professionalism and this motivates me to stay.	1	2	3	4	5
Compensation elements					
Amount of pay I receive for my job is about equal to others doing similar work in other banks so I choose to remain with my bank.	1	2	3	4	5
I am motivated to remain at this bank because my salary is fair for my job responsibilities.	1	2	3	4	5
There are incentives for good performance [e.g. bonus, monetary and non-monetary awards (like long service award), Sales commission, etc] and this motivates me to stay.	1	2	3	4	5
I can get better pay if I move to another bank so I am not motivated to stay.	1	2	3	4	5
I am receiving allowances (such as house allowance, travel allowance, overtime, acting allowance, transport/fuel allowance, etc.) provided by bank and this encourages me to stay.	1	2	3	4	5
There is merit pay (performance-related pay) provided by this bank for high performance to individual employees and this motivates me to remain.	1	2	3	4	5
The benefits [such as Leave, Insurance, Health/Medical, Pension, Loan (with special rate), some free service, Bursary, etc.] I receive at this bank motivates me to stay.	1	2	3	4	5
High performing employees can get special pay increase at our bank and this motivates me to stay.	1	2	3	4	5
Work environment attributes					
An employee's good performance is recognized at this bank that is why I choose to remain.	1	2	3	4	5
For a large part I determine how I work and how I do my job roles without much supervision and this motivates me to stay.	1	2	3	4	5
I am motivated to stay at this bank because there is opportunity for flexible working which is helpful to me in balancing my work and home life.	1	2	3	4	5
I have good working relationship with my supervisor and this motivates me to stay.	1	2	3	4	5
Good working relationship with my fellow workers at our bank motivates me to stay.	1	2	3	4	5
Suitable and comfortable working conditions (such as working space, sitting arrangement, personal protection equipment, air conditions) motivate me to stay at the bank.	1	2	3	4	5
I am satisfied with the existing performance appraisal and this motivates me to remain.	1	2	3	4	5
I often get worried about losing my job and this doesn't motivate me to remain at this bank.	1	2	3	4	5
My achievements in completing work targets on time motivate me to remain at	1	2	3	4	5

this bank.					
I am motivated to stay at this bank because I feel to be responsible for my job.	1	2	3	4	5
I am motivated to stay at this bank because the work itself is challenging and this creates some interest on the job.	1	2	3	4	5
I'm motivated to stay at this bank because there are supervisions which help me to improve performance and competence to my job.	1	2	3	4	5
I feel proud to remain working at this bank because the bank has good reputation.	1	2	3	4	5
I am motivated to remain at this bank because I am satisfied with policies and administration at my workplace.	1	2	3	4	5

Thank you

Appendix II: CODED Questionnaire for Analysis

Training and Development elements		
CODE	**ITEMS**	**Measuring statements**
TD-1	Career planning	I'm arranged with a mentor to facilitate my career planning and this motivates me to stay.
TD-2	Growth	I'm motivated to stay because there are opportunities to grow as I am involved in activities that promote my professional.
TD-3	Promotion	My chances for being promoted are good that's why I am motivated to remain in this bank.
TD-4	Coaching	A coaching service that I receive from my coach helps me to improve skills and do my job well and this motivates me to stay.
TD-5	Advancement	I am given opportunities to advance by upgrading my knowledge and skills through regular training and this motivates me to stay.
TD-6	Improve performance	I am given opportunities to improve my performance through continuous job related training and this motivates me to stay.
TD-7	Professional development	There are chances for professional development here as our bank sponsors education programmes that promote professionalism and this motivates me to stay.
Compensation elements		
CODE	**ITEMS**	**Measuring statements**
C-1	Equity in pay	Amount of pay I receive for my job is about equal to others doing similar work in other banks so I choose to remain with my bank.
C-2	Fair salary	I am motivated to remain at this bank because my salary is fair for my job responsibilities.
C-3	Incentives	There are incentives for good performance [e.g. bonus, monetary and non- monetary awards (like long service

		award), Sales commission, etc] and this motivates me to stay.
C-4	Better pay	I can get better pay if I move to another bank so I am not motivated to stay.
C-5	Allowances	I am receiving allowances (such as house allowance, travel allowance, overtime, acting allowance, transport/fuel allowance, etc.) provided by bank and this encourages me to stay.
C-6	Merit-pay	There is merit pay (performance-related pay) provided by this bank for high performance to individual employees and this motivates me to remain.
C-7	Benefits	The benefits [such as Leave, Insurance, Health/Medical, Pension, Loan (with special rate), some free service, Bursary, etc.] I receive at this bank motivates me to stay.
C-8	Pay increase	High performing employees can get special pay increase at our bank and this motivates me to stay.
Work Environment elements		
CODE	**ITEMS**	**Measuring statements**
WE-1	Recognition	An employee's good performance is recognized at this bank that is why I choose to remain.
WE-2	Control over work	For a large part I determine how I work and how I do my job roles without much supervision and this motivates me to stay.
WE-3	Flexible working	I am motivated to stay at this bank because there is opportunity for flexible working which is helpful to me in balancing my work and home life.
WE-4	Supervisor relationship	I have good working relationship with my supervisor and this motivates me to stay.
WE-5	Co-worker relationship	Good working relationship with my fellow workers at our bank motivates me to stay.
WE-6	Working conditions	Suitable and comfortable working conditions (such as working space, sitting arrangement, personal protection equipment, air conditions) motivate me to stay at the bank.
WE-7	Performance appraisal	I am satisfied with the existing performance appraisal and this motivates me to remain.
WE-8	Job security	I often get worried about losing my job and this doesn't motivate me to remain at this bank.
WE-9	Achievements	My achievements in completing work targets on time motivate me to remain at this bank.
WE-10	Responsibility	I am motivated to stay at this bank because I feel to be responsible for my job.
WE-11	Work itself	I am motivated to stay at this bank because the work itself is challenging and this creates some interest on the job.
WE-12	Supervision	I'm motivated to stay at this bank because there are supervisions which help me to improve performance and competence to my job.

| WE-13 | Bank reputation | I feel proud to remain working at this bank because the bank has good reputation. |
| WE-14 | Policies and administration | I am motivated to remain at this bank because I am satisfied with policies and administration at my workplace. |

