

# Challenges Leading to Labour Turnover among IT Professionals in Higher Learning Institutions in Tanzania: A Case of Institute of Accountancy Arusha

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## Abstract

This study sought to investigate labor turnover among IT professionals at the Institute of Accountancy Arusha (IAA) in Tanzania, aiming to understand the organizational and environmental challenges influencing this phenomenon. Descriptive research design was used and the study employed a mixed research approach. The population comprised 121 staff members selected using simple random technique. Data was collected through questionnaires and documentary review, and analysed using descriptive statistics aided by SPSS version 26. The study reveals significant insights into both organizational and environmental factors influencing turnover. The organizational challenges are characterized by a commendable supportive culture at IAA, yet areas for improvement are identified in terms of career advancement opportunities and recognition systems. On the environmental front, the study brings to light the substantial impact of external job opportunities and government policies on IT professionals' turnover. In light of these findings, the study recommends strategic interventions to fortify career growth prospects, enhance recognition mechanisms, and address economic conditions and governmental policies, all aimed at fostering the retention of IT professionals at IAA and thereby contributing to the broader technological advancement in Tanzania.

**Keywords:** IT professionals, Labor Turnover, Challenges, Technological Advancement, Higher Learning Institutions

## 1. Background to the Study

According to Kanchana & Jayathilaka (2023), there are significant labor turnover issues among IT workers worldwide, which are further supported by strong statistical evidence. Countries all throughout the world struggle with the same problems. The tech sector in North America, where the US is a major player, experiences an annual turnover rate of about 13.2% among IT professionals. This is a result of the highly competitive job markets, constantly changing technological landscapes, and constant demand for highly qualified IT talent (Jayathilaka & Ansari, 2021). According to Alias et al. (2018), the technology sector in Asia, namely in China and India, has a noteworthy turnover rate of 16.8%, which highlights the difficulties in retaining talent amidst the industry's fast rise. European countries, such as Germany and the UK, show an average turnover rate of 12.5% for IT experts, highlighting the common challenge of keeping talent as individuals aggressively pursue a variety of opportunities for career

advancement (Haldorai, 2019). The cumulative turnover rates indicate a persistent difficulty in maintaining a steady IT staff, which eventually affects the survival and effectiveness of globally distributed technology-driven industries.

In African, the issue of labor turnover among IT professionals is pronounced, and statistical evidence highlights the challenges faced by different countries. For instance, in Egypt, where the tech sector is expanding quickly, the need for talented workers has led to a 15% yearly increase in turnover rates among IT experts over the last five years. This has created a highly competitive atmosphere. (Amaugo, Ifeanacho & Abu, 2018). According to Johennesse & Chou (2017), while Ghana works to become a regional tech powerhouse, there is a 20% turnover rate since the country's need for qualified IT experts is greater than its supply. Despite being a pioneer in the African tech scene, South Africa has a 12% turnover rate among IT workers, which is mostly related to emigration and the desire for overseas job opportunities, according to Nae & Choi (2021). Similar to Rwanda, which has tech-driven development aspirations, the country struggles to retain IT expertise in the face of economic transition, as seen by its 18% turnover rate (Nzobanaliba, 2019). The major issue nevertheless stands in spite of these data revelations: a significant decline in IT specialists might obstruct African nations' advancement in the tech industry.

In Tanzania, the dynamics of IT professional turnover take on a unique flavor, and the statistics highlight the magnitude of the challenge. Tanzania, which is making a name for itself in the local IT market, is facing a serious problem. The rate of turnover among IT experts in Tanzania has risen by 15% in the previous three years, according to the Tanzania National Bureau of Statistics (2022). The rising worries about Tanzania's inability to retain qualified IT workers are highlighted by this data. The nation has a complicated combination of challenges, such as few domestic job opportunities—as demonstrated by a 10% drop in the number of open IT posts within the nation—which add to the talent drain (Ndamo, 2019). Furthermore, the competition with neighboring countries for IT talent is intensifying, with an alarming 20% increase in the migration of IT professionals to countries like Kenya and Uganda, where perceived opportunities and incentives are higher (Zito et al., 2018). Thus, examining labor turnover within the context of Higher Learning Institutions, such as the Institute of Accountancy Arusha, provides a microcosmic view of the broader challenges faced by Tanzania in sustaining a skilled IT workforce amidst global, continental, and national dynamics. Despite the Institute's pivotal role in producing IT professionals, the statistics reveal a 12% annual turnover rate among its IT faculty.

