Impacts of short term employment contract on employee performance: A case study of government organizations in Tanzania

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Abstract: The main focus of the study was to examine the negative Impacts of short term employment contract on employee performance, a case study of government organizations in Tanzania.

In this study the researcher used qualitative and quantitative method as an instrument of data collection in which questionnaire observation and interview has been used, also the researcher was used a total number of 300 respondents who were government organizations employee, non government organizations employee and other respondents as a sample size to be conducted, finally both primary and secondary data has been applied in the data collection process. The finding reveals that short term employment contract has various negative impacts on employee performance such as reduce employee morale, hamper employee performance, create stressful to employee which are among the many. The paper has give out suggestion on how to solve the problem caused by short term employment contract to employee performance such as change of recruitment policy where by the employee should be employed permanent instead of short term contract, job security should be guaranteed to the workers apart from being employed in short term employment contract, and for employees who have been employed on the bases of short term employment contract should be given reasonable working hours. The study conclude that if the above suggestions are employed the negative impacts caused by short term employment contract will be solved.

Keywords: Short term contract employment, employee performance, government organizations, recruitment policy, Tanzania.

I. Introduction

According to Tanzania law act 14 of 2004 there are three types of contracts which are Permanent contracts, these are a types of contract which have no end date other than the retirement date of the employee. However, in practice, no contract is permanent and college contracts provide for the employment to be ended on both sides by the giving of notice.

Fixed-term contracts, these have an end-date other than the employee’s retirement date. They are often issued to staff in roles funded for a fixed period by an external grant. They will normally last at least six months.

Temporary contracts, such contracts are used for very short periods of employment that are nearly always less than a year, and are often for less than six months.

In Tanzania the Employment and Labor Relations Act provides that a contract with an employee shall be of the following types: Contract for an unspecified period of time. Some people call this type, a permanent contract or open ended contract and a contract for a specific period of time for professionals and managerial cadre. Some people call short time employment contract as a fixed time contract; and a contract for a specific task. (Mugyabuso 2018).

In Tanzania some of government employees have been employed in bases of short term contract where by these have many negative impacts on employee performance in government organizations.

Most of the employee who their employment based on short contract earn small amount of wages, temporary workers are generally employed at lower wage rates and receive fewer fringe benefits than their permanent counterparts (Kalleberg 2000).

There is a general perception among labour relations practitioners that alternative forms of employment, such as fixed term contract of employment and temporary contract of employment, deviate from the traditional ongoing fulltime employment concerning the nature and future existence of the job (Bernhard-Oettel, Sverke et al. 2005). Therefore, they are often assumed associated with dissatisfaction among employees. However, there seems to be lack of quantitative evidence documenting these differences in the quality of jobs by employment contract status (Wooden and Warren 2003).
Short Term Employment is part of the phenomenon of short time employment, often seen as a magnitude of a main push by governments and employers in industrialized countries to improve more flexible labor markets and to reduce labor costs (Rogers 2010). Short term employment can broadly be defined as all employment which is not based on an open-ended and continuous employment contract, but which is limited in time (Kane, Kok et al. 2016). Short term employment is perceived as resulting from continuous changes in the working arrangement around the world and has become a key concern in the last three decades (Foote 2004).

A. Statement of the problem
Short term employment contract have many negative impacts on employee performance such as reduce employee morale, hamper employee performance, create stressful to employee which are among the many. Armstrong argue that despite of the fact that there has been considerable growth of short term employment in organisations around the world and persist a significant feature of contemporary work, there is no clear idea about how it contributes in organization performance. There are doubt about cost and benefits of employees when it comes to the concentration of performance (Armstrong 2009).

There is no clear idea about how it affects the satisfaction, wellbeing and performance of workers. There are doubts about the costs and benefits of temporary employment in that subcontracted workers can be expensive and part-time workers may have higher levels of absenteeism and lack commitment (Armstrong, 2009) to which may cause organization performance to be decreased.

So, this study was intended to identify negative impacts of short term employment contract on employee performance a case study of government organizations in Tanzania.

B. Research question
The following research questions were raised based on the study background:

(i) To what extent does short term employment contract has negative impact on employment performance?
(ii) To what extent short term employment contract affect government organizations performance in Tanzania?

C. Purpose of the study
This study aimed to examine the impact of short term employment contract on employee performance.

D. Significance of the study
The findings of this study will develop some kind of new knowledge to the existing literature on the impact of short term employment contract on employee performance. The conclusions and recommendations based on the research findings would be useful for Tanzania government organizations to understand different problems that are related with the short term employment contract. Finally, this study must open up some new directions leading future researchers for further studies in the same area.

II. Literature review
Dash defined organization as the means to bring existence. Organization is directly connection with planning and effort made by people, it is medium through which goals and objectives envisaged by the administration are achieved. Administration is pre-executive stage while actual execution occurs or should occur at the organizational level. It is the coordinated activities of a group of person constituting the organization to lead the common goals (Kumar and Dash 2011).

As argued by (Damanpour, Walker et al. 2009), Organizational performance includes three particular territories of firm outcomes: monetary execution (profits, return looking into assets, come back on investment), result market execution (sales, market share,) Furthermore shareholder exchange (total shareholder exchange Also budgetary quality included).