Appendix III: Banks operating in DSM - As at 30 June 2018

	Commercial Banks
1	AccessBank (Tanzania) Limited
2	African Banking Corporation (T) Limited
3	Akiba Commercial Bank Limited
4	Amana Bank Limited
5	Azania Bank Limited
6	Bank M (Tanzania) Limited
7	Bank of Africa Tanzania Limited
8	Bank of Baroda Tanzania Limited
9	Bank of India(Tanzania) Limited
10	Barclays Bank (T) Limited
11	Canara Bank (Tanzania) Limited
12	China Commercial Bank Limited
13	Citibank Tanzania Limited
14	Commercial Bank (T) Limited
15	CRDB Bank PLC
16	DCB Commercial Bank PLC
17	Diamond Trust Bank (T) Limited
18	Ecobank Tanzania Limited
19	Equity Bank Tanzania Limited
20	Exim Bank Tanzania Limited
21	First National Bank Tanzania Limited
22	Guaranty Trust Bank
23	Habib African Bank
24	I & M Bank Tanzania Limited
25	International Commercial Bank (T) Limited

26	KCB Bank Tanzania Limited
27	Letshego (Advans) Bank Tanzania Limited
28	Mkombozi Commercial Bank PLC
29	Mwalimu Commercial Bank PLC
30	Peoples Bank of Zanzibar
31	National Microfinance Bank (T) PLC.
32	NBC Limited
33	NIC Bank Tanzania Limited
34	Stanbic Bank (T) Limited
35	Standard Chartered Bank (T) Limited
36	TIB Corporate Bank Limited
37	UBL Bank Tanzania Limited
38	United Bank for Africa Tanzania Limited
	Community Banks
1	Maendeleo Bank PLC
	Financial Institutions
1	TPB Bank
2	Tanzania Women's Bank Plc
	Development Finance Institutions
1	Tanzania Agricultural Development Bank
2	TIB Development Bank Limited
	Microfinance Banks
1	EFC Tanzania M.F.C Limited
2	FINCA (T) M.F.C Limited
3	Vision Fund Tanzania M.F.C Limited
4	Yetu Microfinance Bank
Total	38 + 1 + 2 + 2 + 4 = **47 Banks in DSM – As at 30 June 2018**

Appendix IV: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.748	45.578	45.578	7.748	45.578	45.578	3.865	22.738	22.738
2	1.731	10.182	55.760	1.731	10.182	55.760	3.493	20.548	43.286
3	1.240	7.293	63.053	1.240	7.293	63.053	3.360	19.767	63.053
4	.738	4.344	67.397						
5	.715	4.203	71.600						
6	.645	3.796	75.396						
7	.562	3.305	78.702						
8	.488	2.869	81.570						
9	.472	2.777	84.348						
10	.446	2.623	86.970						
11	.405	2.380	89.350						
12	.359	2.110	91.459						
13	.346	2.035	93.495						
14	.321	1.887	95.382						
15	.289	1.700	97.082						

16	.271	1.595	98.677
17	.225	1.323	100.000

Extraction Method: Principal Component Analysis.

Appendix V: Scree plot
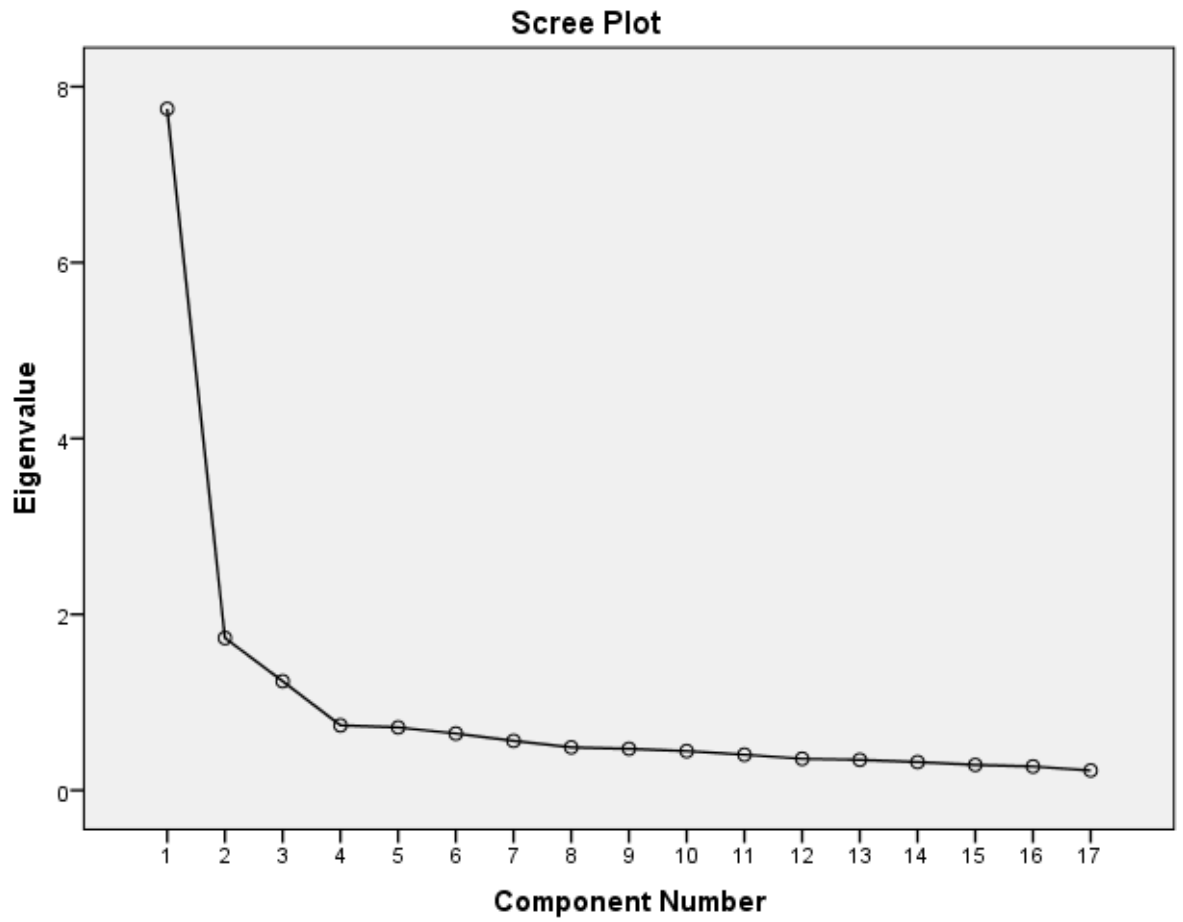
Appendix VI: Sample Size Table

TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN POPULATION

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size   "S" is sample size.

