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THE RELATIVE INFLUENCE OF LEADERSHIP FACTORS ON EMPLOYEE RETENTION IN TANZANIAN LOCAL GOVERNMENT

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ABSTRACT

The success of any organization depends on better retention of its employees. Studies on employee retention have reported on how best the organization can devise strategies for retaining its employees. Accordingly, individual and organizational factors have received significant attention over leadership style as a tool for inducing employee retention, particularly in remote areas. This study explores the existing leadership style and its influence on employee retention at Ikungi District Council Tanzania. Qualitative enquiry using a case study was carried out at Ikungi District. Documentary review and interviews were used to collect data. The data were analysed using content analysis and a thematic approach. The findings indicate that leadership style matter the most in employee retention as the decision to remain with the organization is highly determined by how well the subordinates interact with their supervisors.

Keywords: *Leadership, leadership factors, employee retention, Ikungi District Council.*

JEL Codes: *O43, C45, C52.*

1. INTRODUCTION

There is a growing consensus that the success of any organization depends on its ability to retain its employees (Mahad., et al 2020). It has also been acknowledged that many organizations do not have a proper mechanism for retaining their employees (Mahmood 2018). Technological advancement which leads to industrialization is indeed cited as another factor which fuels the need for employee retention as the growth of technology increases employees' awareness of the organizations where they can sell their labour power more profitably. The notion of employee retention emerged in the 1980s after the relationship between employers and employees became elaborate and led to an increase in the need for a conducive working environment for the employees and hence an increase in the need for organizations

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to devise employee retention strategies (Shao, 2013). In this respect, many organizations have been struggling to make sure that they have the best and most talented people in their organizations through effective retention strategies. In Africa, many organizations both in the private and public sectors have over the years experienced the problem of employee turnover. Accordingly, these organizations have been designing different strategies and incentive packages to retain their employees who are considered the lifeblood of the organizations. In Tanzania and especially in the public service, employee retention strategies began as early as the 1990s when the Government of Tanzania introduced a pay policy and incentives as an integral part of the public service reform program. These policies were meant to motivate and attract public servants to remain in their job positions and perform to the required standards and improve service delivery. Thus, the government increased the salaries and working conditions of public servants in different cadres, it also started providing training opportunities and promotions to employees. Since then, the government has been struggling to create a conducive and attractive environment for public servants.

Past studies identified some organizations-based as well as employees-based factors considered likely to influence employee retention. Organizations can design work-life balance, recognize the employees, improve working conditions, ensure effective carrier development, provide training and ensure job security as strategies to retain employees (Kugler & Pisa 2008). However, other factors beyond organizational control were also identified and these include family factors among others. Overall, organizational-level factors have predominated in studies on employee retention with leadership style as among organizational-level factors receiving little attention in the literature. However, the most important issue here is the trust in and respect for the management team. It is argued that organizations with leaders who appreciate and treat employees with respect, provide compensation, benefits, and rewards that demonstrate respect and care, and encourage employees to stay in the organization (Huselid, 1995 as cited in Mamun & Hasan, 2017). Based on this background the current study: how do leadership factors influence employee retention at Ikungi District Council of Singida region in Tanzania?

2. THEORETICAL PROMISE

The concept of employee retention has been defined in different ways by different authors. Some authors like James and Mathew (2012) define it as a process whereby employees are encouraged to remain in an organization for a maximum period. Others like Das and Baruah (2013) define it as a process whereby employees are encouraged to linger with the firm for a longer period or until the project ends. While others like Lam et al., (2015) define it as the amount of time an employee spends in an organization or a practice the companies adopt to maintain an effective workforce and simultaneously meet operational requirements (Kossive et al., 2016). This article follows the definition by Workforce Planning for Wisconsin State Government (2015) as cited in Kossivi et al, 2020), who defined it as a

systematic effort to create and foster an environment that encourages employees to remain employed by having policies and practices that address employees 'diverse needs. Kossive et al., (2016) catergorise the constructs of employee retention into social, mental and physical dimension in which social dimension involves the contacts of employees with other people both internally and externally where as mental dimension involves flexible work tasks in which employees can use their knowledge and enjoy the results of their efforts in return and the physical dimension consistiues working conditions and remuneration of employees.