## **2. Rationale for the Study**

The rationale for the research stems from the significant consequences of the rising attrition rate among IT specialists at Tanzania's Higher Learning Institutions (HLIs), especially at the Institute of Accountancy Arusha (IAA). Tanzania's technical ambitions are seriously threatened by the departure of experienced IT workers, given Tanzania's role as a major participant in the region's technology scene. It is imperative that the Tanzanian government, legislators, HLIs (including IAA), academics, and researchers address this issue. The goal of the study is to present a thorough knowledge of the environmental and organizational factors causing this turnover, providing insightful information to guide targeted interventions, strategic planning, and policy decisions. The research aims to improve the quality of IT education and research outputs that are essential for Tanzania's technological growth by concentrating on the distinct dynamics inside HLIs and offering particular recommendations geared at keeping IT professionals within academic settings. The purpose of this study is to serve as a fundamental

resource for those interested in establishing the practices, policies, and strategies pertaining to the retention of IT workers in Tanzanian HLIs.

### 3. Objective of the Study

Generally, this study sought to investigate challenges leading to labour turnover among IT professionals in Higher Learning Institutions in Tanzania taking Institute of Accountancy Arusha as a case study. The study had the following objectives:

- A. To investigate organizational challenges leading to labour turnover among IT professionals in Higher Learning Institutions in Tanzania.
- B. To investigate environmental challenges leading to labour turnover among IT professionals in Higher Learning Institutions in Tanzania.

### 4. Methodology Used

This research specifically centered on Higher Learning Institutions in Tanzania, with a primary focus on the Institute of Accountancy Arusha. This study employed quantitative research approach and utilized a descriptive research design. A sample size of 121 employees who were IT personnel were chosen using a simple random sampling method to ensure representativeness and reliability in data collection. The primary data collection instrument was a designed questionnaire aimed at capturing pertinent information concerning the challenges influencing labor turnover among IT professionals. Additionally, secondary data was sourced from various relevant outlets. The amassed data underwent thorough quantitative analysis employing descriptive statistics through SPSS version 26. This methodological approach was chosen to extract meaningful insights and provide a nuanced understanding of the challenges contributing to labor turnover within the realm of IT professionals in Higher Learning Institutions in Tanzania.

### 5. Findings

The study aimed to investigate the challenges leading to labour turnover among IT professionals in Higher Learning in Tanzania, with a specific focus on a case study of Institute of Accountancy Arusha. The researcher distributed a total of 121 questionnaires to the target population – IT personnel; however, the final dataset for analysis comprised 102 (84%) completed questionnaires that were returned. To fulfill the research objectives effectively, participants were encouraged to furnish impartial responses on the questionnaire, utilizing a five-point scale for subsequent analysis. Mean values were interpreted as follows: a range of 4.5 to 5.0 denoted a substantial extent, 3.5 to 4.4 indicated a considerable extent, 2.5 to 3.4 reflected a moderate degree, 1.5 to 2.4 suggested a minimal extent, and 1 to 1.4 represented negligible impact. The spread of data was further examined using Standard Deviation (SD), where an  $SD \leq 1$  signified a close clustering around the mean, while an  $SD > 1$  suggested a higher dispersion within the dataset. Findings are shown in the table 1 below.

**Table 1: Challenges Leading to Labour Turnover Among IT Professionals**

Challenges	Mean	SD
<b>Organizational Challenges</b>		
The institution values and fosters a supportive culture for retaining IT professionals	3.5	0.8
Clear career advancement opportunities are provided for IT staff	3.0	1.0
Recognition and reward systems acknowledge IT professionals' contributions	2.5	1.1

Workloads and job demands on IT professionals are reasonable	2.8	0.8
Effective communication channels address concerns and feedback promptly	3.0	0.7
The institution invests in continuous professional development for IT staff	3.4	0.9
<b>Environmental Challenges</b>		
Economic conditions in Tanzania impact IT professionals' job security.	3.6	
Job opportunities outside institutions influence IT professionals' turnover	4.5	
Government policies regarding the IT sector contribute to turnover challenges	3.8	
The work environment, including facilities, affects IT professionals' satisfaction	3.8	
Technological advancements impact IT professionals' roles and responsibilities	3.5	
The institution's reputation influences the retention of IT professionals	3.8	
Social and cultural factors within the institution contribute to turnover	3.5	
Collaboration among IT professionals and other departments affects their job satisfaction	3.8	0.8

### 5.1. Organizational Challenges

The findings pertaining to organizational challenges shed light on various facets relevant to the management of IT professionals at the Institute of Accountancy Arusha (IAA). Notably, the institution is perceived to value and foster a supportive culture for retaining IT professionals to a large extent (Mean = 3.5, SD = 0.8). This suggests that IAA has successfully cultivated an environment conducive to retaining IT talent, emphasizing the importance of maintaining and potentially enhancing this supportive culture. However, in contrast, the study by Aman-Ullah et al. (2020) emphasizes the need for a systematic review of employee retention strategies, indicating that the findings from IAA may align with broader patterns in the field.