Source: Krejcie and Morgan (1970)

Appendix VII: Research Clearance Letters

THE OPEN UNIVERSITY OF TANZANIA

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Our Ref. PG 201404333   **Date: 26ᵗʰ July, 2018**

Managing Director,
Akiba Commercial Bank Plc,
P. O. Box 669,
Dar es Salaam,
Tanzania.

Attention : Mr. Israel Chasosa

RE: RESEARCH CLEARANCE

The Open University of Tanzania was established by an act of Parliament No. 17 of 1992, which became operational on the 1ˢᵗ March 1993 by public notice No. 55 in the official Gazette. The act was however replaced by the Open University of Tanzania charter of 2005, which became operational on 1ˢᵗ January 2007. In line with the later,the Open University mission is to generate and apply knowledge through research. To facilitate and to simplify research processtherefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance,on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology,to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Amos Hanai** of Registraton No. **PG 201404333** pursuing **Doctor of Philosophy (PhD)**. We hereby grant this clearance to conduct a research titled*"Factors influencing employee's retentionin banking Instititions in Tanzania: A Case of selected banks in Dar Es Salaam Region''*.He will collect his data in Dar es Salaam Region between July to October, 2018.

Incase you need any further information, kindly do not hesitate to contactthe Deputy Vice Chancellor (Academic) of the Open University of Tanzania, P.O. Box 23409, Dar es Salaam. Tel: 022-2-2668820.We lastly thank you in advance for your assumed cooperation and facilitation of this research academic activity.

Yours sincerely,

Prof Hossea Rwegoshora
For: VICE CHANCELLOR
THE OPEN UNIVERSITY OF TANZANIA

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Our Ref. PG 201404333

Date: 26th July, 2018

Managing Director,
Barclays Bank (Tanzania) Limited,
P. O. Box 5137,
Dar es Salaam,
Tanzania.

Attention : Mr. Abdi Mohamud Mohamed

RE: RESEARCH CLEARANCE

The Open University of Tanzania was established by an act of Parliament No. 17 of 1992, which became operational on the 1st March 1993 by public notice No. 55 in the official Gazette. The act was however replaced by the Open University of Tanzania charter of 2005, which became operational on 1st January 2007. In line with the later,the Open University mission is to generate and apply knowledge through research. To facilitate and to simplify research processtherefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance,on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology,to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Amos Hanai** of Registraton No. **PG 201404333** pursuing **Doctor of Philosophy (PhD)**. We hereby grant this clearance to conduct a research titled*"Factors influencing employee's retentionin banking Instititions in Tanzania: A Case of selected banks in Dar Es Salaam Region''*.He will collect his data in Dar es Salaam Region between July to October, 2018.

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Yours sincerely,

Prof Hossea Rwegoshora
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THE OPEN UNIVERSITY OF TANZANIA

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Our Ref. PG 201404333

Date: 26th July, 2018

Chief Executive Officer,
Diamond Trust Bank (Tanzania) Limited,
P. O. Box 115,
Dar es Salaam,
Tanzania.

Attention : Mr. VijuCherian

RE: RESEARCH CLEARANCE

The Open University of Tanzania was established by an act of Parliament No. 17 of 1992, which became operational on the 1st March 1993 by public notice No. 55 in the official Gazette. The act was however replaced by the Open University of Tanzania charter of 2005, which became operational on 1st January 2007. In line with the later,the Open University mission is to generate and apply knowledge through research. To facilitate and to simplify research processtherefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance,on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology,to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Amos Hanai** of Registraton No. **PG 201404333** pursuing **Doctor of Philosophy (PhD)**. We hereby grant this clearance to conduct a research titled*"Factors influencing employee's retentionin banking Instititions in Tanzania: A Case of selected banks in Dar Es Salaam Region"*.He will collect his data in Dar es Salaam Region between July to October, 2018.

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Our Ref. PG 201404333   **Date: 26th July, 2018**

Chief Executive Officer,
Azania Bank Limited,
P. O. Box 9271,
Dar es Salaam,
Tanzania.

Attention : Charles Jackson Itembe

RE: RESEARCH CLEARANCE

The Open University of Tanzania was established by an act of Parliament No. 17 of 1992, which became operational on the 1st March 1993 by public notice No. 55 in the official Gazette. The act was however replaced by the Open University of Tanzania charter of 2005, which became operational on 1st January 2007. In line with the later,the Open University mission is to generate and apply knowledge through research. To facilitate and to simplify research processtherefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance,on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology,to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Amos Hanai** of Registraton No. **PG 201404333** pursuing **Doctor of Philosophy (PhD)**. We hereby grant this clearance to conduct a research titled*"Factors influencing employee's retentionin banking Instititions in Tanzania: A Case of selected banks in Dar Es Salaam Region"*.He will collect his data in Dar es Salaam Region between July to October, 2018.

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Yours sincerely,

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Our Ref. PG 201404333

Date: 26ᵗʰ July, 2018

Chief Executive Officer,
TPB Bank Limited,
P. O. Box 9300,
Dar es Salaam,
Tanzania.

Attention : Mr. Sabasaba K. Moshingi

RE: RESEARCH CLEARANCE

The Open University of Tanzania was established by an act of Parliament No. 17 of 1992, which became operational on the 1ˢᵗ March 1993 by public notice No. 55 in the official Gazette. The act was however replaced by the Open University of Tanzania charter of 2005, which became operational on 1ˢᵗ January 2007. In line with the later,the Open University mission is to generate and apply knowledge through research. To facilitate and to simplify research processtherefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance,on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology,to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Amos Hanai** of Registraton No. **PG 201404333** pursuing **Doctor of Philosophy (PhD)**. We hereby grant this clearance to conduct a research titled*"Factors influencing employee's retentionin banking Instititions in Tanzania: A Case of selected banks in Dar Es Salaam Region"*.He will collect his data in Dar es Salaam Region between July to October, 2018.

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Yours sincerely,

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THE OPEN UNIVERSITY OF TANZANIA

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Our Ref. OUT/DPGS/PG 201404333/12   Date: 30th July, 2018

Managing Director,
Yetu Microfinance Bank Plc
P. O. Box 7537,
Dar es Salaam,
Tanzania.