Various studies noted that the management of people and leadership styles have a direct influence on an organization's ability to maintain its workforce. How employees view an organization is particularly dependent on their relationship with their supervisors. Participative leadership style is viewed as a contributing factor to employee retention (Duffield, 2003 as cited by Nor, 2018). According to Kroon and Freese (2013), managerial or leadership style plays a significant role in retaining employees in the organization. The management or leadership style in an organization can influence an employee to decide whether to stay or leave the organization. Andrews and Wan (2009) insisted that management and leadership styles can directly or indirectly increase an organization's capacity in retaining employees. Mahadi et al. (2020) categorise leadership styles into transformative and transactional leadership styles. A transformative leader is one with the vision to guide subordinates to change through transformation and inspiration. Such leaders are quite inspiring. The second is the transactional leadership style which is characterized by a leader who expects the subordinates to carry out their duties based on the leader's instruction. They are most likely to apply stick and carrot (reward when duties are properly carried out and punishment if duties are poorly executed). A study by Bycio et al. (1995) revealed that most organizations with a transformational leadership style have a high capacity in retaining their employees, which means that employee turnover is lower compared to the organization with a transactional leadership style. A similar finding is reported by McNeese-Smith (1995) who revealed that leadership has a strong correlation with employee organization commitment and job satisfaction. An employee's intention of leaving or staying in the organization depends more on human factors and less on the organization itself. Employees as human beings are influenced by emotion, thus, any emotion-related factor might influence labour turnover. Poor management causes employee emotional exhaustion which in turn decreases employee motivation and commitment towards the organization, and if it occurs for a long time, an employee may decide to leave the organization. According to Mahadi et al. (2020), a good relationship with the supervisor will bear a positive impact on employee intention to stay in the organization. Considerate leaders will make employees stay longer in the organization. Any employee working in any organization has the will to work with a trustful and respected supervisor, understand them and treat them in a good manner. A good relationship with a supervisor contributes indirectly to other positive values such as receiving good supervisor support and

motivation to perform better in the future. Support could be in terms of guidance, advice, feedback, acknowledgement and the like. This will create a work environment with less stress, improved job satisfaction, increased commitment level and reduces voluntary employee turnover (Mahadi et al., 2020).

3. RESEARCH PURPOSE AND METHODOLOGY

The purpose of this research was to investigate the way leadership style influence employee retention at Ikungi District Council. Qualitative enquiry with a case study design was deemed appropriate for the current study. Ikungi District Council was selected because it is among the new rural district council which has existed for nine years since its establishment. In the past three years, the problem of employee retention at Ikungi District Council became a challenge involving most employees shifting to other organizations. For example, 24 workers left the council for other organizations in the year 2018/2019, and 40 employees followed suit in the year 2019/2020, this was followed by 50 workers who left the council in the year 2020/2021. Four wards (4) which have been highly affected by the problem of employee turnover and three wards with low employee retention were selected to create maximum variety. The selected wards include Mkiwa, Issuna, Unyahati, Ikungi, Dung'unyi, Puma and Utaho.

Methods used for data collection include an in-depth interview and documentary review which involves the analysis of key documents such as personnel policy, pay and incentive policy, motivation policy, minutes of meetings and quarterly and annual performance reports. The interview involved gathering information on the oral and verbal responses of the selected key informants through face-to-face and telephone conversations. The key informants involved in the study included 15 Heads of Departments and 20 heads of units and 50 employees from different departments of Ikungi District Council headquarters. Data analysis involved: content analysis for the reviewed documents and thematic analysis for the interview transcripts.

4. FINDINGS

4.1. Educational Level of Respondents

The education level of the respondents involved in this research varied from primary school level of education to master's degree level. The existence of employees with primary school level of education was based on the fact that in the past 10 years the government allowed the retention of employees in some cadres with primary level of education. These includes, security guards, Ward executives, Village executives and Teachers. Based on the data collected, a master's degree was found

to be the highest level of education for all respendonents and the lowest level was the primary school as indicated in the table below.