(Krogh, Hansen et al. 2009) defined a contract of employment as an agreement on the employment conditions made between an employer and an employee. The agreement can be made orally or in writing and it includes both express and implied terms. Employers and employees are free to negotiate and agree on the terms and conditions of employment provided that they do not violate the provisions of the Employment Ordinance. Any term of an employment contract which purports to extinguish or reduce any right, benefit or protection conferred upon the employee by this Ordinance shall be.

Short term employment is part of the phenomenon of short time employment, often seen as a consequence of a major push by governments and employers in industrialized countries to develop more flexible labor markets and to reduce labor costs (Rogers 2010).

Short term employment can broadly be defined as all employment which is not based on an open-ended and continuous employment contract, but which is limited in time (Kane, Kok et al. 2016).

The findings of (Barbieri and Scherer 2009) and (Naticchioni, Ricci et al. 2010) that recent college graduates are likely to be hired short-term when they first step into the labour market. (Picchio 2008) and (Sacchi and Vesan 2015), who have robustly shown that temporary workers earn systematically less than permanent employees.
III. Methodology

A. Research design
Sampling design is a design, is a working plan that specifies the population frame, sample size, sample selection, and estimation method in detail. Objective of the sampling design is to know the characteristic of the population and present the best conducts for the research to be done.

B. Population
Information was collected from different respondents within government organizations in Tanzania.

C. Data collection method
The study used various scientific data collection methods which include primary and secondary data source. In the primary data information were extracted from respondents through questionnaires and interview. In the secondary data the researcher was collect information from files, books, journals, newspaper and other documents. The use of questionnaires enables with little expense and effort.

D. Validity and Reliability of the instruments
The instrument (questioner) was first checked through the feasibility study to test the applicability and examine the validity and reliability of the instrument before starting the data collection process.

E. Organization of data collection
Data was collected personally through well designed and managed questionnaire from the respondents. The questions were into two forms open and closed ended. The respondent were given the questionnaire for two days and collected for further step of data analysis. The total numbers of respondent were 300 from government organization in Tanzania. The use of questionnaires enables the researcher to survey a large number of participants with little expense and effort (Spector 1997).

F. Data analysis
Data was analyzed by using SPSS trough simple regression analysis to ensure data integrity is accurate and appropriate.

IV. Empirical result and discussion
The total number of the respondents was 300 equivalents to 100% of the targeted sample, female respondent were 107 equivalents to 35.7% and male respondents were 193 equivalents to 64.3%. In terms of age 47% of respondent were between age 35-45 and 30% were between age 46 and above and others were 23%. In terms of the level of education among the most respondents was secondary and university level.

When respondents were asked if short term employee contract has negative impact on employee performance 153 (51%) agree that short term employee contract has negative impact on employee performance, 67 (22.3%) were strongly agree that short term employee contract has negative impact on employee performance, 73 (24.3%) of the respondent said they don’t know if short term employee contract has negative impact on employee performance, 4 (1.3%) disagree that short term employee contract has negative impact on employee performance, 3 (1.1%) strongly disagree that short term employee contract has negative impact on employee performance.

When respondents were asked if reduce of employee morale is one of the negative impact of short term employment contract on employee performance 67 (22.3%) agree that reduce of employee morale is one of the negative impact of short term employment contract on employee performance, 153 (51%) were strongly agree that reduce of employee morale is one of the negative impact of short term employment contract on employee performance,73 (24.3%) of the respondent said they don’t know if reduce of employee morale is one of the negative impact of short term employment contract on employee performance, 3 (1.1%) disagree that reduce of employee morale is one of the negative impact of short term employment contract on employee performance, 4 (1.3%) strongly disagree that that reduce of employee morale is one of the negative impact of short term employment contract on employee performance.

When respondents were asked if short term employee contract hamper employee performance 153 (51%) agree that short term employee contract hamper employee performance, 67 (22.3%) were strongly agree that short term employee contract hamper employee performance, 73 (24.3%) of the respondent said they don’t know if short term employee contract hamper employee performance, 4 (1.3%) disagree that short term employee contract hamper employee performance, 3 (1.1%) strongly disagree that short term employee contract hamper employee performance.

When respondents were asked if short term employment contract create stress to employees 67 (22.3%) agree that short term employment contract create stress to employees, 153 (51%) were strongly agree that short term employment contract create stress to employees, 73 (24.3%) of the respondent said they don’t know if short term employment contract create stress to employees, 3 (1.1%) disagree that short term employment contract create stress to employees, 4 (1.3%) strongly disagree that short term employment contract create stress to employees.

VI. Conclusion
This study aimed to examine negative impacts of short term employment contract on employee performance in government organizations in Tanzania. The paper captioned the impacts of short term employment contract and how affects employee performance and gives the solution on how to solve the negative impacts of short term employment contract on employee performance. The study found that short term employment contract have various negative impact on employee performance such as reduce employee morale, hamper employee performance, create stressful to employee are among the other. The study suggested measures which should be taken to solve the negative impacts of short term employment contract such as change of recruitment policy where by the employee should be employed permanent instead of short term contract, job security should be guaranteed to the employee apart from being employed in short term employment contract, and for employees who have been employed on the bases of short term employment contract should be given reasonable working hours.

**VII. Recommendation**

This study has reviewed the negative effects of short-term employment contract on employee performance in government organizations in Tanzania. To this end, therefore the same study should be carried out in other organizations to find out if the same results will be found. In addition, the study focused on Tanzania government organizations thus a further study needs to be carried out in other organizations and results compared.

**References**


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