Attention : Altemius A. Millinga

RE: RESEARCH CLEARANCE

The Open University of Tanzania was established by an act of Parliament No. 17 of 1992, which became operational on the 1st March 1993 by public notice No. 55 in the official Gazette. The act was however replaced by the Open University of Tanzania charter of 2005, which became operational on 1st January 2007. In line with the later,the Open University mission is to generate and apply knowledge through research. To facilitate and to simplify research processtherefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance,on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology,to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Amos Hanai** of Registraton No. **PG 201404333** pursuing **Doctor of Philosophy (PhD)**. We hereby grant this clearance to conduct a research titled*"Factors influencing employee's retentionin banking Instititions in Tanzania: A Case of selected banks in Dar Es Salaam Region''*.He will collect his data in Dar es Salaam Region between July to October, 2018.

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For: VICE CHANCELLOR

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Our Ref. PG 201404333   **Date: 26ᵗʰ July, 2018**

Acting Chief Executive Officer,
International Commercial Bank (Tanzania) Limited,
P. O. Box 9362,
Dar es Salaam,
Tanzania.

Attention : **Mr. RadhakrishnanTharuvara**

RE: RESEARCH CLEARANCE

The Open University of Tanzania was established by an act of Parliament No. 17 of 1992, which became operational on the 1ˢᵗ March 1993 by public notice No. 55 in the official Gazette. The act was however replaced by the Open University of Tanzania charter of 2005, which became operational on 1ˢᵗ January 2007. In line with the later,the Open University mission is to generate and apply knowledge through research. To facilitate and to simplify research processtherefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance,on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology,to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Amos Hanai** of Registraton No. **PG 201404333** pursuing **Doctor of Philosophy (PhD)**. We hereby grant this clearance to conduct a research titled*"Factors influencing employee's retentionin banking Instititions in Tanzania: A Case of selected banks in Dar Es Salaam Region''*.He will collect his data in Dar es Salaam Region between July to October, 2018.

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Our Ref. PG 201404333/10

Date: 30th July, 2018

Managing Director,
Maendeleo Bank Plc.,
P. O. Box 216
Dar es Salaam,
Tanzania.

Attention : Mr. Ibrahim Mwangalaba

RE: RESEARCH CLEARANCE

The Open University of Tanzania was established by an act of Parliament No. 17 of 1992, which became operational on the 1st March 1993 by public notice No. 55 in the official Gazette. The act was however replaced by the Open University of Tanzania charter of 2005, which became operational on 1st January 2007. In line with the later,the Open University mission is to generate and apply knowledge through research. To facilitate and to simplify research processtherefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance,on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology,to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Amos Hanai** of Registraton No. **PG 201404333** pursuing **Doctor of Philosophy (PhD)**. We hereby grant this clearance to conduct a research titled*"Factors influencing employee's retentionin banking Instititions in Tanzania: A Case of selected banks in Dar Es Salaam Region''*.He will collect his data in Dar es Salaam Region between July to October, 2018.

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E-mail: dpgs@out.ac.tz

Our Ref. OUT/DPGS/PG 201404333/15   **Date: 23ʳᵈ August, 2018**

Managing Director,
EFC Tanzania Microfinance Bank Limited ,
P. O. Box 11735,
Dar Es Salaam
TANZANIA

Attention: Mr. Bas Nierop

RE: RESEARCH CLEARANCE

The Open University of Tanzania was established by an act of Parliament No. 17 of 1992, which became operational on the 1st March 1993 by public notice No. 55 in the official Gazette. The act was however replaced by the Open University of Tanzania charter of 2005, which became operational on 1st January 2007. In line with the later, the Open University mission is to generate and apply knowledge through research. To facilitate and to simplify research process therefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance, on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology, to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Amos Hanai** of Registration No. **PG201404333** pursuing Doctor of Philosophy (PhD). We hereby grant this clearance to conduct a research titled *"Factors influencing employee's retention in banking Institutions in Tanzania: A Case of selected banks in Dar Es Salaam Region''*. He will collect his data in Dar es Salaam Region between August to November, 2018.

Incase you need any further information, kindly do not hesitate to contact the Deputy Vice Chancellor (Academic) of the Open University of Tanzania, P.O. Box 23409, Dar es Salaam. Tel: 022-2-2668820.We lastly thanks you in advance for your assumed cooperation and facilitation of this research academic activity.

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Our Ref. OUT/DPGS/PG201404333/14   **Date: 23rd August, 2018**

Managing Director,
CRDB Bank Plc,
P. O. Box 268
Dar es Salaam
Tanzania

Attention: Dr. Charles Kimei

RE: RESEARCH CLEARANCE

The Open University of Tanzania was established by an act of Parliament No. 17 of 1992, which became operational on the 1st March 1993 by public notice No. 55 in the official Gazette. The act was however replaced by the Open University of Tanzania charter of 2005, which became operational on 1st January 2007. In line with the later, the Open University mission is to generate and apply knowledge through research. To facilitate and to simplify research process therefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance, on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology, to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Amos Hanai** of Registration **No. PG 201404333** pursuing Doctor of Philosophy (PhD). We hereby grant this clearance to conduct a research titled *"Factors influencing employee's retention in banking Institutions in Tanzania: A Case of selected banks in Dar Es Salaam Region''*. He will collect his data in Dar es Salaam Region between August to November, 2018.

Incase you need any further information, kindly do not hesitate to contact the Deputy Vice Chancellor (Academic) of the Open University of Tanzania, P.O. Box 23409, Dar es Salaam. Tel: 022-2-2668820.We lastly thanks you in advance for your assumed cooperation and facilitation of this research academic activity.

Yours sincerely,

Prof. Hossea Rwegoshora
For: VICE CHANCELLOR
THE OPEN UNIVERSITY OF TANZANIA

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Our Ref. OUT/DPGS/PG 201404333/16   Date: 12ᵗʰ September, 2018

Managing Director,
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Attention: Mr. Charles Singili

RE: RESEARCH CLEARANCE

The Open University of Tanzania was established by an act of Parliament No. 17 of 1992, which became operational on the 1st March 1993 by public notice No. 55 in the official Gazette. The act was however replaced by the Open University of Tanzania charter of 2005, which became operational on 1st January 2007. In line with the later, the Open University mission is to generate and apply knowledge through research. To facilitate and to simplify research process therefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance, on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology, to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Amos Hanai** of Registration No. **PG201404333** pursuing Doctor of Philosophy (PhD). We hereby grant this clearance to conduct a research titled *"Factors influencing employees' retention in banking Institutions in Tanzania: A Case of selected banks in Dar es Salaam Region"*. He will collect his data in Dar es Salaam Region between September and November, 2018.