Table 1. Educational Level of Respondents

Level of Education	Frequency	Percent
Primary school certificate	7	1.5
Secondary school certificate	27	5.3
Professinal certificate	76	15.1
Diploma	170	33.8
Bachelor Degree	201	39.8
Master's Degree	23	4.5
Total	504	100.0

Source: Ikungi District Council Profile, 2021

The interview further enquired about the experience of the respondents. This question was intended to find out whether the respondents had leadership experience and interaction with subordinates. The results revealed that 10(7.5%) of the respondents who were interviewed had one (1) year working experience, 4(3.0%) had two (2) years of working experience, 16(12.0%) had worked for three (3) years and 12(9.1) had four (4) years working experience. About 16(12.0%) had worked for five (5) years and 75(56.4%) had six (6) and above years of working experience. The result shows that the respondents had enough leadership experience and interaction with their subordinates.

4.2. Leadership and Employee Retention at Ikungi District Council

To understand the existing leadership style and their influence on employee retention, the research did a documentary review of the existing retention policy, the annual and quarterly reports and minutes of the meetings. The review indicates that heads of departments and units who are the leaders at Ikungi District Council follow policy guiding employee retention at Ikungi District Council. They also adhered to the Public Service Standing Order of 2009, the Public Service Act and its regulations, directives and other guidelines directed by the government to motivate and reward employees so as to improve working performance and retain them at the council. Standing order and public service act are general documents used to govern leaders in the public service (public staff) all over the country. The quarterly and annual reports show that the trend of employees leaving Ikungi DC has increased over the years and in the past three years, a total of 61 employees particularly from lower cadres left the organization.

To understand the reason for this huge turnover and whether leadership style had any influence, the research organized an in-depth interview with key respondents who are the employees, head of departments and units. The study established that leadership had a high influence on employee retention. Many respondents cited poor leadership style as a challenge at Ikungi District Council. Leaders do not care much about their subordinates. They just care about themselves. For example, one of the key informants during an interview said,

"... Most of the leaders lack qualities of handling cases, they forget about us; they just care about themselves by being afraid of losing their positions"

These findings are consistent with a study by Bycio et al.(1995 as cited in Mahadi et al. 2020), found that leadership style attributes to employees retention. For example employees in organizations with transformational leadership style had lower intention to quity their organizations as compared to organizations with transactional leadership style which is less inspirational. Further to that, some other studies like that of McNeese-Smith (1995) who found that leadership has a strong relation to employee organizational commitment and job satisfaction. The intention of an employee to leave or stay in the organization depends more on human factors- in this case a leadership style rather than the organization itself.

On the other hand, leadership attributes to other factors which are important for employee retention. For example, the interview with respondents shows that the leadership at Ikungi DC strives to ensure good working environment suitable for employees to enjoy and be attracted to stay and work at Ikungi for a long period. The interview with lower cadre staff revealed further that the working environment had a high influence on employees turnover; most of the respondents especially those in the low cadres reported of working in the very poor environment because their leaders, particularly heads of departments do not ensure a good working environment. For example, one of the respondents during the interview said,

"……… I and my fellow staff do not have an office; we are working under a tree; there is not even money to rent a single room and the leaders are not doing anything."

Similarly, interview findings revealed that staff of lower cadres are working in poor environments and with low salaries. All these combined seem to pose a huge threat to employees retention in an organization such as Ikungi District Council; another respondent in an interview said,

"... I will leave soon as I get a better offer, especially to any government institution".

This is reported to be even worse during the rainy season. It makes it difficult for the staff to conduct official activities. This includes meetings and other issues such as solving cases as this respondent said,

...there are no houses for the staff or for rent to stay in; we have decided to stay far from our working station because we don't have other options for a place to stay near our working station

Therefore, the working conditions of lower cadre staff at IDC are not good. Most of the employees are working in difficult conditions and poor working environments. They lack security, making them risk their lives. All this is because they do not have good leadership. For example, one of the respondents during the interview said*:*

"..... we're collecting revenue during the night with no security or police support, we are risking our lives and the leaders don't seem to care, they just want to see revenue increasing. "

These findings are consistent with the study by Loan-Clarcke et al., (2010) which shows that flexibility working environment and availability of resources influence employee retention but also the study by Wells and Thelen (2002) which shows that organizations with generous human resource policies have a very good chance to satisfy and retains its employees through provision of the appropriate level of privacy and sound control of work environment which enhances the motivation levels and thus boost their long term commitment of employees with the organization.