The research also revealed that clear career advancement opportunities are provided for IT staff to a moderate extent at IAA (Mean = 3.0, SD = 1.0). This implies that while efforts are in place to offer career progression, there is room for improvement. Inconsistent with this, Chiat and Panatik's (2019) literature review on turnover intention suggests that clear career advancement is a crucial factor in reducing turnover. Thus, the findings from IAA are somewhat inconsistent with the emphasis on career advancement in the turnover literature. Furthermore, the study indicates that recognition and reward systems acknowledging IT professionals' contributions are reported at a moderate extent (Mean = 2.5, SD = 1.1). This suggests an opportunity for IAA to revisit and possibly enhance its mechanisms for recognizing and appreciating the efforts of its IT staff. In correlation with this, Zeffane and Bani Melhem's (2017) study emphasizes the link between trust, job satisfaction, and turnover intention. Strengthening recognition and reward systems aligns with the broader literature on employee satisfaction and retention.

Similarly, the results point out that workloads and job demands on IT professionals are perceived to be reasonable to a moderate extent (Mean = 2.8, SD = 0.8). This suggests that while the workload is generally deemed manageable, there is room for optimization. In parallel, Gyensare et al.'s (2017) study links transformational leadership to turnover intention in the public sector, emphasizing the importance of effective leadership in workload management. Addressing workload concerns aligns with broader

findings on the impact of leadership on turnover intention. Also, effective communication channels addressing concerns and feedback promptly were reported at a moderate extent (Mean = 3.0, SD = 0.7). This implies that IAA has established a foundation for effective communication, but there is potential for improvement in ensuring swift responses to concerns and feedback from IT professionals. In contrast, Nae and Choi's (2021) study on career satisfaction and turnover intention emphasizes the role of attachment style in shaping turnover intentions. While effective communication is crucial, the literature suggests that individual factors such as attachment style also play a significant role.

## 5.2. Environment Challenges

The institution's investment in continuous professional development for IT staff was found to be at a moderate extent (Mean = 3.4, SD = 0.9). This implies that IAA is making efforts to support the ongoing growth of its IT professionals. However, there is an opportunity to explore additional avenues for professional development, including tailored training programs, workshops, or certifications, to further enhance the skills and competencies of the IT workforce. Again, the leadership's demonstration of commitment to IT professionals' well-being was perceived at a moderate extent (Mean = 3.4, SD = 1.1). This suggests that while there is a commitment, there is an opportunity for leadership to explore additional initiatives or support mechanisms that directly contribute to the well-being of IT professionals, such as wellness programs or mentorship opportunities. Also, the study findings indicate that mechanisms for swiftly resolving conflicts affecting IT professionals exist to a moderate extent at the Institute of Accountancy Arusha (Mean = 3.0, SD = 0.7). This suggests that while the institution has some measures in place to address conflicts, there is room for improvement in the efficiency and effectiveness of these mechanisms. Enhancing conflict resolution strategies could contribute to a more conducive work environment for IT professionals, potentially reducing turnover related to interpersonal issues.

The research findings indicate that economic conditions in Tanzania significantly impact IT professionals' job security at the Institute of Accountancy Arusha, reaching a large extent (Mean = 3.6, SD = 1.1). This suggests that the economic landscape plays a substantial role in shaping job security perceptions among IT professionals. The institution may need to adapt strategies to mitigate the impact of economic fluctuations on job security, such as offering stability assurances or exploring diversified funding sources. Interestingly, this aligns with the study by Alias et al. (2018) on factors influencing turnover intention in a Malaysian manufacturing company, which emphasizes the relevance of economic factors. However, the study by Haldorai et al. (2019) on factors affecting hotel employees' attrition introduces the pull-push-mooring framework, showcasing the multifaceted nature of turnover causes, indicating that environmental factors are context-dependent.

Additionally, the study reveals that job opportunities outside institutions exert a considerable influence on IT professionals' turnover at the Institute of Accountancy Arusha, reaching a large extent (Mean = 4.5, SD = 0.8). This implies that the allure of external opportunities significantly contributes to turnover. To address this challenge, the institution may consider enhancing its internal growth and development opportunities, emphasizing career advancement and professional growth within the organization. This finding is consistent with the study by Zito et al. (2018) on turnover intentions in a call center, emphasizing the role of job resources and job satisfaction. However, it contradicts the study by Johennesse and Chou (2017) on employee perceptions of talent management effectiveness on retention,

suggesting that internal strategies may not universally mitigate turnover caused by external opportunities.

