

**RELATIONSHIP BETWEEN NON-FINANCIAL REWARDS AND RETENTION OF
EMPLOYEES IN BANKING INDUSTRY:**

CASE OF COMMERCIAL RURAL DEVELOPMENT BANK-ARUSHA TANZANIA

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ABSTRACT

The need for this study emanated from the low level of retention of employees in organizations in Tanzania. It is obvious that current retention strategies are weak and inefficient. The study established the relationship between non-financial rewards influence on retention of banking industry employees in private commercial bank. Non-financial reward is one of the two essential categories that are counted in a total reward system by many organizations. The objective of this research was to point out the relationship between non-financial rewards and retention as a viable advantage in retaining their employees in banking sector/minimize the turnover. A descriptive research design was adopted whereby qualitative as well as quantitative research methodology was utilized. The study was a case study of commercial Bank (CRDB) situated in Arusha city in Tanzania. The researcher used non-probability sampling method with census sampling technique

The population of the study was employees of commercial rural development Bank (CRDB) branches in Arusha Tanzania.

Questionnaires were developed to guess the opinion of employees working in the bank industry. A pilot study was carried out for testing accuracy of the research instruments. Through questionnaires data was collected from respondents and qualitatively analysed to give an accurate reflection of the responses. The findings were presented by using of Software Package for Statistical Science (SPSS) and excel program, tables, pie charts, bar and line graphs were also used. In all quantitative data analysis then regression analysis model was used and correlation analysis and its procedures included frequencies, percentages and tables. While all the qualitative data were explored in a description forms.

The findings of this study revealed the strong relationship between the non-financial rewards and employee retention in CRDB bank. Continues improvement, work environments, work life balance and recognition are some of the important aspects to retain employee.

Recommendation of the study is to carry intensive research on the same variables in more than one bank as well as in other business organizations in the country to verify the trend of these research findings in other banks or other business entity for stipulating the reliability of this research finding.

This study explored the non-financial rewards to be so fruitful for the retention of the employee in the CRDB bank in Arusha Tanzania. The regression analysis of the findings showed that all variables carried established the significance level of 0.002. This was concluded that it was ideal for the population parameters as the P-Value is less than 0.05 ($p\text{-value} < 0.05$). The regression model applied indicated that the value adjusted R squared was 0.82 meaning that there was a variation of 82. % on dependent variable due to changes in the independent variable at 95% confident interval. It is therefore recommended that the use of non-financial rewards is so essential in the retention of employee in the bank industry.

Keywords: Non-Financial Rewards, Employee Retention, turnover, Human capital, Banking sector, Performance

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