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For: VICE CHANCELLOR
THE OPEN UNIVERSITY OF TANZANIA

Appendix IV: Published Papers

The Influence of Training and Development on Employee Retention: Empirical Evidence from Banking Industry in Tanzania

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Abstract: *This paper aims at exploring the influence of Training and Development (T&D) on employee retention in the banking industry of Tanzania. A stratified sampling technique was used to ensure representativeness of the sample, eleven banks were selected purposely and a simple random sampling was applied to draw a sample of 370 employees. Binary logistic regression analysis was used to analyze quantitative data. The results revealed a 'p' value of 0.001 that indicate that T&D was significantly influencing employee retention. The study concluded that T&D attributes (career planning and growth opportunities) have significant influence on employee retention at the banks. The study recommends retention policies which are reflecting career planning and growth opportunities as T&D attributes that were valued most by employees.*

Keywords: *Employee retention, Training and Development, Bank*

1. INTRODUCTION

Recently, employee retention has become a serious concern in many organizations (Mehrez and Bakri, 2019). Thirupathy and Dhayalan (2016) argued that today's business environment is very competitive thus making skilled employees the major differentiating factor.The study admitted that organizations in these days rely on the expertise of their employees in order to compete and gain competitive advantage in the market. Samuel and Chipunza (2009) emphasized that retention of skilled employees is vital for sustaining competition as well as in increasing effective and efficient service delivery in the organizations. In the same perspective, Ibidunni, et al. (2016) argued that employee retention helps in improving organizational performance. Conclusively, employee retention is now regarded as vital for organizational performance as well as competitiveness.

The liberalization of the economy in Tanzania in 1980s and financial sector reforms in 1990s allowed private banks to operate in the country. The economic liberation and financial reforms also resulted into increased number of banks. Prior to economic liberalization, Tanzania had four banks but by 2017 the number had raised to fifty eight banks (BOT, 2017). This resultedin existence of competitive business environment and dynamic market in the banking industry. The banks started experiencing a problem in retaining employees especially reputable ones (Mboya, 2012; Kweka and Sedoyeka, 2014).Recognizing the importance of employee retention and its benefits, many banks took initiatives in order to improve employee retention (Rashidi and Rahman, 2013; Msisiri and Juma, 2017). Banking institutions in Tanzania have adopted different employee retention strategies and initiatives.

Despite clear evidence on the benefits of employee retention from the empirical literature and initiatives taken, still there is a problem of retaining desirable employees.Shahin (2017) admitted that poor employee retention can lead to many operational problems, decreasing morale, low productivity and increase in cost to the organization. Probably, the development and implementation of retention strategies had limited understanding of the key factors in the Tanzanian context.Oyagi and Kembu (2014) argued that poor retention of employees imposes costs of recruitment, training new employees and additional burden of work on remaining employees. Given this situation, it is important to

understand what factors influence employee retention in Tanzanian banks. The existing literature has revealed many employee retention factors but this study intends to explore the T&D influence on the employee retention in the Tanzanian banks.

Msisiri and Juma (2017) found that continuous improvement to employees influenced employee retention at CRDB bank in Arusha, Tanzania. Oyagi and Kembu (2014) also studied employee retention in the banking sector and indicated that promotion opportunities had significant influence. However, studies had come with conflicting findings. For example, Umamaheswari and Krishnan (2016) found insignificant influence of T&D on employee retention, while, Rashid and Rahman (2013) indicated a significant influence of T&D on employee retention.

Given the conflicting findings in the literature and the problem of retaining employees which affect the banking performance negatively, it is not clear whetherT&D can help to influence employee retention. Therefore, this paper aimed at filling the gap by investigating the influence of T&D on employee retention in the banking industry.

1.1. Training and Development and Employee Retention

Several scholars defined the concept of employee retention to fit their context of study. The paper adopts the definition introduced by Gayathri, et al. (2012) who defined employee retention as a process in which employees are encouraged to stay with the organization for the maximum period of time or until the completion of the project. Msengeti and Obwogi (2015) defined employee retention as the efforts to develop strategies and initiatives that support current staff into remaining with the organization. Regina and Rosalia (2015) evidenced that there was no single factor for employee retention. According to Francis (2014) T&D refers to the formal activities undertaken by an organization to help employees acquire the skills and experience needed to perform current or future jobs.

Herzberg two factor theory of 1966 provided a theoretical background for this study. The theory suggests that there are certain factors in the workplace that cause job satisfaction (and motivation) whiles others cause dissatisfaction. According to Herzberg (1966) two factor theory, motivation of employees at workplace can occur as a result of the use of motivators such as achievement, responsibility, the work itself, recognition, advancement and growth. Whereas hygiene factors such as company policy and administration, interpersonal relations, salary, supervision, job security and working conditions, would not motivate or create satisfaction to employees but instead it would result in a neutral state. Despite that Herzberg two factor theory is a motivation theory which was developed to study employee motivation, but in this study the theory was considered relevant on studying employee retention as it has been empirically evidenced (Motlou and Karodia, 2016; Waweru and Kagiri, 2018) that when employees are motivated or satisfied at work they are likely to stay in the organization.

The Applicability of Herzberg (1966) two factor theory in studying employee retention have been observed and evidenced in a number of empirical studies (Msengeti and Obwogi, 2015;Thirupathy and Dhayalan, 2016). For instance, Kassa (2015) used Herzberg two factor theory to study employee retention and found a positive and significant relationship between motivational factors such as recognition, promotion and development on employee retention. In related perspective, Adzei and Atinga (2012) linked motivation and retention of health workers in Ghana's district hospitals. Thirupathy and Dhayalan (2016) on studying employee retention in India indicated that T&D is among the motivational variables that significantly influenced employee retention. This finding is similar to the results of Mehrez and Bakri (2019) who indicated a relationship between T&D with employee retention in emerging economies in Qatar. Nyambura and Kamara (2017) did a study on employee retention in public universities in Kenyaand revealed a positive and significant relationship between T&D and employee retention.Despite that many empirical studies (Ldama and Bazza, 2015; Mathimaran and Kumar, 2017) evidenced the significant relationship between T&D with employee retention but some studies indicated contrary findings. For example, Umamaheswari and Krishnan (2016) who conducted a study on employee retention in India found insignificant relationship between T&D and employee retention.