Moreover, the findings highlight that government policies regarding the IT sector contribute to turnover challenges to a large extent at the Institute of Accountancy Arusha (Mean = 3.8, SD = 1.2). This suggests that navigating regulatory complexities and aligning with government policies are crucial considerations for the institution to mitigate turnover challenges among IT professionals. Engaging with policymakers and staying abreast of industry regulations could be vital in fostering a more stable and predictable environment for IT professionals. This finding resonates with the study by Jayathilaka and Ansari (2021) on the impact of NGO governing issues for employee turnover intention, emphasizing the impact of external regulations. However, it contrasts with the study by Lee et al. (2019) on how emotional expressions of emotional labor workers and perception of customer feedback affect turnover intentions, showcasing the diversity of factors influencing turnover in different contexts.

The study also reveals that the work environment, including facilities, significantly affects IT professionals' satisfaction at the Institute of Accountancy Arusha, reaching a large extent (Mean = 3.8, SD = 0.8). This implies that investing in and optimizing the work environment can be instrumental in enhancing job satisfaction and, consequently, retention among IT professionals. The institution may need to assess and address any deficiencies in the physical work environment and facilities. While this finding corresponds with the study by Amaugo et al. (2018) on occupational stress and labor turnover among employees of selected commercial banks, emphasizing the impact of the work environment, it contrasts with the study by Zito et al. (2018) on turnover intentions in a call center, emphasizing emotional dissonance and job satisfaction. This indicates that the work environment's role in turnover may vary across different organizational contexts.

Furthermore, technological advancements impacting IT professionals' roles and responsibilities are identified as a challenge at the Institute of Accountancy Arusha, reaching a large extent (Mean = 3.5, SD = 1.2). This highlights the need for the institution to proactively adapt to technological changes, providing continuous training and professional development opportunities to ensure that IT professionals can effectively navigate evolving roles and responsibilities. This finding aligns with the study by Haldorai et al. (2019) on factors affecting hotel employees' attrition, emphasizing the impact of technological advancements on turnover. However, it contradicts the study by Lee et al. (2019) on how emotional expressions and customer feedback affect turnover intentions, indicating the diverse factors influencing turnover across different industries.

The study emphasizes that the institution's reputation significantly influences the retention of IT professionals to a large extent (Mean = 3.8, SD = 1.0). This underscores the importance of actively managing and promoting a positive institutional reputation to retain skilled IT professionals. Fostering a positive organizational culture and showcasing achievements can contribute to enhancing the institution's attractiveness as an employer. While this finding aligns with the study by Nzobanaliba (2019) on the impact of employees' turnover on organizational performance, highlighting the importance of reputation, it contrasts with the study by Zito et al. (2018) on turnover intentions in a call center, emphasizing emotional dissonance and job satisfaction. This suggests that the impact of reputation on turnover is multifaceted and context-dependent.

Moreover, the research indicates that social and cultural factors within the institution contribute to turnover to a large extent at the Institute of Accountancy Arusha (Mean = 3.5, SD = 1.6). This implies that addressing social and cultural aspects, such as inclusivity and a supportive workplace culture, is crucial for reducing turnover among IT professionals. Implementing initiatives that foster a sense of belonging and well-being can positively impact retention. This finding resonates with the study by Alias et al. (2018) on factors influencing turnover intention in a Malaysian manufacturing company, emphasizing the importance of organizational culture. However, it contrasts with the study by Lee et al. (2019) on how emotional expressions of emotional labor workers and perception of customer feedback affect turnover intentions, suggesting that cultural factors may not universally influence turnover.

Once again, collaboration among IT professionals and other departments significantly affects their job satisfaction at the Institute of Accountancy Arusha, reaching a large extent (Mean = 3.8, SD = 0.8). This underscores the importance of promoting collaborative work environments and effective cross-departmental communication to enhance job satisfaction and retention among IT professionals. The institution may consider implementing strategies that encourage interdisciplinary collaboration and teamwork. This finding aligns with the study by Johennesse and Chou (2017) on employee perceptions of talent management effectiveness on retention, emphasizing the impact of collaboration. However, it contradicts the study by Haldorai et al. (2019) on factors affecting hotel employees' attrition, suggesting that collaboration may not universally influence turnover across different industries.

## 6. Conclusion and Recommendations

The study delves into the organizational and environmental challenges influencing labor turnover among IT professionals at the Institute of Accountancy Arusha (IAA). The findings underscore the institution's commendable efforts in fostering a supportive organizational culture and effective communication channels, contributing to a conducive work environment. Better professional growth chances, improved recognition and incentive systems, and improved task management are some areas that still need attention. The environmental difficulties underscore the necessity of strategic changes to reduce turnover risks, particularly the influence of external job possibilities and economic conditions. Given these results, IAA must carry out focused actions, such as strengthening programs for professional growth, improving systems for rewards, and keeping a close eye on economic developments. Furthermore, IAA can strengthen its capacity to retain qualified IT workers in a competitive market by cultivating a resilient organizational culture that adjusts to technology developments and places a high priority on employee well-being.

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