Furthermore, another factor related to leadership was work-life balance. Concerning this, the respondents were asked to establish whether the leaders allow staff to have free time to perform their private activities. The question was how do official duties affect your private life? Heads of Departments and units interviewed claimed that it is company policy to allow staff in the council to enjoy their private time. This has offered to employees the opportunity of balancing their private life and time for official duties (Interviews- Heads of departments).

The findings show further that the staff do not have a work-life balance. They work for more hours, and sometimes more than 12 hours a day. In most cases, they find themselves working even during weekends. Most of them lack time to perform their private life activities. Thus, this was one of the areas which the respondents suggested for improvement. The problem of leadership was also witnessed in the lack of proper leader–subordinate relations as one of the key informants said during the interview,

"... there is a gap between leaders and lower cadre employees; we lack good communication with our bosses."

In addition, the interview with lower cadre staff revealed that they (leaders) do work up to weekend hours and other work at night. They claimed that the problem is to do with the higher-level leaders who allocate tasks without considering the right time for work. For example, one of the key informants said,

"... we are lacking time to perform our private life activities; most of our time we do perform official works, especially during the revenue collection season" (Interviews- teachers-Ikungi Primary schools, Nurses- Ikungi health centres).

4.3. Leadership and Employee Retention Strategy

The interview in this question was designed to find out if the leaders involve employees in designing retention strategy at Ikungi DC. The findings revealed that the employees are not involved in designing employee strategies. The findings revealed further that the leadership had a problem of lack

of or poor communication between them and the lower cadre's staff. This is because of selfishness and lack of transparency among the leaders and poor participation among employees where few employees are involved in some matters affecting them. Thus the employees are not involved by their leaders in any initiative to develop employee retention strategy (Interview – HOD-Human Resources Management)

Moreover, another factor related to leadership was the development of an employee retention strategy. In this respect, the interview findings revealed that the leaders do not have any motivation package or plan to ensure employee retention. The interview revealed that the leaders do not motivate employees on time. This suggest the absence of motivation strategy which implies a huge gap compared to the previous finding.This means Ikungi DC needs to improve a lot in this area because motivation goes directly with employee retention, failure to motivate employees may cause a great loss. This seems to be one of the biggest factors causing for most employees to leave Ikungi DC (Interview –DED –IDC).

Career development was the last and most important aspect reported by the respondents, who reported not getting the opportunity for growth and enough time for training. For example, during the interview one of the key informants said,

Training for career development is provided at some levels, but it has a poor system (bureaucratic system). They provide opportunities to the people who are closely related to them and perhaps they have the same interests.

In an interview, one of the staff working in the Human Resource and Administrative Department at Ikungi District Council said,

"Training is provided to everyoe who wants to, and the policy is quite clear; what they supposed to do is to follow the procedures when they have the requirements."

These findings are consistent with the study by Caly and Longnick-Hall (2011) and Kroon and Freese, (2013) which shows that the development opportunity for employees can positively increase their commitment to stay in an organization.

5. CONCLUSION

From the study findings and discussion, it can be concluded that leadership is a very important factor in employee retention. This implies that a leader-follower relationship influences the decision of the employee to remain with or leave the organization. In addition, leadership factors such as working environment, work-life balance and carrier development define the factors which create a conducive working environment for local government staff. These factors are equally important for employee retention. Leadership factors provide insights into the leadership constructs which moderate the relationship between leaders and subordinates. Most important in this research is how district

government bureaucracy representing leadership in local government authorities moderate the leader-subordinate relationship. The presence of district leaders who use their power to oppress local government staff at the lower cadre at Ikungi District Council is a good example. Therefore, Ikungi District Council should improve that area of employer-employee relations which can in one way or another improve the retention of employees in the organization. Ikungi District Council should critically look into their policy to identify gaps or problems that need improvement.

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