On the other hand, Imna and Hassan (2015) found that career development has a positive and significant impact on employee retention in Maldives retail industry. In a Pakistani an banking

context, Ahmada, et al. (2015) did a study on human resource practices and employee retention found that training opportunities was one of the most important strategies in retaining employees. However, Terera and Ngirande (2014) revealed insignificant relationship between training and employee retention. Sohail, et al. (2011) in studying employee retention at the textile sector in Pakistan indicated that there was strong positive correlation between career path and employee retention. Similarly, Nasir and Mahmood (2016) revealed a significant relation of career development with employee retention when studying determinants of employee retention in Pakistan.

Salman, et al. (2014) carried out a study on factors affecting employee retention at the banking sector in Pakistan and found that promotion opportunities, education/training opportunities and growth opportunities have influence on employee retention. On the other hand, Francis (2014) who found a significant relationship between T&D and employee retention in Nigeria's manufacturing industries used opportunities to upgrade knowledge and skills, opportunities to improve performance, job related training and opportunity for professional development. In related perspective, Hong, et al. (2012) studied the effect of T&D on employee retention used attributes such as opportunities for higher qualification, training on job skills, training on quality improvement skills, mentoring and career planning to measure training and development. In the African context, Mutiria, et al. (2015) argued that training and career growth have significant influence on employee retention at Meru University of Science and Technology in Kenya.

In Tanzania, Msisiri and Juma (2017) did a study on the relationship between non-financial rewards and retention of employees in the banking industry in Arusha and used regression analysis found that continuous improvement to employees had positive influence on employee retention. Muhoho (2014) in studying factors influencing employee retention in Tanzania's work organizations indicated that opportunities for further development strongly influenced retention of employees.

Most prior studies as cited above have indicated the relationship between T&D with employee retention. However, different results from previous studies on the attributes of training and development which influenced employee retention may be due to the fact that satisfaction level, sensitivity level, perceptions, attitudes, behaviours and needs of every individual are different (Zareen et al., 2013). This may imply that more research is needed in different organizational settings in finding out specific training and development attributes that can influence employee retention on those settings. This may also raise a need for investigating further the needs and perceptions of employees with respect to training and development that can influence retention since they are not the same.

1.2. Conceptual Framework

The study developed the conceptual framework based on the discussion of the literature review above. One dependent variable namely Employee Retention (ER) and one independent variable namely Training and Development (T&D) were used to develop a conceptual framework as described in figure 1.
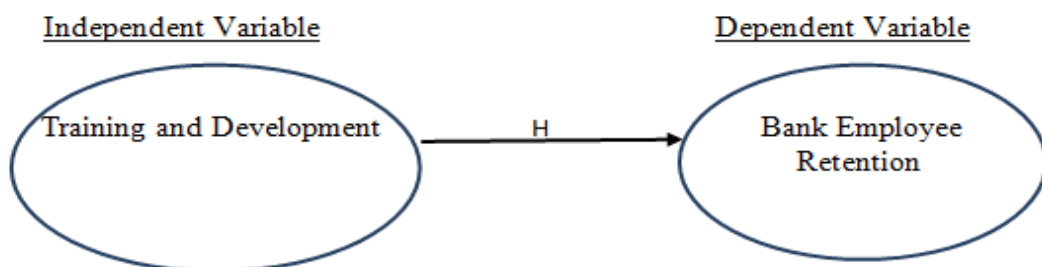

Figure1.0. *Conceptual framework*

Source: *Literature review*

2. RESEARCH METHODOLOGY

The Quantitative method was used in this study and the positivism philosophical stance was adopted. This is because the developed hypothesis and proposed model can be tested to explain the influence of

T&Don employee retention among banking institutions. According to Lancaster (2005) positivism philosophy assumes that the researcher is independent, concentrates on facts by testing hypothesis and there are no human interests on the study.Thestudy used the survey strategy and employed explanatory research design which helped to test the existence of relationships among variables and validated a model which can be used to explain employee retention in aspects of training and development in the context of banking institutions in Dar es salaam, Tanzania. The rationale to use explanatory design was based on its usefulness in explaining causal relationship among variables and to produce a model for these relationships.

Data was collected in Dar es Salaam region. The study area was selected because most of the banking institutions are operating in Dar es Salaam region than any other region in the country and this resulted high competition which in turn influences competition in retaining skilled bankers. Stratified sampling was used to ensure representativeness of banks basing on their bank categories such as commercial banks, community banks, financial institutions, development finance institutions and microfinance banks. Thereafter eleven banks were selected purposively and then simple random sampling was used to draw a sample of 370 employees from the selected banks that were given questionnaires. The overall sample size was allocated proportionally among the eleven banks depending on their number of employees.

The pilot study was conducted before the main survey to ensure the suitability of data collection instrument. Data analysis was done using both descriptive and inferential analysis. Binary logistic regression analysis was used to test a hypothesis and to develop a model on training and development that can explain employee retention among banking institutions in Dar es Salaam. IBM SPSS 23software was applied to support the analysis in the study.

2.1. Findings

2.1.1.Employee's Characteristics

The employee's characteristics were profiled based on their gender, marital status, age, education level, management level and years worked in the organization as described in Table 1.

Table1. *Employee's Characteristics*

Characteristics		Frequency	Percentage
Gender	Male	134	41.1
	Female	192	58.9
Marital status	Married	188	57.7
	Single	124	38
	Widow	7	2.1
	Divorced/Separated	7	2.1
Age	20-30 years	100	30.7
	30-40 years	158	48.5
	40-50 years	48	14.7
	50-60 years	20	6.1
Education level	Secondary	6	1.8
	Non-degree	15	4.6
	Bachelor	217	66.6
	Postgraduate	88	27
Years worked	Less than 1 year	17	5.2
	1 to less than 5 years	153	46.9
	5 to less than 10 years	96	29.4
	Above 10 years	60	18.4
Management level	Non-management	197	60.4
	Mid-level management	121	37.1
	Top management	8	2.5
Total		326	100

Based on the findings in table 1, it is implied that at least there was representativeness of the sample in terms of each unique employee characteristic. The findings on gender of the respondents indicated that female respondents were slightly higher than male respondents as among the 326 respondents

contacted, 41.1% were male and 58.9 % were female. This proportional of the percentage showed that there was representation of gender in the study as the data captured each group of gender. The study results on age revealed that majority of the respondents are in the age between 20 to 40. The age group of 326 respondents of the study were as follows; 30.7% were aged between 20 - 30 years, 48.5% were aged between 30 - 40 years, 14.7% were aged between 40 - 50 years and 6.1% were aged between 50 - 60 years.

The study findings on the level of education of the respondents contacted indicated that the majority (66.6%) were bachelor degree holders, (27%) were postgraduate degree holders, (4.6%) were non-degree holders while a few (1.8%) were secondary education holders. This implies that the majority of the respondents involved had good level of education to handle bank operations and support customers and that each level of education background was captured. It was revealed that between the 326 respondents, 57.7% were married, 38% were single, 2.1% were widow and 2.1% were divorced/separated. Majority of respondents were married and single, however the proportional of the percentage indicated representation of marital status in the data collected and that each group of marital status was addressed.

The study findings on management level of respondents indicated that majority (60.4%) were non-management employees, (37.1%) were mid-level management employees while a few (2.5%) were top management employees. Therefore, at least each level of management was contacted in the study and data covered each management level as it was considered that each level may have different needs or perceptions that influence their decision to stay (Uitzinger, et al., 2016).The study results revealed that out of 326 respondents, 5.2% have worked less than 1 year, 46.9% have worked 1 to less than 5 years, 29.4% have worked 5 to less than 10 years and 18.4% have worked above 10 years. This shows that the data covered each group category as the study considered that the number of years an employee has worked may have influence on their decision to stay as argued by (Agyeman and Ponniah, 2014).

2.2. Validity and Reliability

The study considered validity and reliability issues as these are important in testing the trustworthiness of the measurement instrument used in any research (Ihantola and Kihn, 2011). Content validity, construct validity and criterion validity were observed in this study as many scholars have used these kinds of validity in ensuring validity is achieved (Drost, 2011). A pilot study of survey instrument was done in order to ensure that the items in the questionnaire accurately reflect the theoretical domain of the latent construct it claims to measure. This involved few experts in human resource particularly in training and development area and few respondents as a sample population to help the study to strengthen the data collection instrument by assessing its coverage in theoretical domain.

To ensure construct validity the study identified correct operational measures for the T&D construct. Furthermore, the study ensured that criterion validity was achieved by making sure that the data collection instrument was drawn and developed by considering strong validated literature and expert panels. Kimberlin and winter stein (2008) argue that criterion validity provides evidence about how well scores on the new measure correlate with other measures of the same construct or very similar underlying constructs that theoretically should be related.

Reliability issues were considered in this study by first ensuring that the data collection instrument was suitable to respondents and second assessing the internal consistency of the scale using Cronbach's Alpha. The study ensured that the language used in the questionnaire was clear to the respondents and hence the data collection instrument was suitable to them. A reliability analysis on the training and development scale comprising five items showed that the questionnaire attained an acceptable reliability with Alpha coefficient (α) equal to 0.882 as indicated in table 2.0 below. The obtained Alpha was within the acceptable range as it was between 0.7 and 0.9 as suggested by Streiner (2003). Streiner (2003) recommended a maximum value of Alpha coefficient (α) of 0.9 as when it is above that it can be too high and point to redundancy among the items.

Table2. *Reliability Statistics*

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.882	.883	5

Furthermore, it was checked if Alpha coefficient could increase by removing some items in the questionnaire. The study retained all items as any deletion of an item would have resulted in a decrease in the Alpha coefficient. This is as postulated in the last column in table 3.0 below.

Table3. *Item-Total Statistics*

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
TD1	14.13	14.515	.668	.449	.869
TD2	13.77	13.945	.714	.514	.858
TD4	13.87	15.046	.673	.456	.867
TD5	13.86	13.744	.784	.643	.841
TD6	13.90	14.174	.752	.606	.849

Key Note: TD1 = Career planning, TD2 = Growth, TD4 = Coaching, TD5 = Advancement, TD6 = Improve performance

2.3. Hypothesis Testing

The objective of this paper was to test the hypothesis which state; *Training and development have significant influence on employee retention at the banking industry in Dar es Salaam.* Findings using binary logistic regression are as presented in the following tables.

Table4. *Variables in the Equation*

		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 0	Constant	-.360	.113	10.209	1	.001	.698

The results in table 4.0 above indicate a significant value (p) of 0.001 which is less than 0.05 implying that the predictor (training and development) makes a significant contribution in predicting the dependent variable employee retention.

In addition, the statistical significance of the indicators of training and development were also presented in table 5.

Table5. *Variables in the Equation*

		B	S.E.	Wald	Df	Sig.	Exp(B)	95% C.I.for EXP(B)	
								Lower	Upper
Step 1[a]	TD1	-.330	.147	5.074	1	.024	.719	.539	.958
	TD2	-.587	.155	14.421	1	.000	.556	.411	.753
	TD4	-.094	.166	.319	1	.572	.911	.658	1.261
	TD5	.079	.185	.182	1	.670	1.082	.753	1.556
	TD6	-.246	.183	1.803	1	.179	.782	.546	1.120
	Constant	3.705	.592	39.191	1	.000	40.647		
a. Variable(s) entered on step 1: TD1, TD2, TD4, TD5, TD6.									

Key Note: TD1 = Career planning, TD2 = Growth, TD4 = Coaching, TD5 = Advancement, TD6 = Improve performance

The results provided in table 5 indicated that only two indicators, that is, TD1 (career planning) and TD2 (growth opportunities) were statistically significant. From the results you can see that three indicators known as TD4 (p = .572), TD5 (p = .670) and TD6 (p = .179) did not add significantly to the model whereas TD1 (p = .024) and TD2 (p = .000) added significantly to the model/prediction.

Therefore, the hypothesis which state that training and development have significant influence on employee retention at the banking industry in Dar es Salaam is confirmed. These results agree with other findings (Ldama and Bazza, 2015) that revealed a significant influence of training and development on employee retention in selected banking institutions in Nigeria. The hypothetical model derived from the findings is as shown in figure 2.0.

In the derived model, insignificant attributes (indicators) of training and development basing on p value were included in the model. This was due to the fact that employees are not the same as they have different levels of sensitivity, satisfaction levels, altitudes, behaviours and perceptions (Zareen et al., 2013) so even the insignificant attributes can have influence on employee retention as some

employees are very sensitive. These results are aligned with Babyak (2004) who contend that non-significant values based on p-value alone does not mean no effect and that insignificant values can be important for example, in clinical decision making of whether to intervene or not to intervene a public health problem, and on deciding which parameters are important.

In addition, Wald Chi-Squared Test for the insignificant attributes was not zero as shown in table 4.0, this indicated that each insignificant attribute had some contribution to the model despite its smallness (Agresti, 1990, 2013). So, deleting insignificant indicator variables in the model would have resulted over fitting and hence an over fitted model as it has been argued by Harrell Jr and Slaughter (2008). Babyak (2004) also indicated that over fitting yields overly optimistic model results and the findings from the over fitted model do not really exist in the population and hence can't be replicated.
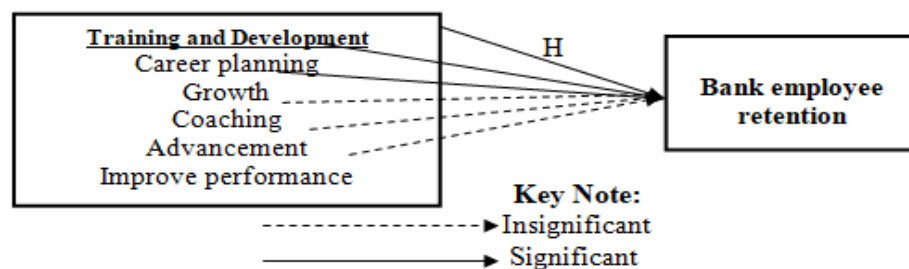
Figure2. *Hypothetical Model for the Study*

2.4. Findings Discussion

The influence of T&Don employee retention among banking institutions have been confirmed in prior retention studies (Ldama and Bazza, 2015; Ahmada, et al., 2015). Thus, employees at the banking institutions can be influenced by training and development. The paper developed one hypothesis that T&Dhave significant influence on employee retention at the banking industry in Dar es Salaam. Findings from binary logistic regression analysis revealed a significant p-value of 0.001 which confirm that there is a significant relationship between T&Dand employee retention. Prior studies (Nyambura and Kamara, 2017;Mathimaran and Kumar, 2017) have supported these results by reporting a significant relationship between training and development and employee retention.So, the support from empirical studies has provided evidence of what the current study confirmed through survey data.

Furthermore, the findings also indicated that the elements namely career planning, growth, coaching, advancement and opportunities to improve performance of T&Dare strongly influencing employee retention at the banking industry in Dar es Salaam. Previous studies, Hong et al. 2012 revealed similar results thatT&Dsuch as career planning; higher qualification, quality improvement, sufficient training and regular training have significant influence on employee retention. Fransis (2014) pointed out that there is a strong link between T&Delements (such as opportunities to improve performance, opportunities to upgrade knowledge and skills, professional development and necessary training) with employee retention. The previous studies and the current study both indicated a strong relationship between training and development elements and employee retention. Despite of the similarities in the findings of this study and previous studies, the results differ in some of the elements of training and development.

For instance, Salman, et al. (2014) argued that promotion, education/training opportunities, growth opportunities, opportunities for training, sufficient time and budget for training and experienced trainers as important elements of training and development that significantly contributed on employee retention while this study couldn't find any support for experienced trainers, promotion, sufficient time and budget for training. The observed differences on the elements of training and development in influencing employee retention may have implication that not all elements are fulfilling and applicable in all contexts. This can be because of the influence of context on the outcome of research (Øvretveit, 2011).

This aligned with the results by Umamaheswari and Krishnan (2016) which revealed an insignificant relationship between training and development and employee retention. The study alsoconcluded that

adoption of retention strategies by an organization with intention to improve employee retention can sometimes lead to insignificant influence on retention. This can imply that the prediction of training and development on employee retention may likely become insignificant if the elements do not cover the needs of employees that would influence their decision to stay. In addition, Zareen et al. (2013) argued that the needs and perceptions of employees are not the same and employees themselves are different as some of them strive for monetary rewards while others desire for authority and involvement in decision making process. This implies that it is important for the management to find out what attributes of training and development are valued most by employees in an organization that can be adopted to influence employee retention.

While the study results make clear that T&D is the base for improving employee retention in the banking industry in Dar es Salaam region, it also revealed that not all attributes are rewarding. This means that despite that coaching, career planning, growth opportunities, opportunities to improve performance and advancement are all together explaining the significant influence of training and development on employee retention in this study, but only two elements namely career planning and growth opportunities were statistically significant with p value of 0.024 and 0.000 respectively.

The empirical results in this paper indicated that career planning is significantly related to employee retention in the banking industry in Dar es Salaam. The results of this paper aligned with Kaur (2015) who revealed that career planning was among the critical variables that influenced employee retention. Rakhra (2018) who did a study on factors influencing employee retention in India also found that career planning contributed significantly on employee retention.

Despite many scholars (Kigo and Gachunga, 2016;Rakhra, 2018) as well as this paper argued that career planning contributes significantly on employee retention, Chew and Girardi (2012) came up with a contrary finding that career planning has no influence on employee retention. This may mean that career planning cannot be taken for granted by management that it can retain employees because it may not be applicable in other contexts. It is therefore crucial to find out what retention strategies are valued most by employees in their context so as to use them to influence retention of employees. On the other hand, this may also have implication that even if there is career management policy in place to ensure career path to employees but if the policy is not practiced by management it may not help to influence employee retention.

Previous studies (Alagusundaram and Raghavan, 2017; Palwasha, et al., 2017) as well as this paperargued that opportunities for growth contributed significantly on employee retention. In Tanzanian context, Muhoho (2014) revealed similar finding that opportunities for employee development strongly influencedretention of employees. Basing on results of the previous scholars and this paper it can be suggested that adequate growth opportunities to employees at the banking institutions in Dar es Salaam can significantly contribute on employee retention. These findings imply that the significance of training and development is simply contributed by career planning and growth opportunities as these were marked as strong retention strategies that helped to increase retention of employees among banks in Dar es Salaam. Therefore, the independent variable training and development and its attributes had significant contribution to bank employee retention.

3. CONCLUSION AND RECOMMENDATION

The paper tested the hypothesis on the influence of training and development on employee retention in the banking industry in Dar es Salaamand developed a model that can be used to explain employee retention specifically on training and development aspects. Grounded on employee retention literature, the study borrowed a factor (construct) from Herzberg (1966) dual factor theorytostudy employee retentionin the banking industry.This study confirmed thattraining and development has significant influence on employee retention at the banking industry in Dar es Salaam. The results from this paper can help bank managers in managing retention of employees especially on aspects of training and development. Moreover, the study pointed out further that career planning and growth opportunities were the most important attributes due to their significance influence, hence, can help in the development and implementation of training and development policies to enhance employee retention.

This study was done in Dar es Salaam region only in Tanzania. In future, additional research on the influence of T&D on employee retention is needed to be conducted in other regions of Tanzania.

Also, the use of other methods such as multiple regression, Structural Equation Modeling and multinomial logistic regression can be applied in future to study employee retention.

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